iBtex. TEXTILE INTELLIGENCE CENTRE
INFORMATION BUREAU TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
The Cotton Textiles Export Promotion Council [TEXPROCIL]
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State. INDIA
W. www.texprocil.org E. enews@texprocil.org T. +91-22-2363 2910 to 12 F. +91-22-2363 2914

IBTEX No. 43 of 2017 Mar 01, 2017

USD 66.84 | EUR 70.54 | GBP 82.69 | JPY 0.59

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
20389	42650	**81.40**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
21060	44053	**84.08**

International Futures Price

NY ICE USD Cents/lb (March 2017)	75.33
ZCE Cotton: Yuan/MT (May 2017)	16,355
ZCE Cotton: USD Cents/lb	**88.54**
Cotlook A Index – Physical	**85**

Cotton & currency guide:

The cotton market moved exaggeratedly positive and its time that price should see correcting down side. The expectation of higher supply from India with average daily arrivals surpassing 200,000 bales and fresh demand near Rs. 43,000 looks unlikely. We believe market should follow a process of correction. This remains our slogan in the near term. Nonetheless we have to see how the global counterpart performs.

The ICE May cotton future has started to correct a tad down. On Tuesday the counter ended slightly lower at 76.34 cents off from the recent high of 77.50 cents. We believe there can be two scenarios either the domestic cotton price may continue to trade down with higher supply and modest demand and move independently to the global markets or international cotton price may witness correction with rising USD against major currencies or profit booking by the funds from higher levels.

We believe cotton price should remain corrected on today's trading session. From the price perspective the domestic cotton spot price for S-6 variety may trade in the range of Rs. 42900 to Rs. 43,000 per candy slightly lower from the previous day's positive movement.

Therefore, the March future contract at MCX may trade in the range of Rs. 20850 to Rs. 21070 and recommend selling from higher levels. However, the actual arrivals quoted on Tuesday were at 170,000 bales including 42,000 from Gujarat and 65,000 from Maharashtra.

In the meanwhile, Chinese cotton price is trading down this morning by 120 Yuan and quoted at 15,655 Yuan/MT. Also the ICE cotton for May is down by 017% at 76.21 cents/lb indicating domestic cotton price may remain a bit downward on today's trading session.

From the news, Cotton yarn imports (85 percent cotton or more by weight, excluding re-imports of Chinese-spun yarn) amounted to 160,612 tonnes during January. That total marked a decrease from the 183,985 tonnes recorded the previous month, which was the highest since September 2015.

However, January's total was comfortably above the average monthly total for calendar 2016, just below 149,000 tonnes.

Overall for the day we expect cotton price in India to trade in the range of Rs. 20850 to Rs. 21070 per bale. The ICE May future is expected to trade in the range of 75.50 to 76.70 cents per pound.

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

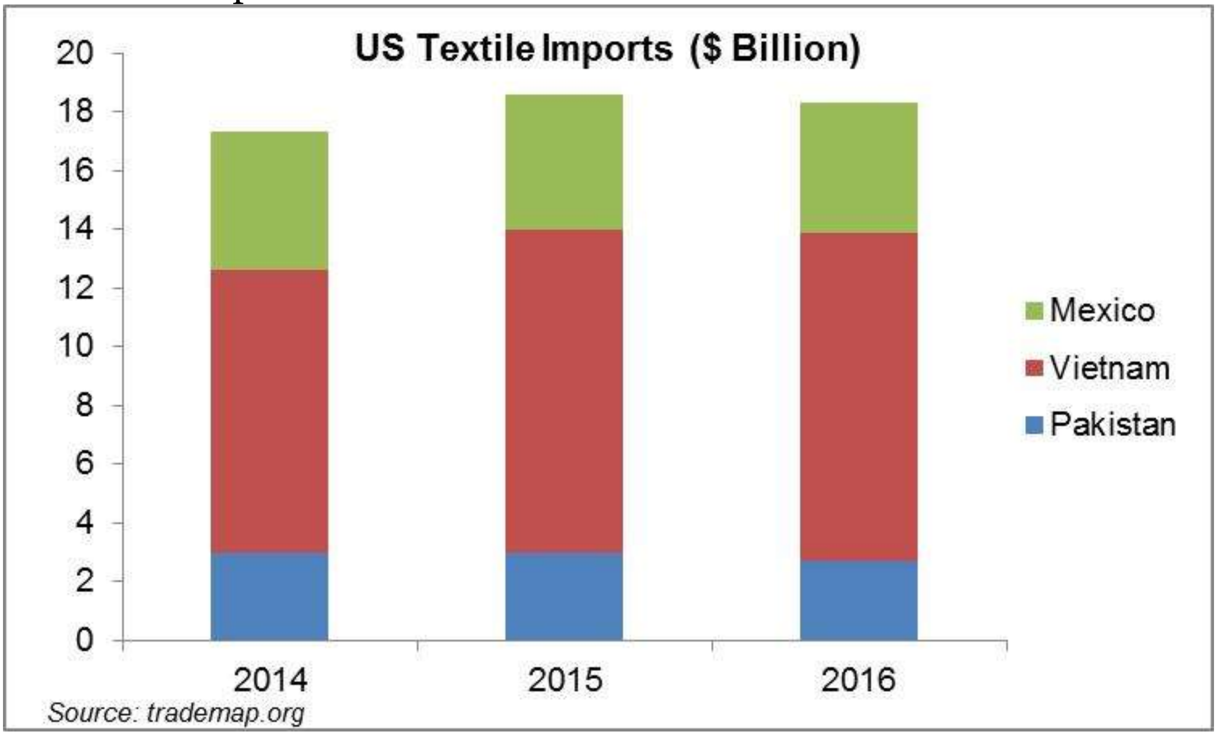
NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	Topics
1	US protectionism: Pakistan's window of opportunity?
2	USA: January Retail Sales Results Good News for Specialty Apparel Stores
3	Indonesia, Australia agree to free trade, closer naval cooperation
4	Asia advances free trade talks in wake of US TPP withdrawal
5	China's textile & apparel exports up 10.2% in Jan 2017
6	Vietnam's textile and apparel exports up 5.7% in Jan, 2017
7	Arab investors to explore opportunities in textile industry of Uganda
8	Pakistan: Govt to achieve $35b exports by 2018 taking effective steps on all fronts
9	Bangladesh : Garment's green initiatives impress top IMF official
10	Vietnam: RCEP negotiations continue
	NATIONAL NEWS
1	'Customisation is an advantage of digital printing'
2	Marks & Spencer launches on Amazon India
3	Powerloom owners to stop production from tomorrow
4	As Trump quashes TPP, Canada pushes pact with India
5	With farmers holding crop, cotton prices may remain firm
6	To boost khadi production, KVIC to upgrade all 6 cotton sliver plants
7	Will Chinese Jobs Come To India?
8	Forever 21 expands national footprint with its 15th store in India

INTERNATIONAL NEWS

US protectionism: Pakistan's window of opportunity?

The world's largest economy is isolating itself as Donald Trump scrapped the Trans Pacific Partnership (TPP) what was to be Obamas pivot to Asia to keep China in check. With the US opting out of the deal as well as the TTIP and declaring intentions to tweak NAFTA could this be an opportunity for Pakistan to capture the States coveted textile market?



The US is the world's second-largest importer of textiles (after the EU), accounting for around 10 percent of total world textile trade. It's an important market for Pakistan as well, accounting for around 25 percent of our total textile exports. However, the reverse is not true; Pakistan accounts for less than three percent of total US textile imports.

The US is not a major apparel manufacturer/exporter but a consumer/importer. As such, it imports mostly in three categories (HS code 61, 62, and 63 [explained in table]), which cumulatively amount to around 90-96 percent of its total textile imports. It is these product categories that Pakistan has to market to the US.

HS code	Description
61	Articles of apparel and clothing accessories, knitted or crocheted
62	Articles of apparel and clothing accessories, not knitted or crocheted
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags.

Source: SBP

Regarding TPP, only Vietnam and Mexico were members with significant exports to the US in these categories. The graph shows how Vietnams exports have been growing, while Pakisans and Mexicos have declined. In terms of market share, Pakistan has gone from 2.99 percent in 2014 to 2.73 percent in 2016, while Vietnams share grew from 9.67 percent to 11.3 percent over the same period.

Naturally, this conversation ties in to what is one of the most fundamental issues regarding Pakistans textile industry lack of value-addition. Out of its $13.6 billion annual textile exports in FY16, products from HS52 (Cotton) which includes raw cotton, cotton yarn, and woven fabrics accounted for around one-third of total textile exports; more than HS61 and HS62 combined. The value-added textile sector is underdeveloped and not living up to its potential, with policies that encourage low-value exports.

Coming back to TPP, a Bloomberg article recently shed light on Asian economies like Vietnam, China, India, and Thailand having enormous trade surpluses over the US (in the case of Vietnam its 15 percent of the economy). With China already being targeted, it may well be the case that the US now slaps tariffs on goods coming in from Vietnam, India, South Korea, and Malaysia.

However, Pakistan's name is not on that list since Pakistan has an overall trade deficit with the US.

The US opting out of TPP was a bullet dodged for Pakistan, as it surely would have meant that Vietnam would have further increased its already expanding hold on the US textile market. Now, if the Trump administration goes ahead with his planned trade war and targets these countries, Pakistan may capitalise on this opportunity, if only it can get its house in order.

Source: brecorder.com – Feb 28, 2017

HOME

****

USA: January Retail Sales Results Good News for Specialty Apparel Stores

The retail sector finally delivered some good news: January sales at U.S. stores grew by more than industry analysts expected.

Even better still was the news that apparel specialty stores had their best month in almost 2 years.

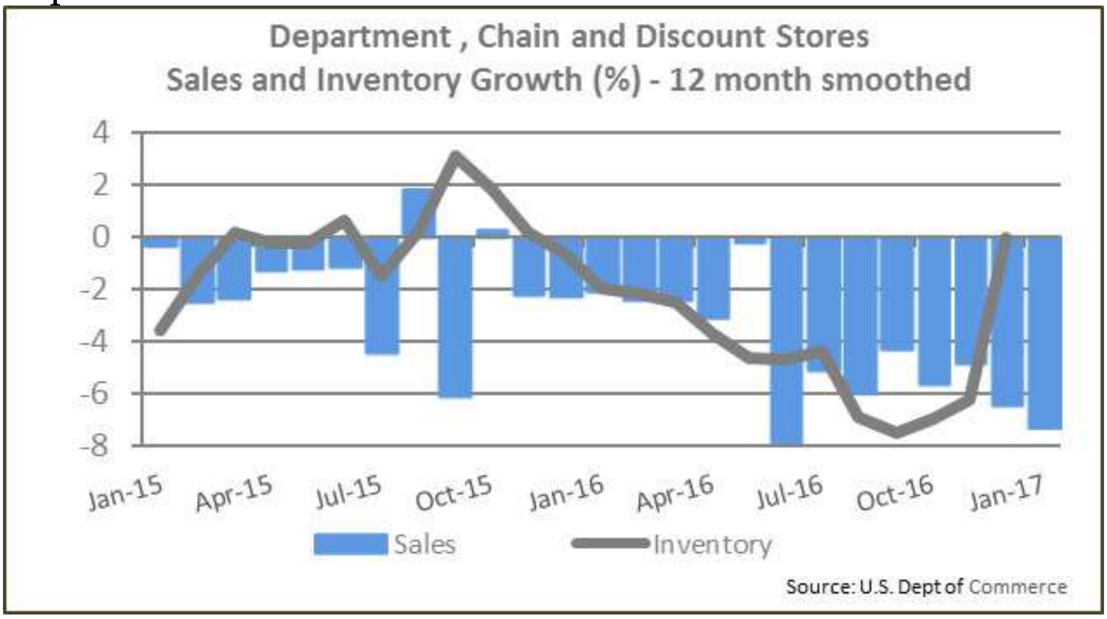
The U.S. Census Bureau's advance monthly report released today reported that retail sales, which include gasoline, groceries and automobiles, totaled $472 billion in January—an impressive 5.6% increase over December 2015's $470 billion, and .4% higher than last month (vs. an expected .1% increase).

On a 12-month smoothed basis, retail sales rose by 6.2%, the biggest increase in the measure in almost 3 years.

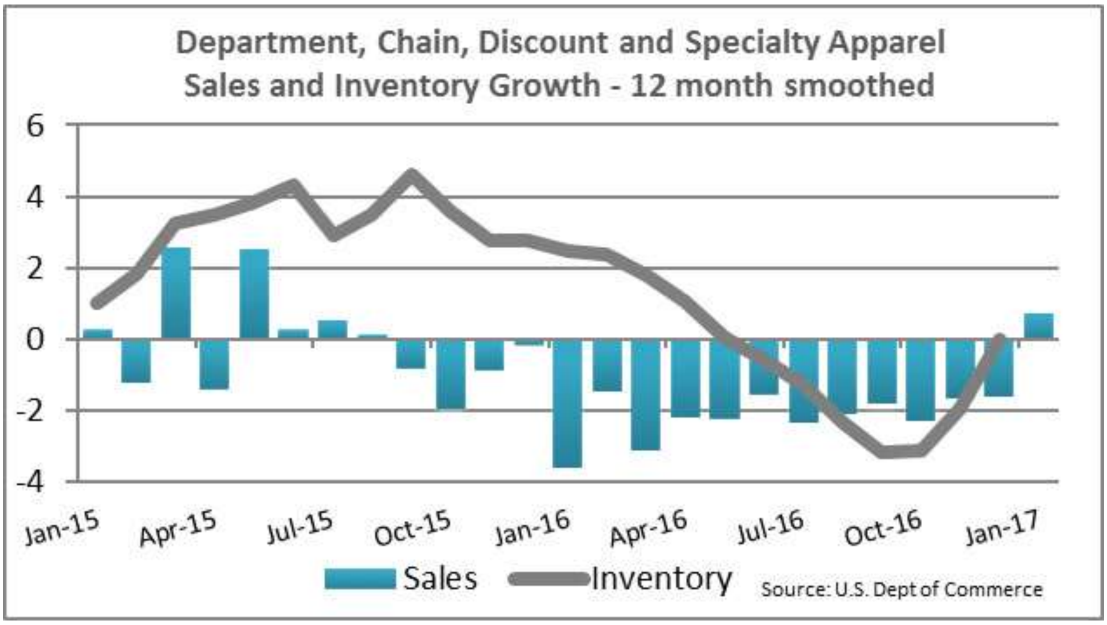
The biggest driver of sales growth in December was in the automobile sector, where sales grew by more than 8 percent on a 12-month smoothed basis.

Clothing and accessories specialty stores finally managed to turn in a good month, with sales up 2.5% year-over-year to $21.4 billion, or more than 3 percent on a 12-month smoothed basis.

However, department, chain and discount stores saw their sales tumble again – this month by 7.4% to $12.7 billion. Rumors are swirling about the imminent demise of Sears, and even that Macy's might be seeking to be acquired.



The combined department, chain and specialty channels—what we call the apparel-oriented stores given their huge share of the market—dropped by 1.4% to $34.4 billion, which translated to a .7% increase on a 12-month smoothed basis, their best showing in 22 months.



Sales at non-store retail, which includes pure-play e-commerce, increased by almost 12% in January to over $49 billion, driven by continued gains by Amazon.

Retail Sales & Inventory					
$MM – Adjusted for Seasonality					
	Jan-17	**Dec-16**	**Jan-16**	***Y-O-Y%***	***M-O-M%***
Total US Retail Sales	472,142	470,461	447,266	5.6	0.4
Dept., Chain and Disc. Store Sales	12,741	12,591	13,754	-7.4	1.2
Apparel Specialty Stores	21,687	21,481	21,155	2.5	1.0
Total Dept & Specialty	34,428	34,072	34,909	-1.4	1.0
Non-Store Retail	49,217	48,314	43,965	11.9	1.9
	Dec-16	**Nov-16**	**Dec-15**	***Y-O-Y%***	***M-O-M%***
Women's Specialty Sales	3,340	3,390	3,547	-5.8	-1.5
Men's Specialty Sales	714	720	712	0.3	-0.8
Shoe Store Sales	2,938	2,928	2,889	1.7	0.3
Total Retail Inventory	609,010	608,687	588,432	3.5	0.1
Dept Store Inventory	26,997	26,955	28,567	-5.5	0.2
Apparel Specialty Inv	54,209	54,050	53,765	0.8	0.3
Dept & Spec Inv:Sales	2.52	2.52	2.53		

The total retail inventory-to-sales ratio fell to its lowest point in almost a year and a half, but rose slightly for department, chain, discount and apparel stores in December, the most recent month for which the data are available, no doubt due to sluggish holiday sales that left these stores with excess merchandise.

Source: sourcingjournalonline.com– Feb 28, 2017

HOME

****

Indonesia, Australia agree to free trade, closer naval cooperation

Indonesian and Australian leaders on Sunday committed to free trade and closer naval cooperation as they urged countries in the Asia-Pacific region with competing territorial claims to obey international law.

Indonesian President Joko "Jokowi" Widodo arrived in Sydney on Saturday on his first visit to Australia as his nation's leader. He and Prime Minister Malcolm Turnbull said they had agreed to finalize a free trade agreement this year.

Jokowi said the first issue for Indonesia was the removal of all Australian barriers to the import of Indonesian palm oil and paper. But before the deal is finalized, Turnbull announced that Indonesia has agreed to reduce tariffs on Australian sugar and ease restrictions on Australian cattle imports.

Australia in return will remove all tariffs from Indonesian pesticides and herbicides, he said.

The two leaders also witnessed the signing of an agreement on maritime cooperation that include strengthening maritime security and border protection as well as combating crime and improving efficiency of shipping. "We have vested interests in the peace and stability in our region's seas and oceans, so we both strongly encourage the countries in our region to resolve disputes in accordance with international law which is the foundation for stability and prosperity," Turnbull said.

Indonesia does not have a territorial dispute with China in the South China Sea, but there have been tensions because China's so-called nine-dash line representing its claim to most of the sea appears to overlap with Indonesia's exclusive economic zone extending from the Natuna Islands.

Beijing has described the area as a traditional Chinese fishing ground, although it is nearly 1,250 miles from the Chinese mainland.

There were three known incidents between Chinese fishing vessels and Indonesian government ships last year.

Jokowi is not regarded as pro-Australia as his predecessor, Susilo Bambag Yudhoyono. Turnbull took the unusual step of inviting Jokowi to a private dinner at his Sydney Harbor-side mansion on Saturday as a gesture of the close ties between Indonesia's 250 million people and Australia's population of 24 million.

The relationship has been fractious in the past.

Military cooperation on language training was suspended last month after an Indonesian officer saw as derogatory references to Indonesia's state ideology Pancasila in training materials used at a special forces base in the west Australian city of Perth.

Turnbull said Sunday that he and Jokowi had agreed to fully restore defense cooperation.

Another irritant in the relationship is the Australian navy's tactic of turning asylum seekers' boats back to Indonesia. Indonesians regard forcing Australia-bound boats carrying foreigners to Indonesia's shores as an affront to Indonesian sovereignty.

The leaders also announced that an Australian consulate will open in the Indonesian city of Surabaya and Indonesian language teaching centers in the Australian cities of Sydney, Brisbane and Darwin.

Source: foxnews.com– Feb 27, 2017

HOME

****

Asia advances free trade talks in wake of US TPP withdrawal

Negotiators representing 16 nations of the Asia Pacific region gathered in the Japanese city of Kobe on Monday to discuss a possible free trade agreement in the wake of the US' withdrawal from the Trans-Pacific Partnership (TPP).

While the China was not included in TPP, Beijing leads the Regional Comprehensive Economic Partnership (RCEP), which includes the 10 members of the Association of Southeast Asian Nations (ASEAN) along with Australia, India, New Zealand, Japan and South Korea.

The RCEP's 17th round aims to "push negotiations forward broadly in the fields of goods, services, investment, intellectual property, rules of origin, competition and electronic commerce," a Japanese trade official told AFP news agency.

"It is important to strike a quality deal in RCEP at a time when protectionism is emerging around the world," the official added.

Despite years of negotiations culminating in the TPP under former US President Barack Obama's administration, President Donald Trump issued an executive order in January withdrawing the US from the free trade agreement.

Trump has vowed to renegotiate most, if not all, US trade agreements, especially multilateral agreements. The US president has said he prefers bilateral agreements.

'Regional ties'

Although TPP nations make up for roughly 40 percent of global GDP, the RCEP framework would bring together 16 countries comprising approximately 30 percent of the world's GDP. The RCEP would account for 40 percent of international trade.

In January, the "China Daily" - an English-language newspaper linked to China's Communist Party - wrote that Asia Pacific nations should look towards their neighbors for closer trade ties after Trump withdrew the US from the TPP.

"US officials once touted the TPP as the best and largest multilateral trade deal ever, even though it was to a great extent a political device aimed at curtailing China's influence in the Asia-Pacific," the Chinese daily said.

"Now that protectionism is on the rise in the US, Asian nations can no longer expect to develop their economy by providing ever increasing exports to the US markets. It is time for Asian economies to start relying more on the regional and neighborly ties," it added.

Source: dw.com – Feb 27, 2017

HOME

****

China's textile & apparel exports up 10.2% in Jan 2017

According to a trade bulletin released from China's General Administration of Customs, the nation's exports of textiles and apparel in January 2017 increased by 2.5% compared to the same month of the previous year to US$23,900 million (provisional).

It was the first time in eight months since last May that exports increased.

Apparel exports increased by 1.8% to US$14,320 million, up for the first time in nine months.

Textile exports grew by 3.5% to US$9,580 million, up for the first time in five months.

Source: asiantex.net– Feb 27, 2017

HOME

****

Vietnam's textile and apparel exports up 5.7% in Jan, 2017

According to the Vietnam Customs, Vietnam's textile and apparel export value totaled $2.157 billion in January 2017, down 6.1% month on month, but up 5.7% year on year.

Import volumes of cotton reached 94.5kt in January, an increase of 12.4% month on month, but down 1.4% year on year.

During the month, Vietnam imported 54.1kt of yarn, a fall of 31.6% from last month and 20.3% from a year ago.

Exports of yarn reached 78.9kt, down 26.1% month on month, and up 1.2% year on year.

Grey fabric import value totaled $662 million, down 29.9% month on month and 15.4% year on year.

Source: ccfgroup.com– Feb 25, 2017

HOME

****

Arab investors to explore opportunities in textile industry of Uganda

The three Arab investors, Hassan Al Ghatani from Saudi Arabia, Harabi Al Ghatani from Kuwait and Khalid Abd Al Ghadir from Sudan were in Uganda to explore investment opportunities especially in the area of textile manufacturing, construction of warehouses and assembling buses.

Trade Minister Amelia Kyambadde at the meeting which took place at Esella Country Hotel in Kira with the Arab investors said that they have a lot of animals in Uganda yet they still import leather products expensively and plastics from countries like China disguised as 'leather'

She informed the Arab investors that there are a lot of investment opportunities in Uganda mainly in the area of value addition emphasizing textiles and leather.

Kyambadde advised the Arabs to invest in leather manufacturing adding that Government has now imposed a ban on the exportation of raw hides and skin to enable the leather industry to grow.

She also urged the investors to explore the establishment of textile industries and add value to cotton, saying Uganda currently has only 3 textile industries yet they harvest cotton twice a year with production standing at 102,619 bales per annum.

She added that Uganda has the best quality cotton in East Africa but most of it is exported semi-processed.

The investors are proprietors of companies specializing in manufacturing and engineering services with branches in Riyadh, Saudi Arabia, Dubai and Kuwait.

Hassan Al Ghatani expressed interest in the textile industry of Uganda and said that they were ready to set up a textile industry and the purpose of their visit is to first establish how much cotton is produced and its quality, and whether Uganda has enough skilled labour to work in the factory.

The trio later visited Fine Spinners textile factory in Industrial Area in Kampala, to get a feel of what it takes to manage a textile factory in Uganda.

Al Ghatani added that they are also interested in construction of storage facilities especially warehouses and assembling of buses for public transport.

The Executive Director of Uganda Warehouse Receipt System Authority Deborah Kyarasiime who attended the meeting informed them that currently, Uganda produces 7 million metric tons of grain per year; however, the storage infrastructure available is for only 550 metric tons leaving a very big gap.

Kyarasiime added that Government plans to partner with the Private Sector to construct warehouses with capacity of 700,000 metric tonnes distributed in all the regions. She asked the Arab investors to explore this opportunity and co-invest with Government in the venture.

Minister Kyambadde added that the land for construction of warehouses is already available with a number of districts that have offered land to construct. She however cautioned the investors on the use of local content in all their investments by employing the local people and shareholding with the districts that have offered the land for construction of the warehouses. The trio visited storage facilities (warehouses and silos) in Buloba on Mityana road.

Khalid Abd Al Ghadir said that they are willing to explore the opportunity of working with Government of Uganda under the Public Private Partnership through Uganda Development Corporation or partnering with the farmers cooperatives.

Ghadir said that they are willing to go back to Saudi Arabia and be back to Uganda in the next two months to start the investments. They shall start with the construction of warehouses which they find easy to do and after consultations in Saudi Arabia, they will consider the assembling of buses.

Source: yarnsandfibers.com– Feb 28, 2017

HOME

****

Pakistan: Govt to achieve $35b exports by 2018 taking effective steps on all fronts

The Pakistan government to achieve its ambitious export target of US dollar 35 billion by 2018 is taking effective steps on all fronts and also exploring every aspect under a multi-pronged strategy .

Monthly exports in Pakistan over the last few decades averaged at Rs38.82359 billion (USD 0.37 billion), reaching an all time high at Rs 275.483 billion (USD 2.63 billion) in September 2013. Pakistan's main export partners are: 13.6 per cent United States,11 per cent China, 8.5 per cent each to United Arab Emirates and Saudi Arabia.

The government endeavoring to improve the trade situation of the country including zero-rated sales tax regime for top five textile sectors to bring down industrial costs for the value-added textile sector and help increase their exports. Prime Minister Muhammad Nawaz Sharif gave Rs180 billion incentive package to exporters to boost the country's exports.

Under the package, sales tax and customs duty on import of textile machinery and cotton have been abolished. This will not only boost the exports and their products competitiveness in international market, but also lower the cost of doing business. A number of projects of power generation through hydel, coal, solar, wind, and other resources were being initiated under the CPEC investment, beside many others being financed by Pakistan government to ensure availability of cheaper electricity on sustainable basis.

The government is committed to add 10,000 megawatts electricity to the system by 2018 and 30,000MW within the next few years..A network of roads, highways and motorways is being laid at a cost of Rs1000 billion to integrate different regions of the country.

Keeping in view the fast developing China-Pakistan Economic Corridor (CPEC), the government is encouraging the local industrialists to upgrade their industrial units including allied and vending industry of the country besides product value addition to cope with possible challenges set to arise with industry's expansion under CPEC.

Trade Development Authority of Pakistan (TDAP) Director General (Sub-Regional Offices Punjab) Mian Riaz Ahmed said that TDAP was working to increase exports holistically while taking aboard all stakeholders. It was also building coordination with respective public-private sectors, taking up products value addition, encouraging export-oriented foreign investment and joint ventures, besides trade diplomacy in the key global markets for Pakistani products and services.

Mian Riaz Ahmed added that TDAP was also focusing export products diversity as well as increasing product base and reducing dependence on traditional products and markets. He explained that TDAP was focusing new exports destinations including Mexico, Central Asian States, African countries and Doha, while regularizing banking channel with Iran, Masco and other countries that would definitely jack up sale of Pakistani products and services abroad.

TDAP Director General said that they have added IT sector in their exportable services. They are also putting things in order for skill development of labour force, and TDAP had established Cutlery Institute at Wazirabad for training, research and skill development.

At Gujrat, an Export Display Centre had been established under public-private partnership to showcase exportable products manufactured in Gujrat, Gujranwala, Wazirabad and Sialkot, for foreign buyers, he cited.

Lahore Chamber of Commerce and Industry (LCCI) President Abdul Basit appreciated government’s initiatives on various aspects to stabilize exports. He, however, called upon the government to take further steps in this direction, citing that cost of doing business is another factor leaving Pakistani industry uncompetitive in the world market.

This issue could be addressed through provision of inexpensive energy to industry and reduced customs duty on raw materials of export-oriented industry.

He suggested that government should develop common export cluster facilities for firms producing technology-intensive products to enable SMEs in medium/high technology sectors to complement each other’s resources and expertise.

According to Global Enabling Trade Report 2014, he mentioned, Pakistan ranked 88 in the availability of trade finance so establishment of a separate bank was indispensable to provide export finances/loans/credit on soft terms along with other services to exporters for rapid growth of exports. Abdul Basit also stressed the need to diversify the exports in terms of markets as about 60 percent of Pakistan's exports go to ten countries namely, USA, China, UAE, Afghanistan, UK Germany, France, Bangladesh, Italy and Spain.

There is ample potential for increasing exports to large dynamic world markets, where Pakistan was an under achiever i.e. South America, Africa, Central Asian Republics (CARs) and Russia where the combined share of Pakistan exports was less than 10 percent of the total exports of Pakistan.

The commercial sections of Pakistan embassies in these aforementioned markets should showcase country's exportable products in collaboration with the chambers of commerce, he maintained.

Development of specialized/other skills is also crucial to ensure availability of skilled labour force. Also, competent engineers and managers for the industrial units were required to adopt new technologies to manage complex production processes in developing the products demanded internationally.

Lahore Chamber President advised the government to also train the people on costing and pricing; process control; export market brand strategy; market research; market access requirement; online marketing, export marketing strategy, export documentation; packing and packaging standards.

Source: yarnsandfibers.com– Feb 27, 2017

HOME

****

Bangladesh : Garment's green initiatives impress top IMF official

A top official of the International Monetary Fund has expressed optimism about the future of Bangladesh's garment sector after he saw firsthand the industry's efforts to embrace green practices.

“The future of Bangladesh's apparel industry is very bright because of the good workers and the vibrant private sector entrepreneurs,” Mitsuhiro Furusawa, deputy managing director of the IMF, said yesterday.

He said the garment sector of Bangladesh has progressed a lot over the years, and turning the factories into green units to save water, energy and the environment is a good initiative.

The IMF official visited two green factories -- Eco Couture Ltd and Ecofab -- both owned by Viyellatex Group, a leading garment maker based in Gazipur.

“The atmosphere is excellent for the workers. I am very much impressed,” Furusawa said.

“I think the garment sector has a bright future. But Bangladesh needs to improve infrastructure further.”

Furusawa, who came to Dhaka on Sunday on a two-day visit, said the IMF stands ready to offer support to the private sector of Bangladesh.

“An improved business climate is important for the country. Bangladesh should simplify the rules by reducing red tape.”

Some 67 garment factories of Bangladesh have obtained a highly regarded global certification -- the Leadership in Energy and Environmental Design (LEED) of the US Green Building Council. Another 222 factories have registered to obtain the recognition, according to Bangladesh Garment Manufacturers and Exporters Association.

Currently, Bangladesh has 13 platinum-rated, 20 gold-rated, 27 silver-rated and 7 LEED-certified garment factories.

Seven of the world's top 10 green factories are from Bangladesh, including the top three platinum-rated industrial units, said KM Rezaul Hasanat, chairman of Viyellatex Group.

Platinum is the highest level of certification that a factory can earn. Hasanat said he can save more than 40 percent energy thanks to the green initiative.

He said green factories are not only about saving energy and water or protecting the environment, but also about ensuring a safe workplace.

“In a green factory, workers feel safe and confident,” he said.

The entrepreneur said a green factory also houses schools, childcare, health care, recreation and training facilities dedicated to workers.

Speaking about his two green units, Hasanat said Eco Couture was designed in the concept of an opera house where artistes work. “Garment workers are also like artistes as they are involved in innovative work.”

Located in Jogitola in the industrial belt, the LEED gold-certified two-storey Eco Couture is located on an 144,000-square feet space where all operations from sewing to packing of a product take place.

Ecofab is an extension of the group's woven business, Interfab Shirt Manufacturing Ltd. It is a modern environment-friendly production unit and was set up following the concept of a resort.

Both the units went into production last year. Hasanat has invested Tk 200 crore to construct the two units which employ 5,000 workers.

Olymp, Hugo Boss, Calvin Klein, PVH, DKNY, Marks & Spencer, Esprit and s.Oliver are the major customers of the group.

Source: thedailystar.net– Mar 01, 2017

HOME

****

Vietnam: RCEP negotiations continue

This is the first round of RCEP negotiations since the US withdrew from the TPP.

RCEP member nations include the ten ASEAN members and six dialogue partners: China, India, Japan, South Korea, Australia, and New Zealand.

Delegates discussed tariffs in the new economic zone and how advanced countries would assist emerging economies, together with common rules on investment and e-commerce.

Iman Pambagyo, Director General of International Trade Negotiations at Indonesia's Trade Ministry and chair of the meeting, was quoted by VNA as saying the talks are key to establishing regional free trade agreements and contributing to promoting global trade.

RCEP negotiations kicked off in 2012. Members are estimated to account for 29 per cent of global trade, or $9.5 trillion. Within the framework of the RCEP, members hope to eliminate 80 per cent of tariffs and 92 per cent among ASEAN nations.

After 16 rounds of negotiations, participating countries have so far reached agreement in the fields of economic and technological cooperation and assistance to small- and medium-sized enterprises.

Source: vietnamnet.vn– Mar 01, 2017

HOME

****

NATIONAL NEWS

'Customisation is an advantage of digital printing'

Changing business models and companies' decision to reduce their inventories are reasons to go in for customisation, one of the main advantages of digital printing. Companies are going for lesser inventories, faster response time and different designs by focusing on many designs in a short span of time, which can be achieved with digital printers.

"The business models are changing. The other thing is that today companies are trying to reduce their inventory. So, when you manufacture a big amount of garments or fabric, you cannot be so sure that you can sell them out within a timeframe.

Inventory itself costs. Therefore, people try to reduce their inventory. That's another reason to go in for customisation," Buck Kim, president for Asia-Pacific, Kornit Digital told Fibre2Fashion in an exclusive interview.

When asked if textile manufacturers are caught in a bind between customisation and mass production, Kim said, "Yes, but if you look at things from the demand point of view, the demand for mass production still remains. There is no doubt that as far as mass production is concerned, India remains big. But the market is also about demand."

"If you look at Zara or H&M, each design is probably there for only one week. They no longer produce for a whole season. You see a product in a shop today, and the next time you visit, it is gone. This is what is happening in the fashion world. As we visit India, a country known for mass production, seeing people going in for a different way of production is amazing," added Kim.

Printing machines by Kornit Digital are also environment-friendly as they curb water wastage, reduce power consumption and virtually eliminate pollution.

"If we speak of our roll-to-roll printers, just consider the other forms of printers and printing (both traditional, as also digital). There has to be both pre-treatment as well as post-treatment," informed Raymond Cheng, director of sales for Asia-Pacific, Kornit Digital.

"Given the technologies, they have to do steaming and washing after the printing has been done, so as to consolidate the ink, the sharpness, the brightness of the colours, and to wash out the chemicals off the fabric. For this, they need to use a lot of electricity as well as water. In our roll-to-roll machine (i.e. the Kornit Allegro), there is no need for a separate pre-treatment, which is done online. When you give the print command, it goes for automatic pre-treatment, together with the (water-based) ink," continued Cheng.

The printing process adopted by Kornit's roll-to-roll machine is clean and sustainable. It uses bio-degradable water based ink. Moreover, since no extra power is needed for the steaming and drying processes, this printing is energy-efficient as well. The entire facility and the area remain clean. Factors like water wastage, filtration or cleaning systems need not be taken into account if this type of machine is installed, added Cheng.

Source: fibre2fashion.com- Feb 28, 2017

HOME

****

Marks & Spencer launches on Amazon India

Marks & Spencer (M&S), the iconic British brand, has been launched on Amazon India, the country's largest online store, making it even more convenient for customers across India to shop its quality clothing.

Over 1,000 M&S products across womenswear, lingerie, menswear, kidswear and more are available on the online shopping website for Indian customers.

In womenswear, customers can choose from key pieces from the spring range including stylish floral dresses with feminine detailing, authentic and fitted denim, and that must-have soft-touch trench coat.

M&S' renowned quality and innovative lingerie including bras, knickers, shapewear and sleepwear in delicate and feminine colours and prints will also be available.

In menswear, the range contains all the must-have pieces across casual and formalwear, whilst in kidswear, M&S is a one-stop shop for high quality, on-trend baby and kids clothing for girls and boys including daywear, accessories, nightwear and essentials.

"Marks & Spencer is one of the leading and most loved brands and our endeavour has always been to offer the best brands with the most curated selection of products to our discerning customers across the country.

Offering M&S merchandise on Amazon is another step in that direction and will be an extension of the portfolio of global brands that our customers can enjoy through our platform," said Arun Sirdeshmukh, head of fashion, Amazon India.

"Whether choosing a classic white shirt, that special occasion dress or the ultimate feminine sleepwear, online shopping continues to grow in popularity in India as customers look for more choice and greater convenience.

We're delighted to launch today on Amazon.in, India's largest online store, making it even easier for our customers to shop with us.

Our range of 1000 quality, stylish products, combined with Amazon's reach and fast delivery, means our customers can order something truly special online, wherever and whenever suits them," said Venu Nair, managing director of M&S Reliance India.

As the online fashion retail market in India continues to grow, the move responds to the changing way Indian customers shop today and complements M&S' 56 stores across 27 cities in India.

M&S's launch on Amazon India is in line with its international strategy to work with established online marketplaces to benefit from their scale, infrastructure and local expertise.

Source: fibre2fashion.com- Feb 28, 2017

HOME

****

Powerloom owners to stop production from tomorrow

Powerloom owners in this city and nearby Tirupur District will stop production from tomorrow protesting against fluctuating yarn prices, which they claimed alleged has seriously profit margins.

"The increase in yarn prices for the last few months has seriously affected the profit margin of powerloom owners, who have a total of over two lakh powerlooms in both districts," Velusamy, Secretary of the Powerloom Job Workers Association, said.

The strike will result in loss of business worth Rs 200 crore and production loss of 85 lakh metres daily, affecting both domestic and export business, besides five lakh workers, he said.

The owners--directly taking orders from cloth traders,job workers and also those on contract--also demanded that the Government bring down VAT on yarn from five per cent to two per cent to bring down yarn prices.

They also sought a ban on export of waste cotton, which could help further decrease in prices.

A delegation is already in Delhi to discuss the issue with the ministries concerned, Velusamy said.

Source: business-standard.com- Feb 28, 2017

HOME

****

As Trump quashes TPP, Canada pushes pact with India

Canada is calling on India to fast-track a proposed bilateral free trade agreement (FTA). This is part of Canada's attempts to strengthen ties with Asia following the decision of US President Donald Trump to pull out of the ambitious Trans Pacific Partnership (TPP), of which the country was a part.

Canadian International Trade Minister François-Philippe Champagne is scheduled to meet his Indian counterpart Nirmala Sitharaman on Friday to take forward negotiations on the FTA, called the Comprehensive Economic Partnership Agreement (CEPA).

New Delhi, however, remains apprehensive of Ottawa's call for changes in some of the provisions of the model Bilateral Investment Treaty (BIT) to make it more favourable for investors.

Although the BIT is separate from CEPA, Canada has been insisting on linking the two so that they get simultaneously signed.

"No doubt Canada is interested in pushing the CEPA with India after the Trump government withdrew from the TPP. But what remains to be seen is whether Canada changes its stance towards the model BIT," a government official told *BusinessLine*.

While discussing the fallouts of the failure of the TPP, Champagne had earlier told the Canadian media that the country wants to send out the message that it is open to trade, "obviously with China, with India, with Japan."

Source of investment

"India is very much interested in a CEPA with Canada as the country could be a big source of investments for us once the pact gets signed. But we don't know to what extent the provisions of the model BIT could be changed," the government official said.

Canada's biggest problem with the model BIT, which has been framed by the Finance Ministry to protect India against international arbitration, is the investor-state dispute settlement (ISDS) mechanism.

The ISDS lays down that foreign companies can seek international arbitration only when all domestic legal options have been exhausted.

"In our previous interactions with Canadian officials, apprehensions have been expressed about the long time that Indian courts take in clearing cases," the official said.

The Commerce Ministry has discussed with the Department of External Affairs the possibility of tweaking some of the provisions of the model BIT, but the latter has argued that it is not possible to make country-specific changes.

Huge potential

"This is a very tricky situation for us as it is important for us to sign trade and investment pacts with other countries. At the same time, out trade partners' apprehensions related to the model BIT also have to be dealt with," the official said.

Over $12 billion of investments have poured in from Canadian companies in the past two years alone. "Canada holds huge potential for us as the country's outward investments crossed $750 billion in 2015," the official said.

The EU, too, is putting pressure on India to have a re-look at its model BIT. The 27-member bloc has sought an extension of at least six months for the individual BITs that India has with EU countries which will all expire on March 31.

Source: thehindubusinessline.com– Feb 27, 2017

HOME

****

With farmers holding crop, cotton prices may remain firm

Higher estimates of consumption and tight supply is likely to keep prices firm for the next few weeks, even as farmers continue to hold close to 40 per cent of the total crop of 341 lakh bales (of 170 kg each).

Raw cotton

Raw cotton (kapas) prices have remained firm in the range of ₹5,900-6,100 a quintal over the past few weeks due to lower-than-expected arrivals of crop and higher estimates of consumption.

According to sources, so far about 208-210 lakh bales or about 61 per cent of total crop has arrived.

Whereas on consumption front, the Cotton Association of India (CAI) has estimated for the ongoing year (October to September 2016-17), at 295 lakh bales, which is about 5 lakh bales higher than last year's 290 lakh bales.

"Prices are likely to remain firm in near future as demand from yarn makers, millers, and export is likely to be higher this year. And we feel farmers are holdingcotton stock in huge quantities.

So far about 210 lakh bales have arrived across India.

This means more than half of the crop has arrived, so there is less room for prices to soften in near future," said Arun Dalal, a leading trader from Ahmedabad. Gujarat Sankar-6 cotton candy (each of 356 kg) hovers around peak levels of around ₹42,600-43,300 for various varieties.

No distress selling

At Kadi market in North Gujarat, arrivals reported at 15,000 bales on Monday with prices in the range of ₹4,500-6055.

Cotton farmer from Kadi noted, "If we are getting better price by waiting for a few weeks, then there is no harm. There is no need for us to do distress selling now as prices are good. We are bringing smaller quantity to the mandis so that the price benefit remains."

Source: thehindubusinessline.com- Feb 28, 2017

HOME

****

To boost khadi production, KVIC to upgrade all 6 cotton sliver plants

In a bid to increase cotton supply to khadi institutions, Khadi and Village Industries Commission (KVIC) is planning to upgrade its six cotton sliver plants under the Khadi Reform Development Program (KRDP) this year. The plants' production capacity will be increased by 40 per cent from current four million kgs to 5.6 million kgs a year.

"We are going to upgrade all six sliver plants in this year to increase the cotton supply to the khadi institutions. Most of the plants are more than three decades old and it is necessary to change technology for better supply," said V K Saxena, chairman of KVIC.

The commission will spend about Rs 35-40 crore on the upgradation of the plants. In the first quarter of next financial year, upgradation will be commissioned in all the six plants. The commission is also considering to set up new sliver plants.

"Looking at the rising demand of khadi, we are also considering setting up two new sliver plants. However, it will take some time as detail report is yet to be prepared. With the upgradation of existing plants, the production capacity will increase by 40 per cent," Saxena said.

KVIC is planning to provide sales platform to products made in prisons across India. At the annual board meeting at Sabarmati Ashram in Ahmedabad, the commission had taken this decision. KVIC has been encouraging prison inmates to take up khadi production.

"It is observed that these prisons made products attain high quality, as witnessed in the jails of Gurugram and Tihar, where rehabilitation efforts are in progress. As an extension of these ongoing efforts, we have decided to provide a sale platform in KVIC's Khadi outlets," said Saxena. Based on the success of the pilot khadi sales through prisoners, the commission will tie up with more prisons in the country.

Recognising the importance of enhancing the wages of khadi artisans to a moderate level and in order to ensure that khadi profession provides sustainable life support, the commission will increase the remuneration per hank (a coil or skein of yarn) from the existing Rs 5.50 to Rs 7 with effect from April 2017. This will increase the income of over 1.5 million khadi artisans across India.

The rise amounts to about 27 per cent, said Saxena, while adding that higher wages will help improve khadi production in India.

The commission has set about Rs 1,900-2,000 crore sales target of khadi and village industries products in the year 2016-17, the KVIC chairman claiming 80 per cent achievement of the target so far. Last year sales stood at Rs 1,510 crore. Going forward, KVIC is aiming at sales worth Rs 5,000 crore in next two years.

Source: business-standard.com- Feb 28, 2017

HOME

****

Will Chinese Jobs Come To India?

One of the themes that I have regularly explored in the Diary is the fact that one million individuals are entering the workforce every month and there aren't enough jobs going around for them. This basically means that around 12 million or 1.2 crore youth enter the Indian workforce, every year.

And how many jobs are available for them? As a recent news report in the Business Word magazine points out: "According to the Labour Bureau of India, only 1.35 lakh jobs were created in 2015 and 4.93 lakh in 2014 across eight sectors." Hence, there are barely any jobs being created for those entering the workforce.

Sectors	Investment (Rs Crores)*	Jobs (Lakhs)	Jobs per lakh Investment	Female Jobs (Lakhs)	Female Jobs per lakh Investment
Apparels (NIC 14)	3156	75.4	23.9	25.9	8.2
Leather & Footwear (NIC 15)	1624.5	11.6	7.1	5.5	3.4
Of which					
Tanning and Dressing of Leather & Fur (NIC 1511)	470.8	2.2	4.6	1.1	2.4
Leather Goods (NIC 1512)	218.3	2.2	9.9	0.8	3.9
Footwear(NIC 1520)	935.4	7.2	7.7	3.6	3.8
Textiles (NIC 13)	17814.7	71.3	4	22.5	1.3
Food Processing (NIC 10)	21119	50.2	2.4	27.9	1.3
Autos (NIC 2910 & 2930)	29647.6	7.6	0.3	3	0.1
Steel (NIC 2410 & 2431)	70528.3	7.8	0.1	3.7	0.05

Source: Economic Survey of 2016-2017

Given the fact that so many individuals are entering the workforce every year, India needs a large burst of economic activity in labour intensive sectors which can employ India's largely low-skill, semi-skilled and unskilled workforce.

Only then will the country be able to put its so called demographic dividend to good use.

So, which are these labour intensive sectors that have the potential to employ India's burgeoning workforce? The apparel sector and the leather and footwear sector are two such sectors. As the Economic Survey of 2016-17 points out:

"The data show that the apparel sector is the most labour-intensive, followed by footwear. Apparels are 80-fold more labour-intensive than autos and 240-fold more jobs than steel. The comparable numbers for leather goods are 33 and 100, respectively.

Note that these attributes apply to the apparel not the textile sector and to leather goods and footwear not necessarily to tanning."

India needs a large burst of economic activity in labour intensive sectors which can employ India's largely low-skill, semi-skilled and unskilled workforce.

Figure 1 tells us that the apparel sector creates close to 24 jobs per lakh of investment. For a similar investment, the steel sector creates almost no jobs.

On the other hand, the leather and footwear sector create around seven jobs per lakh of investment. Hence, these sectors have a great potential to create jobs, given that they don't need a lot of investment to create jobs. Also, they have a huge potential to create jobs for women.

As mentioned earlier, it is estimated that nearly one million Indians are entering the workforce every month. This number is based on the assumption of a very low female labour participation rate. The men make up for a bulk of the Indian workforce, with women forming a small part.

Nevertheless, the thing is that more and more women are likely to join the workforce in the years to come. And if that turns out to be true, then the estimate of one million Indians entering the workforce every month, will turn out to be an underestimate.

In this scenario, if the sectors like apparel and leather and footwear expand, they are likely to create the required jobs.

Over and above this, as the Economic Survey points out: "The opportunity created for women implies that these sectors could be vehicles for social transformation... In Bangladesh, female education, total fertility rates, and women's labour force participation moved positively due to the expansion of the apparel sector."

	Year	Monthly Wages (USD)
Andhra Pradesh	2016	81
Bihar	2016	84
Odisha	2016	86
Jharkhand	2016	90
Tamil Nadu	2016	93
Uttar Pradesh	2016	95
Karnataka	2016	105
West Bengal	2016	109
Gujarat	2016	114
Madhya Pradesh	2016	115
Maharashtra	2016	118
Haryana	2016	119
Bangladesh	2013	80-120
Vietnam	2015	180- 250
China	2013	250 - 300
Indonesia	2013	120 - 150

Source: Economic Survey of 2016-2017

The interesting thing is that there is an immediate opportunity here. In the last two decades, China has seen an explosion of economic growth. In this scenario, the per capita income in the country has gone up many times over. In 1995, the per-capita income had stood at $610 (current US $, World Bank data). By 2015, this had exploded more than 13 times to $8,028.

This tells us that the labour costs in China have gone up. Some of the goods that it used to produce earlier, and on which a lot of economic prosperity was built, it is no longer competitive in.

As far as labour cost goes, India is well -positioned to cash in on this. If labour cost was the only concern, businesses which produce apparel, leather and footwear, should have been moving their manufacturing from China to India.

This becomes clear from Figure 2. The minimum wages for semi-skilled labour in most Indian states are lower than Vietnam, China and Indonesia. Despite this, the space being vacated by China is not being taken over by India.
As the Economic Survey points out: "The space vacated by China is fast being taken over by Bangladesh and Vietnam in case of apparels; Vietnam and Indonesia in case of leather and footwear. Indian apparel and leather firms are relocating to Bangladesh, Vietnam, Myanmar, and even Ethiopia."

If Indian firms are leaving India and setting up apparel and leather firms in other countries, it is not surprising that the space being vacated in China is moving to other countries and not India.

This is a point I make in my new book India's Big Government: The Intrusive State and How It is Hurting Us: "In fact, if we look at the cost factor, India has the second lowest manufacturing cost (Indonesia is lower) among the top 25 exporting countries in the world.

Nevertheless, it is important to realise here that companies set up a manufacturing base in China not just because of the low cost, but also because of the very good infrastructure that was available. And such an infrastructure is clearly not available in India right now. Indeed, almost all countries in East Asia offer an easier working environment than what is available in India."

Hence, when it comes to capturing the space being vacated by China, two major factors are holding India back, logistics and labour laws. India's labour laws essentially ensure that Indian firms continue to remain small and in the process they lack economies of scale to compete internationally.

As the Economic Survey points out: "One symptom of labour market problems is that Indian apparel and leather firms are smaller compared to firms in say China, Bangladesh and Vietnam.

An estimated 78 per cent of firms in India employ less than 50 workers with 10 per cent employing more than 500. In China, the comparable numbers are about 15 per cent and 28 per cent respectively."

Countries	Logistics cost (US$ per km road transport)	Time taken (No. of Days) at Port and for Shipping	
		Customs/Port clearance	From Port to delivery at US east coast
India	7.0	6.0	21.0 (JNPT) ; 28.0 (Chennai/ Tuticorin)
China	2.4-2.5	1.5	14.0
Bangladesh	3.9	10.0	21.0
Vietnam	7.0	6.0	14.0
Sri Lanka	3.0	3.0	23.0

Source: Economic Survey of 2016-2017

Take a look at Figure 3. It shows the logistic costs of different countries. India comes right at the bottom. In fact, the logistics cost of India and Vietnam is the same. Nevertheless, it takes lesser time to deliver stuff from Vietnam to the US East Coast, than it takes from India. This works in favour of Vietnam.

To conclude, the window of opportunity to capture the space being vacated by China is narrowing. And India needs to get its act right quickly, if it wants to capture the space being vacated.

Source: swarajyamag.com- Feb 25, 2017

HOME

****

Forever 21 expands national footprint with its 15th store in India

Forever 21, a leading fast fashion brand from Aditya Birla Fashion and Retail Ltd. strengthens its foothold in Mumbai with the launch of its 4th store, taking the total count to 15 stores in India.

The brand has gained immense popularity among the young and fashion conscious consumers and is bullish on retaining its position as the most preferred fashion destination.

Having established a strong affinity with fashionable Indians in Mumbai, Delhi, Bangalore, Chennai, Pune and Hyderabad, Forever 21 creates a new fashion destination for the uber-stylish Mumbaikars with its fourth store at Phoenix Market City. Bringing global trends and runway fashion closer to the fashionistas, Forever 21 promises to provide a fashion journey with the latest looks and Spring Summer 17 collection.

"We are proud to say that Forever 21 is the most loved fashion brand by Mumbaikars and our 4th store launch is a testimony to the love and support we get from our consumers. Forever 21 brings the latest global runway trends to India and we aspire to make them accessible for fashion conscious millennials. The new store at Phoenix Market City will house the latest Spring Summer '17 Collection," said India Business Head Forever 21, Abhinav Zutshi.

Marking a new chapter in India's fashion scene, Forever 21's new store is spread over 12000 sq.ft of retail space at the Phoenix Market City mall located in the heart of Mumbai. The store will stock the exclusive Spring Summer 17 Collection and make hi-fashion even more accessible at affordable prices.

Complementing Forever 21 apparel and accessories, the store will feature the retailer's other brands, including 21MEN, a line of fresh, fast fashion for men of all ages; Love and Beauty a cosmetics line; and Forever 21's lingerie and shoe line. With this new store, the brand has increased its total store count to 15.

The fast fashion brand introduces new styles every week, thus making it the ultimate fashion terminus for youngsters.

As part of promotions, Forever 21 hosted a treasure hunt inside the mall; the top three winners won vouchers worth Rs. 21,000, Rs. 10,000 and Rs. 5,000 respectively. Moreover, the first 200 customers who completed the task got Rs 500 off on shopping.

Source: retail.economictimes.com- Feb 28, 2017

HOME

****