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IBTEX No. 30 of 2017 Feb 09, 2017

USD 67.03 | EUR 71.63 | GBP 83.85 | JPY 0.60

Cotton Market Update

Spot Price (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
20007	41850	79.65

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
21000	43927	83.60

International Futures Price

NY ICE USD Cents/lb (March 2017)	75.25
ZCE Cotton: Yuan/MT (May 2017)	16,215
ZCE Cotton: USD Cents/lb	**88.13**
Cotlook A Index – Physical	**84.65**

Cotton & currency guide:

Cotton traded steady across markets on Wednesday's trading session. The both domestic spot and ICE future held almost unchanged from the previous close. For reference the ICE cotton for March ended the session at 75.25 cents per pound while the MCX cotton future in India for February future ended the session at Rs. 20600 per bale. Market is overall quiet and possibly awaiting for fresh trigger while current fundamentals holds the same status that supplies are tight and the demand is steady.

Further on the spot front Interior asking rates for Shankar-6 have been held steady since Tuesday, to be placed at Rs. 42,250 per candy (80.00 US cents per lb, unchanged at the prevailing exchange rate). Punjab J-34 has also been maintained at ₹4,550 per maund, or 82.00 cents per lb. Nationwide, daily seed cotton arrivals are similar to previous day, estimated at over 180,000 lint equivalent bales (170 kgs), including 70,000 from Maharashtra and 40,000 from Gujarat. We expect cotton price to remain steady on today's trading session and the trading range would be Rs. 20500 to Rs. 20,700 per bale

Compiled By Kotak Commodities Research Desk , contact us : research@kotakcommodities.com, Source: Reuters, MCX, Market source

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INTERNATIONAL NEWS

USA: Textile and Apparel Imports Fall as Shipments from India, Mexico Plummet

The Department of Commerce's Office of Textiles and Apparel reports that monthly imports of cotton, wool, manmade fiber, silk blend, and non-cotton vegetable fiber textile and apparel products totaled 4.82 billion square meter equivalents in December, down 6.2 percent from November but up 2.6 percent from December 2015.

Textile imports totalled 2.83 billion SME, down 8.7 percent from November but up 5.6 percent from the previous year, while apparel imports of 1.99 billion SME were down 2.9 percent from November and down 1.5 percent from a year earlier.

For all of 2016 imports were 62.9 billion SME, down 1.0 percent from 2015, as textile imports fell 0.9 percent to 36.0 billion SME and apparel imports lost 1.1 percent to 26.9 billion SME.

With respect to specific sources, imports of textile and apparel products (except cotton and silk blend textiles) saw the following changes in December.

Country	Dec. imports (SME)	Monthly change (%)	Year-on-year change (%)
China	2.34 billion	-6.4	+6.7
India	372.7 million	-12.0	+11.5
Vietnam	353.8 million	+8.3	+6.8
Pakistan	215.2 million	-1.7	-5.1
Mexico	176.1 million	-11.3	+6.3
Bangladesh	161.8 million	+6.4	+0.9
Indonesia	122.2 million	-9.9	-1.0
South Korea	116.4 million	+0.6	+1.3
Honduras	92.6 million	-8.9	-0.1
Canada	71.6 million	-19.7	-3.0

Source: strtrade.com– Feb 09, 2017

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Uzbekistan aims to process all locally produced cotton

Uzbekistan, a major cotton producing country has set a task to process all cotton produced in the country into textiles by 2020, as against 40 per cent of the cotton that is processed currently, and just 7 per cent in 1991. As of date, the country exports textiles to over 50 countries and more recently has begun exports to Nigeria, Croatia, Chile and Brazil.

According to Uzbek media reports, of overall textile exports, yarn shipments account for nearly 50 per cent, which will be gradually replaced with value added textile products.

In order to achieve the goal, the country plans to invest around $2.2 billion, half of which the country expects to come from foreign investments. There is also a plan to build textile complexes, which will house facilities beginning from spinning till processing of fabrics.

The plan is to also create 27,000 new jobs through these investments, while also upgrading 10 existing textile mills.

Source: fibre2fashion.com– Feb 08, 2017

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Vietnam Market Watch: Online Shopping Surging, Supporting Industries Increase Contributions, and 2017 Export Predictions

Online shopping to witness a surge

Vietnam's rising internet population is predicted to boost online shopping in the near future, according to a new KPMG report. Currently 18 percent of consumers purchase goods from online retailers such as Amazon, Lazada, and Nhommua, with 10 percent preferring to buy from a retail shop's website.

Only three percent of buyers prefer a manufacturer or brand's website. As per the report, the top reason for consumers to shop online is the convenience of shopping, followed closely by the ability to compare prices and availability of better deals. While considering a purchase, 9.9 percent of buyers refer to online reviews and feedback.

The report also highlights the significance of offline channels, with 11.5 percent of buyers seeking recommendations from friends and family before making a purchase, while online channels such as social media, online shops, and online reviews were preferred by 8.3 percent, 8.2 percent, and eight percent of buyers, respectively.

In light of this, the report stresses the importance of companies providing privacy protection and better online security to gain consumer's trust. In fact, one of the report's findings indicates that 26.5 percent of buyers regard consumer information protection of utmost importance. To increase product awareness, sellers are also recommended to focus on social media channels and providing online reviews for their products. The research sample consisted of buyers aged 15 to 70 years, having made at least one purchase in the last 12 months, and within the top 65 percent of income earners in the country.

Supporting industry to provide 65 percent of domestic demand by 2025

A comprehensive program to develop Vietnam's supporting industries was approved by the government recently, which will allow supporting industries to contribute to 45 percent of domestic production by 2020 and 65 percent by 2025.

Supporting industries refer to those that produce materials, parts and components, accessories, and semi-products to supply to manufacturing or assembling industries producing final goods. The manufacturing industry is vital for Vietnam's industrialization by 2020. Industries in focus are the textile-garment and footwear industry, hi-tech industry, and suppliers of components and spare parts.

Exports predicted to continue to rise in 2017

The Mekong Delta region aims to generate US$15 billion (VND 336 trillion) from 2017 exports, an increase of 9.4 percent over the previous year's exports of US$13.7 billion (VND 307.5 trillion).

Major commodities exported last year include seafood, rice, processed food, garment and textile, footwear, and handicraft.

The region is responsible for 60 percent of Vietnam's seafood exports and more than 90 percent of its rice shipments. The Mekong Delta province aims to foster technical innovations to improve its production capacities and will focus on exports of high-value goods rather than low-value farm products.

Seafood exports in 2017 are expected to rise by five percent to US$7.5 billion (VND 168 trillion) from US$7.05 billion (VND 152.8 trillion) in 2016, in spite of difficulties such as reduced output owing to climate change, increase in minimum wage, labor shortage, and competition from other exporters such as India, Thailand, and Indonesia.

In the manufacturing sector, Vietnam's smartphone exports in 2016 were fueled by foreign investments and accounted for 27.1 percent of Vietnam's total exports at a value of US$34.32 billion (VND 744 trillion).

Smartphone exports are predicted to rise by 13.6 percent to US$39 billion (VND 845.4 trillion) in 2017. Samsung is a major manufacturer in the country, with investments totaling over US$15 billion (VND 336 trillion). Vietnam accounts for 35 percent of all Samsung phones assembled globally and the country is rapidly becoming a smartphone manufacturing hub.

Vietnam's overall exports in 2016 rose by nine percent to US$176.6 billion (VND 3,955.84 trillion), while imports increased by 5.2 percent to US$174.11 billion (VND 3,774.25 trillion).

Source: vietnam-briefing.com – Feb 08, 2017

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Myanmar govt body suggests setting up garment units in Sittwe

The Myanmar Investment Commission (MIC) has suggested that apparel stitching factories be set up in Ponnakyun, Sittwe in a bid to create job opportunities for local people and also stop migration.

MIC has recommended several fiscal incentives for companies interested in starting projects in Sittwe, to encourage investment in a less developed region.

A MIC statement informed that these incentives include an income tax exemption for seven years and exemption on customs duties and local taxes, on import of raw materials and partially manufactured goods.

The relaxation of duties and taxes would be for those companies, who import raw materials to export finished goods.

The statement also said that since the region was underdeveloped in terms of infrastructure; the investors should be allowed to use the land free of charge, which will help attract investors.

The state owned investment body also recommended that an apparel manufacturing facility be built by a public company, in cooperation with an existing garment factory.

Source: fibre2fashion.com– Feb 08, 2017

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Drop in interest of Pakistani mills in Indian cotton amid unusual hike in price

Chairman of Pakistan Cotton Ginners Forum Ihsan ul Haq stated that Department of Plant Protection (DPP) halted cotton imports from India via the Wagah border crossing amid rising tensions between the two countries.

However, the ban has been lifted after period of eight months and Pakistani authorities have permitted import of cotton via Wagah Border Crossing.

Pakistan resumed cotton imports from India via Wagah border crossing after period of eight months.

But there has been a significant drop in interest of Pakistani mills owners in Indian cotton amid unusual hike in price.

Current report of International Cotton Advisory Committee (ICAC) reveals that per hectare production of cotton in Pakistan remained record 25pc higher than India in cotton year 2016-17.

In cotton year 2016-17, per hectare production of cotton in Pakistan remained at 699 kilogram whereas in India it remained at 560 kilogram.

ICAC further forecasted that per hectare production of cotton in Pakistan would remain 40pc higher than India in cotton year 2017-18.

ICAC said that in cotton year 2017-18, per hectare production of cotton in Pakistan would increase to 739kg while cotton production from 0.1 million tonnes to 1.9 million tonnes whereas in India per hectare production would decrease to 530kg and cotton production would soar by 0.1 million tonnes to 6 tonnes.

Source: yarnsandfibers.com– Feb 08, 2017

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Africa Sourcing & Fashion Week 2017 coming this October in Ethiopia

Africa's main trade show, Africa Sourcing & Fashion Week 2017 third edition is the largest trade show for the cotton, textile, apparel, home and technology industry, and the best platform for the sourcing solution in Africa will take place this October in Ethiopia.

The largest exhibiting nations Turkey, the United Arabic Emirates, Tansania, Sri Lanka, Bangladesh, India, Italy and Germany will be coming to Ethiopia. Apparel fabrics, leather goods, fashion and fashionable accessories will be the main items on display.

Africa Sourcing & Fashion Week supports African designer through a promotion platform and brings them together with international buyers.
Manufacturers who are ready to produce the ordered designs will be part of the triangle. The African designers will present new design created in collaboration with international designers.

At Africa Sourcing & Fashion Week, they will be highlighting SUSTAINIBILITY within the conference and the exhibition in collaboration with valued partners and experts within this segment.

World´s leading trade shows Texworld, Apparel Sourcing and Texprocess Exhibitions, organised by Messe Frankfurt Exhibition GmbH, will also be at the event in Ethiopia and partner with Africa Sourcing & Fashion Week.

This partnership does not only have an impact on quality and quantity of exhibitors but also on the international buyers network. Messe Frankfurt is world´s leading trade show organizer and leading organizer of textile value chain exhibitions.

The following companies have already confirmed their participation: Almeda Textile, Atraco, Baykar Tekstil, Else Textile, Indochina Textile, Maa Garment, MNS, Özkan Textile, Tür Ip Tekstil, Velocity and YKK. Home and household textile providers will also be presented, such as Sammi Deluxe Leather, Samra Leather, Unido – Lomi Leather and Village Industries.

Africa Sourcing & Fashion Week 2017 will take place from 3-6 October in Millennium Hall, Off Africa Avenue, Addis Ababa in Ethiopia.

Source: yarnsandfibers.com– Feb 08, 2017

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Bangladesh: Innovative financing to achieve garment export target

The government has set a target for the garment industry to reach $50bn of annual exports by 2021, the 50th anniversary of the founding of the nation. This is a demanding target requiring $20bn of annual volumes to be added. Every RMG export transaction implies (approximately) a six-month working capital requirement. This is typically the time period between the initial purchase order by exporter and the sale of garments for cash in the retail shop of the buyer.

The growth target of US$20bn per annum implies an incremental working capital requirement of around US$10bn.The additional investment in land, building and machinery are much higher.

The present local and foreign currency may not be sufficient to support such huge transactions. The buyers are increasingly reluctant to provide funding to their suppliers - preferring to work with deferred payment and open account (so they can sell the garments before they pay for them). This means that the working capital requirement has to be met in the exporting country.

Achieving this will require a combination of measures, including (a) the cash resources already available to the various importers and exporters, (b) large amounts of available banking lines (domestically/internationally), and (c) the involvement of independent third parties (such as import and export factors and trade finance companies).

Some advanced financial products have recently been introduced in the global financial market to solve the problem of shortage of working capital for both buyers and sellers. These products are: International Trade Finance (ITF) and Factoring.

These are identical products and successfully serve the purposes of the buyers and sellers. One of the easiest and cheapest ways for suppliers to find working capital is to work with an international trade finance company (ITFC) and Factoring companies.

The current trend in garment export is to avoid Letter of Credit (Lc) and against export contract between exporters and importers. The contract sale is also called open account transaction. It is a standard practice of deferred payment. The payment against a contract with deferred payment may create a vulnerable situation for garment exporters because of possible risks of stock lot (refusal by buyer), discount to accept the consignment and even non-payment.

A garment factory and a buyer agree on their purchase order, perhaps with 90 days deferred payment after the shipment date, and on open account. This is what buyers typically demand today for incremental orders; 90 days deferral allows them to pay for the goods after selling them.

The International Trade Finance Companies (ITFCs) has come up with a good solution. Upon agreement with the garment factory, an ITFC arranges a sight payment guarantee (which can be drawn on it, or can be in the form of a sight LC from overseas bankers). The buyer is not involved in this process.

Once the goods are shipped, the ITFC purchases the invoice at sight of the documents, paying at least 95 per cent in cash. It takes the responsibility for collecting from the buyer on the due date of the invoice at its risk. This arrangement secures the payment for exporter and their bankers.

The ITFC may also have another contract with buyers to arrange deferred payment against contract with exporters. ITF products are based upon Direct Import Factoring but also include (and are integrated with) additional services, such as arranging sight letters of credit in favour of exporters upon request of the exporter, managing currency risks (where purchase orders are not in USD), and documentary collections.

KEY FEATURES OF ITF SERVICES: The buyer and factory both get what they need, without changing their operational procedures. There is no credit risk on seller, because ITFC pays in cash at sight at least 95 per cent of the invoice face value to the factory.

ITF service is in full compliance with both the form and substance of Foreign Exchange Regulations. The income and services provided by local banks in support of the factory are unchanged.

ITF is very close to International Factoring, a similar trade finance mechanism. The Factoring involves contract between buyer and a local Factoring company and another contract between seller and local Factoring company. These two contracts are supported by two factoring companies in exporter's and importer's countries.

The method of Factoring involve: (1) the exporter ships the goods to his importer, (2) the exporter assigns his invoices to the import factor, who assumes the credit risk, provided this has been agreed to beforehand, (3) the import factor handles the accounts receivable in accordance with the sales contract between the exporter and the importer, (4) the importer pays the import factor on the due date, and (5) the import factor forwards the payment to the exporter, possibly deducting the agent's commission.

ITFCs perfectly bridge the gap between what the supplier needs and what the buyer prefers to offer. It is a unique finance product to meet the requirement of exporters and bankers in Bangladesh under Foreign Exchange Regulation Act, 1947 and undertake the risk of payment of buyers.

At present a British company PrimaDollar Operations Ltd and a German company DS Concept are active with two financial products - Factoring and ITF in Bangladesh. Both of these two companies have their liaison offices in the country.

Introduction of Factoring requires policy support and specific regulations which are yet to be formulated by the Government.

Source: thefinancialexpress-bd.com– Feb 08, 2017

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Cambodian exports to US down

Cambodia's total exports to the United States declined last year compared with 2015, due to uncertainties in the US presidential race and rising exports from Vietnam and new market player Myanmar.

According to figures from the Office of the US Trade Representative, total exports from Cambodia to the United States were more than $2.8 billion last year compared with more than $ $3 billion in 2015 – a decline of about seven percent.

Seung Sophary, spokesperson for the Ministry of Commerce, told Khmer Times yesterday that exports went down due to a fall in American consumer demand for overseas products in the latter part of 2016, due to uncertainties in the US presidential race.

"The American people were tightening their belts to brace for the worse in the race between the two candidates. There was high uncertainty and this affected their desire to buy imported goods," said Ms. Sophary.

"Now that the election is over, things hopefully will return to normal. The American people have got a new president."

Kaing Monika, deputy director- general of the Garment Manufacturers Association of Cambodia, said that Cambodian garment exports to the US were also facing stiff competition from Vietnam and Myanmar.

The US is Cambodia's second largest export market for garments, after the European Union.

"One of the biggest challenges we face now is from Vietnam," said Mr. Monika. "They are now the second biggest supplier of garments to the US. Their wage levels are on par with ours and this makes it difficult for us to compete in terms of cost."

The minimum wage in the garment and textile industry has been increasing year-on-year over the past few years. The new minimum monthly wage for garment workers this year is $153, up from $140 last year.

But Cambodia's fears that it would lose its competitiveness in the garment industry have been abated, for the time being, with new US President Donald Trump's executive order pulling the US out of the Trans-Pacific Partnership (TPP).

The TPP would have eliminated most tariffs in the garment sector and there were fears that Cambodia's garment exports would lose out in favor of Vietnam – which was set to benefit from the slashed tariffs as one of the 12 Pacific-rim countries that signed on the deal and was close to ratifying it in its legislature.

Mr. Monika said the "dark horse" in the garment trade is Myanmar which has "come out strong with an aggressive and concrete master plan."

"It has joined the club, eating into some of our US orders."

Last year, according to the Myanmar Garment Manufacturers Association, the Myanmar apparel industry operating under the cut-make-pack system exported more than $1 billion worth of clothing. This was a massive 145 percent increase, compared with exports totalling $408 million in 2015.

Source: khmertimeskh.com– Feb 09, 2017

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NATIONAL NEWS

Peru Free Trade Agreement could help India diversify in Latin America region

A proposed comprehensive free trade agreement (FTA) between India and Peru covering goods, services and investments may not only raise India's export volumes to the western South American nation but also the latter's various preferential trade partners.

The share of India's merchandise exports to Latin America was barely 2.9% of the country's total goods exports in 2015-16, down from 3.7% in the previous fiscal.

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The below-potential trade volume is despite the fact that India's export of goods to the Latin American region grew 10-fold during 2000-09, benefiting from declining transport costs. So with an FTA with Peru, Indian exporters can get easier access to Peru's preferential markets like Mexico and Argentina with lower import tariffs.

At present, India's bilateral trade to the Latam region is heavily concentrated in Brazil, with more than 35% of Indian goods landing in the country in 2015-16. Peru was the third-largest destination for Indian goods in the region with exports of $703.12 million during 2015-16.

An FTA with Peru was originally thought of as test case to leverage the markets of the latter's preferential trade partners in the region, observed Sandip Samaddar, head, Americas, Federation of Indian Chamber of Commerce (FICCI).

Peru has preferential trading arrangement with about 53 countries. Given the fact that nearly 95% of Peru's exports are covered by FTAs, this seems to be viable strategy.

In order to implement this strategy, Indian companies have to aggressively integrate with the regional value chains in the Latin American region.

This requires resource commitment from companies and a well-laid-out plan that would bear fruit only in the long run.

India's export basket to Peru is concentrated in goods only from a few sectors such as automobiles, motorcycles, steel items and cotton yarn, among others.

An FTA has the potential to accelerate the current pace of exports of these products through tariff cuts, lowering/eliminating non tariff barriers, in addition to bilateral cooperation in other relevant areas. A study conducted by FICCI found that altogether, a total of 1,320 products represent India's offensive interest vis-à-vis Peru under the proposed bilateral FTA.

India may consider these sets of products on which it can seek tariff cuts from Peru to gain market access. Peru is also one of the heaviest users of non-tariff measures (NTMs) in the South American region. Simply, reduction of tariffs on export items that attract relatively high instances of NTMs would not raise it exports levels.

Appropriate action needs be taken according to the exact nature and rationale of the NTMs, and acquisition of sufficient policy space which would have to be negotiated with Peru to prevent adverse impact on exports due to application of NTMs. For instance, early warning systems, fast-track resolution mechanisms etc would have to be provisioned within the trade agreement.

Among all the NTMs imposed on Indian exports, SPS and TBT measures (commonly known as technical regulations) are the most frequently used ones. They deal with product quality and standards, which countries sometimes impose in the manner that imports become uncompetitive and the domestic industry is protected.

Besides product standards, there are other non-tariff issues such as language barriers, interpretation of laws etc that prevent smaller exporters from the entering domestic market by raising the cost of compliance, thereby hurting competitiveness.

Source: financialexpress.com- Feb 08, 2017

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Textile mills write to PM on GST

Over 400 textile mills in the State have written to Prime Minister Narendra Modi seeking levy of the minimum five per cent tax for the entire textile value chain under Goods and Services Tax (GST).

According to Prabhu Damodaran, secretary of Indian Texpreneurs Federation, since Monday morning 471 mills have written to the Prime Minister on this issue through the My Government portal.

"We have made representations to the Union Government through the association on the GST. Since this is a very important reform and to draw the attention of the Prime Minister to the textile sector, we decided that individual mills will also write to the Prime Minister on this," he said.

There are several personnel involved in the GST council and many discussions take place.

The demands of the industry should be met completely so that there is no issue when the GST is implemented.

The association has two major demands - the levy of GST should be five per cent from raw material to the finished product in the textile value chain.

It should not be higher for any product and no segment in the value chain should be exempted from the GST system too, he said.

Several garment manufacturers in Tirupur have also written to the Prime Minister in this regard, he added.

Source: thehindu.com - Feb 08, 2017

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Weavers out in cold as govt cuts uniform scheme down to size

In one fell swoop, the government seems to have removed the moribund traditional handloom sector off life support. Just when the traditional weavers in the state were catching the whiff of revival, the government has decided to scale down its ambitious programme to provide handloom materials to schools under its ‘free khadi uniform scheme’.

Hundreds of disgruntled weavers have already deserted the sector citing poor wages and a dearth of work. The Education Department had initially planned to supply handloom materials to all students from Class I to VIII in both government and aided schools. Realising it was a tall order, the department has now limited the scheme to those government schools which have only Classes from I to V.

The fallout? The number of beneficiaries this year has dwindled by one-tenth - from around 35 lakh students to around 3.5-4 lakh. The demand for handloom materials has also plummeted from 1.3 crore metres to 16 lakh metres.

Reality check

A visit by ‘Express’ team to one of the handloom units in Balaramapuram confirmed the abysmal state of affairs of weaving units. At the Mangalathukonam Handloom Weavers’ Industrial Cooperative Society, barely 10 out of the 100 looms were in working condition. “It’s difficult to get workers here.

Though there are 275 members, hardly 10 turn up for work. Many are fuming over pending wages. Though we have tried to convince them that wages for uniform-related work would be duly credited to their bank accounts, they are highly sceptical,” said Ashok Kumar V, secretary of the society.

Manpower crunch

The uniform scheme is being implemented by the Directorate of Handlooms and Textiles under the Industries Department.

According to officials, the shortage of weavers has prompted the government to slash the number of beneficiaries. “The initial scheme would have required 1.3 crore metres of handloom material.

The production of so much material in such a short span of time was impossible given the fact we have only around 3,000 weavers at our disposal,” said K Sudhir, Director of Handlooms and Textiles.

According to an official with the Industries Department, a weaver who earns around D200 per day will see his daily wages rise to D400-450 once the work begins in full swing. “This means an assured income of around D13,000 per month. This would prompt workers who have deserted the sector to return,” the official said.

Weavers sceptical

Secretary of State Handloom Protection Forum K Satheesh Kumar said achieving a revised target of 16 lakh metres using 3,200 traditional weavers in the next four months was near-impossible.

He expressed doubts whether the remaining clothing could be bought from power loom manufacturers at cheap rates. “How can this be seen as a move to help the traditional sector?

The government should have focussed on reviving the ailing cooperative handloom units first before embarking on such ambitious plans,” he said.

Source: newindianexpress.com – Feb 09, 2017

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RBI likely to hold interest rates at today's monetary policy review: Report

In this connection, while state-run oil marketers failed to make the fortnightly revision in transport fuel prices due last week, the Indian basket of crude oils closed trade on the last trading day on Thursday at over $55 a barrel, latest official data showed.

With global oil prices firming up following the output cut by producers from last month, Brent crude traded at $56.94 a barrel on Friday, while the US West Texas Intermediate traded at $53.95.

Rising oil prices present a challenge to India's growth, the Economic Survey presented in Parliament last week said.

"Price of crude oil (Indian basket) has increased from $39.9 in April 2016 to $52.7 in December 2016. For the next financial year, the recent uptick in global commodity prices, in particular crude oil prices, pose an upside risk," the Survey said.

Meanwhile, expectations of a rate cut by the RBI were provoked by a key macro-economic data showing services sector contracting for the third straight month in January.

The Nikkei Services Purchasing Managers' Index (PMI) survey showed that input cost inflation slowed since December, while average selling prices contracted again, which may prompt the RBI to be "accommodative" at its forthcoming monetary policy review.

"PMI price indicators point to relatively muted inflationary pressures in the private sector economy. As such, there is room for accommodative monetary policy," the report said.

The MPC is meeting over two days from Tuesday and the review will be announced on Wednesday afternoon.

Source: indiatvnews.com - Feb 08, 2017

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BTRA organising 57th Joint Technological Conference

Bombay Textile Research Association (BTRA) is organising the 57th Joint Technological Conference in Mumbai on February 17-18, 2017. This conference is held every year by each of the Indian textile research associations (TRA) in rotation. Dr Kavita Gupta, textile commissioner, has given her consent to be the chief guest at this year's conference.

Ahmedabad Textile Industry's Research Association (ATIRA), South India Textile Research Association (SITRA) and Northern India Textile Research Association (NITRA) will participate in the conference along with BTRA.

The papers for presentation in this premier conference will be based on recent R&D trends and of immediate importance to the industries in all major textile areas from the four TRAs. The conference provides threadbare discussions on R&D carried out by the four TRAs and the possibility of adopting them in the industry.

BTRA is planning to have a dedicated session on "Geosynthetics" and 12 papers will be presented on it. This particular session is jointly being organised with the office of the textile commissioner, ministry of textiles.

Besides Geosynthetics, other topics like eco-friendly fabrics, emerging areas in the textile industry, product development, protective textiles and spinning among others will also be covered at the conference.

German textile machinery manufacturing companies have shown interest in participating in this conference by way of presentation and networking with the participants.

Source: cottonyarnmarket.net - Feb 08, 2017

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Jharkhand Global Investments Summit to begin on Feb 16

The Jharkhand Global Investments Summit to be held on 16-17 February is being organized to increase per capital income, growth rate and gross domestic product of the state which will be addressed by Prime Minister Narendra Modi through video conferencing on February 16, said Jharkhand Chief Minister Raghubar Das.

Apart from well-known forty industrialists, 12 to 15 central ministers a would grace the occasion. Also teams from China and Australia would take part in the two-day summit.

Das said that Japan, Czech Republic, Tunisia and Mongolia would be partner countries for the summit and 2,500 delegates from across the globe are expected to be present.

Das said that an Investment Promotion Board would be set up and it would meet every month and any bottleneck would be removed.

Industrialists from Jharkhand could expand their business through business-to-business meetings and they could put their proposals on Momentum Jharkhand Portal's B-to-B indicator.

Das said that a Bhoomi pujan would be held in March to set up textile industry in Jharkhand, and the proposed port at Sahibganj would help grow business. The construction of AIIMS at Deoghar would help people in eight to nine districts.

Source: yarnsandfibers.com - Feb 08, 2017

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Cotton prices soar, fail to lift farmers' spirits

The rise in cotton prices hardly seems to have brought cheer to the farmers this year. The prices have increased by more than Rs 1,000 per quintal this month.

The cotton farmers got Rs 5,100-5,400 per quintal in December. The prices witnessed fluctuation in January and have rose to Rs 6,050 per quintal at present.

In February last year, the maximum price for BT cotton was Rs 4,690 per quintal and the minimum was Rs 4,300.

This year, the maximum price is Rs 6,005 and the minimum is Rs 5,000.

Last year till February 6, around 3,82,432 quintals of cotton was purchased whereas this year till February 6, 5,62,585 quintals of cotton has been purchased by private players.

In comparison to the last year, the arrival of cotton in district this year has witnessed only a small rise with 3,261 quintals of cotton arriving on February 6 whereas it was 3,050 quintals on February 6, 2016.

The cotton is being purchased from grain markets of Bathinda, Rampura, Bhucho, Goniana, Maur, Rama, Sangat, Bhagta Bhaika, Talwandi Sabo and Nathana blocks of the district.

The arrivals are expected to continue till April this year.

The CCI is expecting the arrival of 8.90 lakh bales in Punjab. The Union government has announced the minimum support price (MSP) for cotton, which is grown widely in Punjab, at Rs 4,060 per quintal.

"Nearly 4,000 bales are arriving in mandis every day on an average. In comparison to the last season, both the arrival and price of cotton has witnessed an increase," said district mandi officer, Bathinda, Kuldip Singh Brar.

In 2015-16, a number of farmers committed suicide following 70 per cent damage to the cotton crop in the entire cotton belt of Punjab.

The farmers had then alleged that whitefly could not be controlled despite using the government recommended pesticide Oberon as they claimed that it was spurious.

The government conducted raids at pesticides shops and godowns and found spurious pesticides being sold to farmers.

A number of pesticide samples were collected that couldn't pass the tests.
The state government then also suspended its agriculture director Mangal Singh Sandhu over the alleged scam of pesticides and registered a case against him.

Farmers then launched an agitation demanding compensation to the families of farmers who committed suicide, besides compensation of Rs 40,000 per acre to every farmer whose crop suffered damage due to the whitefly attack.

The government announced Rs 8,000 per acre as compensation. Compensation to farm labourers was also announced but a large number of them could not get it.

Bhartiya Kisan Union (Ugrahan), Bathinda president, Shingara Singh Mann, said, "Private players, who have already purchased cotton from farmers when the prices were low, will make profits. It's the plan of the government to ruin the farmers.

Initially, the prices were low and when all cotton has been purchased from farmers, the prices have increased. There might not be a single farmer who has not sold his cotton yield."

Source: tribuneindia.com - Feb 09, 2017

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Knitwear exporters dejected over RBI decision on repo rate

The Tirupur Exporters' Association (TEA) today said the Reserve Bank of India's decision to keep the repo rate unchanged at 6.25 per cent has disappointed the exporting community, which was expecting a reduction in interest rate, post demonetisation.

The reduction in interest rate is the most important at this juncture to increase the competitiveness of apparel sector at a time when the export growth rate is a meagre 3.54 per cent for the nine months period of this fiscal year 2016 -17, TEA president, Raja M Shanmugham said in a statement.

"The sixth bi-monthly Monetary Policy statement for the year 2016-17 today announced that it has maintained the repo rate at 6.25 per cent, which is disappointing to the exporting community," he said.

In the Economic Survey 2016-17, first time a chapter was allocated to apparel, leather and footwear considering their contribution to the economy, exports and employment and added that the growth of this employment intensive sector could be possible only when they get borrowings at lower rate, he pointed out.

Shanmugham further said that it was the right time for the knitwear sector to capture the market leaving from China, due to increase in cost of manufacturing and specifically noted "once we miss the bus, those market will be dented by our competing countries like Bangladesh, Vietnam, Indonesia and Cambodia."

He expressed hope that the Monetary Policy Committee, RBI would consider the industry's request in the first bi monthly policy next year and that it would be impetus for the sector.

Source: financialexpress.com - Feb 08, 2017

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Amazon India gung-ho on kids apparel & footwear categories

Online retailer Amazon India expects its selection for children in the fashion category, to drive significant growth. Amazon Fashion India has inked partnerships with various brands and also launched exclusive products, in a bid to increase traffic from current Amazon shoppers, for the apparel and footwear range, for children between 0 and 14 years.

A leading daily quoted Arun Sirdeshmukh, head at Amazon Fashion India as saying that their share of buyers in the mid-30 years bracket is high, who are also likely to be parents.

“The percentage of these people shopping with us on other verticals is high and this is a natural extension,” he added.

According to Amazon India, the kids fashion segment rose 2.5 times in volume terms in 2016 and during the ‘Great Indian’ sales promotions, volume grew six times as against the run-rate on normal days.

The online retailer introduced more than 30 brands in the children’s clothing and footwear categories in 2016, like Puma Kids, French Connection, Tommy Hilfiger, etc.

Source: fibre2fashion.com - Feb 08, 2017

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