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TEXPROCIL NEWS CLIPPINGS

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USD 64.86 | EUR 69. 26 | GBP 81.39 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20629	43150	**84.87**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
21040	44011	**86.56**

International Futures Price

NY ICE USD Cents/lb (March 2017)	77.33
ZCE Cotton: Yuan/MT (May 2017)	15, 395
ZCE Cotton: USD Cents/lb	**85.11**
Cotlook A Index – Physical	**86.35**

Cotton guide: Cotton in the gone by week was really precarious. The domestic spot cotton price continued to hold a steady tone near Rs. 43500 to Rs. 44,000 per candy. However, the future contract for April ended the week on a negative note. The April contract ended the week at Rs. 21,040 down by Rs. 500 per bale from the last week. With the steady demand from the mills and supply holding a tight scenario has kept the spot price firm however the divergence in the future is noticed basically because the same has taken cues from both spot and ICE futures performance.

Coming to ICE contract we had seen cotton price during the week made a low of 75.80 cents per pound. However, despite the USDA monthly report was released stating increase in the plantation in the US the price eventually reversed. The ICE May future ended the week at 77.33 cents per pound sheer down by 11 cents from the previous week's close.

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In fact while we reiterate upon the open interest movement there has been a sharp cut in the position from 0.164 million contracts to 0.104 million contracts for May contract at ICE. However, while we observe the July future the OI has increased a tad to 58191 contracts. This indicates there has been a slight roll over of positions from May to July.

However, we analyze the unfixed on call sales in the US as of latest report by CFTC suggest the sale has been slightly lower at 118,280 contracts than the previous week. We believe this may have been a trigger for price to rebound with millers fixing their price at ICE. So basically market is really precarious at this moment and likely to hold a mixed tone.

This morning cotton for the given contract at ICE is trading at 77.54 cents up by 0.27% and believes market to remain sideways and after initial rise in the price the contract may trade down. We expect cotton to trade in the range of 78 cents to 77 cents per pound. At the domestic market April future may trade in the range of 21300 to Rs. 21000 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: How Free Trade Agreements Affect the Apparel Industry

As a result of free-trade agreements and rising prices of Asian manufacturing, U.S. textile and clothing makers are seeing a boost.

According to Apparel News, production of U.S. man-made fiber and filament, textiles, and apparel shipments reached almost $75 billion. That's an 11 percent increase from 2009.

This comes after U.S. apparel manufacturing took a hit during the '90s and early '00s due to overseas competition.

"It has been a fairly stable and strong environment for about five or six years," Augie Tantillo, president and CEO of NCTO, a trade group that represents textile companies in the U.S., told Apparel News. "But the market has been flat for 18 months due to sluggishness in the global and U.S. economies, and the uncertainty in the retail sector."

Yarns and fabrics accounted for $30.3 billion of exports, and apparel reached $12.7 billion.

Apparel News also noted that NAFTA has a big role in the changing tides of apparel and textile revenue:

One of the U.S. textile industry's saviors has been free-trade agreements that require that regional yarns and fabric be used in production.

If you look at the $13 billion man-made fiber, yarn and fabrics exported from the United States, a big chunk, $4.4 billion, is sent to Mexico, $1.6 billion is shipped to Canada, and another $1.3 billion is earmarked for Honduras.

The Dominican Republic receives $759 million in shipments. All these countries are members of either the North American Free Trade Agreement or the Dominican Republic Central America Free Trade Agreement.

Textile producers would theoretically have a lot to gain from changes to NAFTA, because it would get rid of trade-preference levels.

Source: magazine.promomarketing.com- Apr 02, 2017

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Egypt announces new Chinese investments in textile

New Chinese investments in the field of textiles are coming soon to Egypt's Suez Canal economic region, an Egyptian official said on Saturday.

Ahmed Darwish, head of the Suez Canal Economic Zone (SCZone), said so during a business conference held in Cairo, adding that a number of investment contracts would be signed in the SCZone with Chinese international firms.

At the two-day first round of the Belt and Road Industrial and Commercial Conference, held under the slogan of "Egypt ... Your Gateway to BRICA," the Belt and Road Industrial and Commercial Alliance, Darwish said that the SCZone has become largely attractive to investors, particularly those of China.

He added that China's TEDA Corporation, one of the oldest industrial developers in the zone, has been developing an area of over 7 square km in Ain Sokhna district of the Suez Canal Corridor east of Cairo.

The SCZone chief hailed TEDA's work in the region that attracted some 68 enterprises, including Jushi, a fiberglass giant from China.

Proposed by Chinese President Xi Jinping in 2013, the Belt and Road Initiative is meant to revive the ancient trade way known as the Silk Road, including land and sea trade routes between China and countries in Asia, Africa and Europe.

The first round of the annual Belt and Road Industrial and Commercial Conference is organized by Egyptian Businessmen's Association and China Federation of Industrial Economics, Egypt and China being the founding members of BRICA.

Held under the auspices of the Egyptian Ministry of Trade and Industry, some 150 Egyptian businessmen and 160 others from the BRICA states took part in the conference, besides large financial institutions including China Development Bank, Industrial and Commercial Bank of China, African Development Bank and the Common Market for Eastern and Southern Africa.

Source: xinhuanet.com - Apr 01, 2017

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Australia's manufacturing sector is ramping up

Activity levels across Australia's manufacturing sector continue to strengthen, and rapidly.

The latest manufacturing Purchasing Managers Index (PMI) released by the Ai Group came in at 57.5 in March, down fractionally on the 15-year high of 59.3 reported in February.

The PMI measures changes in activity levels across Australia's manufacturing sector from one month to the next. It ranges from a score of 0 to 100, with 50 deemed neutral. Anything above 50 indicates that activity levels improved, while a reading below 50 suggests activity levels declined.

So while the pace of improvement in March was slower than February, it still points to a rapid recovery in activity levels across the sector.

As a result of strength in the PMI since the beginning of the year, the survey's three-month moving average — a better overall guide to the trend in activity levels — rose to 56 points, the highest level since December 2002.

A pleasing result, even if it the sector is now a far smaller proportion of the Australian economy than what it once was.

And, adding to the strength in the headline PMI, the Ai Group said that all seven of the survey's activity subindices improved in March. "Expansions in new orders (62.6 points) and sales (57.7 points) strengthened," it said.

"Production expanded while slowing from more robust growth last month (57.6 points) as did employment (54.1 points). Deliveries (52.9 points) and exports (51.1 points) eased to more modest growth, while inventories turned up in March (55.5 points)."

The strength in the new orders subindex — a lead indicator on future activity levels — was particularly pleasing, suggesting that the strength of March is likely to continue into April, and perhaps beyond.

Seasonally adjusted	Index this month	Change from last month	12 month average		Index this month	Change from last month	12 month average
Australian PMI®	**57.5**	-1.8	**53.1**	Exports	51.1	-5.9	54.5
Production	57.6	-7.7	53.7	Sales	57.7	2.4	54.3
New Orders	62.6	2.0	55.7	Input Prices	65.5	4.3	62.7
Employment	54.1	-3.4	49.9	Selling Prices	53.5	-0.2	50.9
Inventories	55.5	7.2	50.9	Average Wages	54.0	-4.8	58.2
Supplier Deliveries	52.9	-3.4	52.9	Capacity Utilisation (%)	79.1	2.2	74.6

* All sub-sector indexes in the **Australian PMI®** are reported in trend terms (Henderson 13-month filter) so as to better identify the trends in these volatile monthly data.

By individual subsector, the group said that five of eight saw activity levels improve during the month, including the enormous food and beverages sector, the largest in the country.

"The strongest growth was in non-metallic mineral products (64.8 points) and food and beverages (63.4 points)," it said.

"Encouragingly, metals products (59.5 points) and machinery and equipment (60.5 points) strengthened in March, despite the ongoing exit of automotive assembly, which is included in machinery and equipment.

Textiles and clothing, at 45.2, along with printing and recorded media at 48.5, were the only sectors that reported a decline in overall activity levels. While not all sectors enjoyed a strong month in March, in more broader terms, the Ai Group said the robust result indicates that demand continues to recover.

Positive factors for demand include higher prices for coal and other commodities, large infrastructure projects, the NBN rollout, and stronger defence spending and stronger activity in the agricultural sector," it said.

However, partially offsetting those positives, it said that energy prices, particularly for electricity, "continue to play havoc with manufacturers".

“Concerns about energy pricing and security of supply are eroding profitability and confidence,” it said.

After another strong showing in March, markets will now await the release of services and construction PMI reports from the Ai Group later this week to see whether the strength in manufacturing has been replicated in the larger, and more economically important, parts of the Australian economy.

Source: businessinsider.com.au - Apr 03, 2017

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Trump puts Indonesia on trade hit list

A week after seeing a petition against Indonesia’s biodiesel, the country has seen another blow in its trade with the United States after President Donald Trump called for an investigation into the “trade imbalance” between the US and 16 countries, including Indonesia.

Trump had promised to crack down on “cheating foreign importers” by signing two executive orders on Friday. He gave 90 days for his administration to develop and implement a strategy for combating “violations of US trade and customs laws.”

“The Secretary of Homeland Security shall, in consultation with the Secretary of the Treasury, the Secretary of Commerce and the US Trade Representative, develop a plan that would require covered importers that, based on a risk assessment conducted by the CBP [Customs and Border Protection], pose a risk to the revenue of the US, to provide security for antidumping and countervailing duty liability through bonds and other legal measures,” Trump wrote in his executive order.

Indonesia was in the 15th position on the list, with US$13 billion in trade surplus over the US, followed by Canada with $11 billion surplus. China was in first with a $347 billion surplus followed by Japan, Germany, Mexico, Ireland, Vietnam, Italy, South Korea, Malaysia, India, Thailand, France, Switzerland and Taiwan.

Responding to the development, Trade Minister Enggartiasto Lukita said the government would closely monitor the situation and soon collect data regarding Indonesian products with the potential to be hit by the US probe.

"For now, we will evaluate our export commodities that could potentially be questioned by the US. We will also ask for our representative in Washington, DC, to watch and monitor [the situation]," he told The Jakarta Post on Sunday.

The US market received $15.68 billion in non-oil and gas exports from Indonesia last year. The main commodities shipped to the US were mostly footwear, textiles, fisheries products and natural resources while the US exported aircraft, soybeans and machinery.

In his executive order, Trump called for the collection of antidumping duties that must be paid to the US. According to the US Accountability Office, there were more than $2.3 billion uncollected anti-dumping and countervailing duties to the country since 2001.

On March 23, US-based commercial trade association National Biodiesel Board (NBB) filed a petition with the US Department of Commerce and the US International Trade Commission to impose anti-dumping and countervailing duties on imports of biodiesel from Indonesia.

Institute for Development of Economics and Finance (INDEF) economist Bhima Yudhistira Adhinegara said the anti-dumping measures would not affect much of Indonesia's accumulative trade.

"Like textiles and footwear, we booked the surplus not because of dumping but because US workers did not want to make those goods due to high labor cost. That is why US brands such as Nike shifted their jobs to Indonesia," he told the Post.

He chose to believe that the main target of the measure was actually China, as Chinese President Xi Jinping was scheduled to visit the US and hold a bilateral meeting with Trump in Florida next week.

Indonesian Employers Association (Apindo) fisheries division chairman Thomas Darmawan said Indonesia's export goods to the US were totally different from those of China. Indonesia mostly exported natural resource products such as rubber, coffee and seafood while most of China's exports were end-products.

"If they put a barrier [on Indonesian goods], they will put themselves in a difficult position," he said.

Center of Reform on Economics (CORE) executive director Mohammad Faisal said Indonesia should join forces with other countries to appeal to the World Trade Organization against Trump's accusation.

However, the Foreign Ministry's director general for American and European affairs, Muhammad Anshor, remained hopeful that the issue would not be raised in the upcoming visit of US Vice President Mike Pence to Indonesia.

Trump's deputy is scheduled to visit Indonesia later this month as part of his tour around the region, which includes stopovers in Japan, South Korea and Australia.

Source: thejakartapost.com- Apr 03, 2017

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Japanese fabrics attract attention overseas

Fabrics produced by Japanese manufacturers are increasingly appearing in the collections of high-end overseas brands.

At the recent Fall and Winter 2017-2018 New York Fashion Week, a number of brands featured Japanese fabrics, while Japanese manufacturers promoted the quality of their textiles.

On Feb. 10, the Japanese fashion brand Theatre Products presented its collection made in cooperation with Nakaden Keori Co., a textile maker based in Ichinomiya, Aichi Prefecture.

The theme of the collection was "overnight trip," and it featured a range of comfortable clothing items that can easily be packed in a small bag.

The brand used fabric manufactured by Nakaden Keori for its shirts and casual pants. The soft, wrinkle-resistant fabric was made using the latest manufacturing techniques for mixing weaving and knitting.

Another fabric used for sweatshirts and skirts features a ridged surface woven using cotton and synthetic fabric for improved stretch properties.

Ichinomiya and its neighborhood are one of the largest wool textile manufacturing regions in Japan. Nakaden Keori also manufactures synthetic and knit fabrics, as well as woolen fabrics. The company promoted its products by providing samples and information about their fabrics to the buyers and journalists who attended New York Fashion Week.

Theatre Products designer Akira Takeuchi said, "The company uses great technology and responds to our detailed requests." Kimihiro Nakashima, the vice president of Nakaden Keori, said, "We want to make the quality of our fabrics more widely known around the world with the help of fashion designers."

At New York Fashion Week, Calvin Klein and rag & bone also unveiled collections using Japanese denim and other made-in-Japan fabrics. The Los Angeles-based brand James Perse uses material made by the Tokyo-based textile manufacturer A-Girl's Co. for its T-shirts. The cotton fabric is manufactured at a factory in Wakayama Prefecture.

Even though the T-shirt is made of cotton, it's as soft as satin and doesn't get sticky when a wearer is perspiring. The company began supplying James Perse with the fabric after a trade show held in Paris.

"The great texture of the fabric was really appreciated," said A-Girl's Vice President Tomohiro Yamashita.

Some manufacturers have their own brands, which use the same premium textiles supplied to famous overseas brands.

Sato Seni Co., a textile mill based in Sagae, Yamagata Prefecture, has several brands of its own, such as M.&Kyoko. It operates sales outlets at department stores and other facilities across Japan, and its knitwear and skirts have been well received.

Komatsu Seiren Co. in Nomi, Ishikawa Prefecture, also uses the fabric it supplies to European brands for its own brand, mittente. Their trench coats are popular for the smoothness of the material, as well as their water-repellent and wind-resistant properties.

Instead of relying on trading firms to market their fabrics overseas, these Japanese textile manufacturers have taken the initiative to promote their products themselves.

Source: japan-news.com- Apr 03, 2017

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Bangladesh: Dialogues to help garment sector solve crisis: expert

Bangladesh needs to hold effective dialogues with the union leaders and senior officials from the European Union and the International Labour Organisation to resolve the crisis of the garment sector and improve relations with the EU, an expert said.

"The dialogues will help resolve the crisis in the garment sector as all the stakeholders will have equal rights to express their opinions," said Christian Ewert, director-general of the Foreign Trade Association (FTA), a Brussels-based organisation.

The FTA comprises nearly 2,000 retailers and brands, transacting 1.1 trillion euros in 2016.

During the dialogues, Bangladesh should highlight the progress in workplace safety after the Rana Plaza industrial disaster, Ewert suggested.

"Bangladesh has made remarkable progress after the Rana Plaza building collapse as the Accord and the Alliance have completed the inspection, and the remediation is underway to improve workplace safety."

Of late, the apparel sector has come under renewed pressure after the EU sent a letter to the government with a call to improve the labour rights further.

The letter urged the government to implement the ILO's special paragraph that was given to Bangladesh during the International Labour Conference (ILC) in Geneva last year.

The special paragraph called for amending the labour law and putting in place a single labour law for all workers in the country -- a law that also covers workers employed at factories in the export processing zones.

The ILO paragraph, which has EU's endorsement, has called for easing the terms of forming trade unions at factory level.

During its tour to the country last week, an EU delegation consisting of parliamentarians suggested Bangladesh follow the ILO's special paragraph. The third-round meeting of the Bangladesh Sustainability Compact meeting is scheduled to take place in Dhaka on May 18 and the next ILC is going to be held in June.

“So, immediate dialogues are important for resolving the crisis. I hope a positive outcome will come out from the dialogues,” said Ewert.

Ewert said Bangladesh also needs to build a better relationship with the retailers and brands by following compliance and supplying goods within the stipulated time to be more competitive.

He said the inspection and remediation of the factory buildings should have a strong follow-up to strengthen the workplace safety.

Ewert backed extension of the tenure of the Accord and the Alliance for stronger monitoring of the remediation.

The tenure of Accord and Alliance will expire in June 2018, he said.

The FTA chief said Bangladesh needs to invest in skills development and diversification of export items.

He said product diversification can even take place within the garment sector as so many varieties of clothing items could be manufactured.

“This means Bangladesh should focus on value added items to be more competitive. Once the country produces more value added items, the exporters will get higher prices by producing less number of products.”

"As a result, the cost of production will go down, which will boost the profit margin. All this requires a skilled workforce capable of producing value added items at minimum cost."

According to Ewert, Bangladesh will remain as a hotspot for sourcing apparel items as the country has already proved one of the strongest players worldwide.

Source: thedailystar.net– Apr 03, 2017

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Pakistan: Downward spiral

The country's export sector is choking fast and warrants innovative short and long term measures urgently to arrest declining exports that have already started widening the trade gap disproportionately. The issue gets compounded due to falling home remittances as well as foreign exchange reserves.

The Rs180 billion export package given by the government a few weeks ago has so far not yielded any results to halt deteriorating export trends. While terming it 'insufficient', the exporters want serious action to address the issue.

Exports have gone down from $24.5 billion in 2012-13 to $20.9 billion in 2015-16 and experts are sounding a warning both to the government and the export industry to play their due roles to arrest the falling exports - a life line for accumulating fast depleting reserves. These reserves have fallen from the peak of $23 billion plus to less than $22 billion, though mostly contained by borrowed external loans and still largely considered inadequate may force the future elected government to once again revert to IMF for emergency lending to avoid any upcoming default.

The country's exports, which remained stagnant at $24-25 billion during 2010-11 to 2013-14, were declining for the last three years. The situation seeks exigent export oriented investment. How China and India have channeled foreign direct investment (FDI) to stimulate exports are good examples to follow to increase exports.

Earlier three year Strategic Trade Policy Framework (STPF 2015-18) announced by the PML(N) government did not help much to increase exports and discourage unnecessary imports. This STPF is said to have remained unimplemented as all the related efforts aimed at promoting exports could not produce any tangible benefit. Cash support schemes announced with all fanfare under STPF also proved unhelpful for improving product design and encourage innovation.

Blame game between the exporters and the ministry of commerce, however, continues as both sides are accusing each other of doing little to bridge trade gap that is swiftly increasing. While the government urges exporters to improve their competitiveness by diversifying their products through value addition, exporters maintain that they cannot do much as the cost of doing business is still very high. They also lament that the supply of electricity and gas is still to be improved to help increase their productivity to a desired level.

Former finance minister Dr Salman Shah believed that the government will have to play a major role to increase exports as it controls the energy sector. "Unlike other competing countries, the cost of doing business is very high in Pakistan and the government must support its private sector by giving services, essentially power and gas on reduced tariffs to boost our falling exports."

"Pakistan did not have any competitive edge in the international export market because of inferior quality of its exportable goods." The exporters face tough competition and must strive hard to compete particularly against China, India, Hong Kong and Bangladesh.

"But in the short term the government must improve its exchange rate to enhance exports", Dr Shah said, adding that long term solutions are needed instead of achieving any momentary benefit. "The need of the day is competitiveness of export industry without which no objective could be achieved to enhance exports that may result in improved balance of payment position. Moreover supply chain up gradation needs special attention."

Prominent exporter and chairman of Bed Wear Association Shabbir Ahmad regretted that over the years the export mix has not changed as a result of which domestic industry was still uncompetitive against its rival countries.

According to him there were three fundamentals that explained the country's failure. "We have not much to export, we have little incentive to export and we have no compulsion to export."

He explained that Pakistan continued to produce goods that did not largely sell in the international export market. "It all suggests that the government needs to prepare and announce new industrial policy that promotes export growth leading to jobs creation and additional revenue generation," Ahmad said.

He urged the government to give up political expediency and go for long-term planning to enhance falling exports. "I would blame both the ministers for commerce and finance for not taking any interest to boost exports on one hand and discourage rising imports that have in fact doubled and have created a yawning trade imbalance.

Our central bank should also focus on long term gains in facilitating exporters, including to help recover their over Rs150 billion sales tax refunds," Ahmad said. The export relief package would not do the trick to enhance exports and that without taking policy level decisions and ensuring their implementation, Pakistan would continue to struggle to enhance its exports at some sustainable level, he added.

But Ashraf Mahmood Wathra, governor State Bank of Pakistan (SBP), believed that new thinking has to be developed to increase exports. To begin with, he pointed out, new entrepreneurs should enter the export market who should concentrate on product diversification and market diversification to increase the existing low level of exports.

"Our exporters would have to part with export model of 50s' and 60s' and new entrepreneurs must enter in the export market who should not look up for government's incentives but effectively compete with other nations through hard work and new methodologies and techniques."

Wathra, who is expected to be given an extension in service by the federal government because of his proactive policies, did not believe that exchange rate was a cause of any worry and said: "the depreciation of our currency would only help in nominal term but would culminate on piling up of more debt."

He is of the view that now when the weighted average lending is just 7 percent and 5 to 6 percent for the textile sector, the exporters should avail more credit line to boost their exports. The amount of credit has increased from Rs267 billion in 2015 to Rs350 billion in 2016 which is a sound improvement. The issue of sales tax refund is also being addressed by the government.

"This is not a good economic and monetary strategy to devalue rupee for some less gain that in return brings incredible increase in our overall debt burden," Wathra said. He did not accept that the central bank was manipulating the issue by keeping disadvantageous exchange rate for the exporters. "The government has to protect the interests of all and not the exporters alone."

The view that the government must develop linkages to have export driven foreign direct investment (FDI) aimed at enhancing exports is gaining strength. The FDI, it is said, can help increase exports through multiple spillover effects on the local exporting firms that in turn can benefit by learning through observing the foreign firms' export activities, new technologies and modern management techniques.

But then people do talk about the overall security environment further to be improved to attract sizable FDI which is currently hovering between $900 million and $1 billion annually for the last many years. It reached the peak in 2007-08 when the country received $5.5 billion foreign investment. There is no doubt that security situation has greatly improved during the last few years albeit with the help of the armed forces who offered plentiful sacrifices to restore peace across Pakistan particularly in Sawat, Karachi and tribal agencies.

Previously foreign investors and their hundreds of firms made significant profit by investing in Pakistan despite facing security issue which compounded during previous PPP government and the initial one and half years of incumbent PML(N) government.

The government needs to woe and channelize FDI inflows into export oriented market, though during the last decade more than two-thirds of a total of $20 billion foreign investment went into non-manufacturing sectors including construction, oil and gas, telecom and power.

In this regard Pakistan has to compete with China, India, Bangladesh, Malaysia, South Korea and Vietnam in terms of ease of doing business to enhance its FDI related exports and the job requires reviewing faulty investment promotion strategy.

Exchange rate is an issue that needs to be sorted out by the ministry of finance/central bank by negotiating with exporters who maintain that rupee is 20 to 25 percent overvalued against dollar and has to be brought down to boost exports. They often cite the example of China, Turkey, India and Bangladesh which frequently depreciate their currencies against dollar to promote their exports.

In comparison with other South Asian countries, Pakistani exports are declining for the last many years with rulers failing to reach at any remedy. Part of the problem is that exporters do have their own inherent weaknesses such as not going into value addition and mainly concentrating on export of raw cotton benefiting countries like Bangladesh.

According to Economic Survey of Pakistan 2014-15, Pakistani exports remained stagnant at $24-25 billion and actually decreased in the year 2016 while Bangladesh's exports surpassed the $30 billion mark last year and is set to hit $34 billion mark this year. This all is happening due to sluggish growth in Pakistan's major trading partners – UK-USA and China – due to expensive gas/electricity that always delays in order deliveries.

Major exports including rice, cotton, leather, jewelry and the chemical sector have been hit hard by the slump in exports and the situation calls for drastic improvements.

The government needs to help diversify exports whose current base is mostly limited to basic commodities like textiles, leather, cotton, grains, fruit etc. Making a transition from these exports to more value added goods in the global value chain like computer chips, integrated circuits, semiconductors, parts used in mobile and laptop manufacturing and other high tech items seems imperative.

At the end of the day one finds that two important sectors of the economy – exports and agriculture - stumbled since 2013 which is one-third of the country's Gross Domestic Product (GDP). A positive development is slight growth in agriculture that had remained negative during the last many years.

But the most worrisome is the export earning which have declined by almost 20 percent from $25.1 billion in 2012-13 to $20.8 billion in 2015-16. This decline is calculated to be larger after adjusting for exports under the EU GSP Plus status. Overall there is a decline in both textile and non-textile exports.

Shabbir Ahmad chairman Bed Wear Association

We have not much to export, we have little incentive to export and we have no compulsion to export. Pakistan continued to produce goods that did not largely sell in the international export market. It all suggests that the government needs to prepare and announce new industrial policy that promotes export growth leading to jobs creation and additional revenue generation.

Going forward the phenomenal low export base has to be improved along with policy decision to ensure value addition of products. Both the finance and the commerce ministers, who are being accused of side stepping the export issue must take into confidence the exporters' community.

Source: thenews.com.pk– Apr 02, 2017

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NATIONAL NEWS

Govt to create 50,000 jobs in textile sector

Keen on making Haryana a global textile manufacturing hub and preferred investment destination, the government has prepared Textile Policy 2017 to incentivise setting up of new units and ensure growth and modernisation of the existing textile industry in the state.

Taking a holistic approach to the issue, the policy is packed with fiscal incentives and contains provisions for infrastructure augmentation, setting up of textile parks and facilities for skill training. It aims at generating 50,000 new jobs by attracting investment in the textile sector to the tune of Rs 5,000 crore.

An official spokesman said the policy had been formulated with an eye on the cotton belt of Haryana. The state is one of the leading cotton producers in the country with Sirsa, Fatehabad, Bhiwani, Hisar and Jind being the main cotton-producing districts. This sector provides employment to about 1 million people and readymade garments worth $2 billion are exported from the state annually.

The policy proposes capital subsidy of 10 per cent for the eligible new projects of all textile enterprises across the state. It aims at positioning Haryana as a preferred destination for global textile majors, besides boosting textile exports by compound annual growth rate of 20 per cent during the policy period.

Under the policy, the HSIIDC will offer industrial plots for a lease of 33 years with 5 per cent increase in annual lease rent. Besides, panchayat land will be made available on lease for industrial development.

Textile enterprises acquiring technology will be provided financial assistance of up to 50 per cent of the cost for adopting technology from recognised national institutes, subject to a maximum of Rs 25 lakh.

The policy provides for 100 per cent electricity duty exemption for 10 years from the date of release of electricity connection for new enterprises in ‘B’, ‘C’ and ‘D’ category blocks, and for five years only for new enterprises in ‘A’ category block.

Besides, 100 per cent exemption of external development charges in 'C' and 'D' category blocks and 50 per cent exemption of external development charges in 'A' and 'B' category blocks for all categories of enterprises will be given under the policy.

Under the policy, the state government will facilitate setting up of textile parks exclusively for garment units with provision of labour housing and built-up sheds, to be provided on lease basis, to facilitate expansion of the garment industry in the state.

Under its land aggregation scheme, the state government will facilitate rehabilitation of dyers and processors by making available land for units at affordable rates as well as facilitating clearances like CLU under single-window clearance mechanism.

To address the shortfall of skilled manpower in the textile sector, the government will encourage private players to conduct skill development training programmes by reimbursing 75 per cent of the total cost of these programmes, with 25 per cent met by the private player, subject to a maximum cost of Rs 10,000 per trainee. The government plans to facilitate retail space at nominal rates for khadi institutions.

Source: tribuneindia.com- Apr 02, 2017

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Union Textiles Minister launches PowerTex India

The Government has launched PowerTex India, a comprehensive scheme for powerloom sector development, simultaneously at over 45 locations in the country. Launching the scheme in Bhiwandi, Thane district, Maharashtra, the Union Textiles Minister, Smt. Smriti Zubin Irani said that Bhiwandi will be known for resurgence in Powerloom sector.

Recalling that the powerloom sector alone employs over 44 lakh people, the Minister said that the scheme will especially benefit small powerloom weavers.

The comprehensive scheme has the following components:

- In-situ Upgradation of Plain Powerlooms
- Group Workshed Scheme (GWS)
- Yarn Bank Scheme
- Common Facility Centre (CFC)
- Pradhan Mantri Credit Scheme for Powerloom Weavers
- Solar Energy Scheme for Powerlooms
- Facilitation, IT, Awareness, Market Development and Publicity for Powerloom Schemes
- Tex Venture Capital Fund
- Grant-in-Aid and Modernisation & Upgradation of Powerloom Service Centres (PSCs)

Launch of PowerTex India

On the occasion, the Union Textiles Minister and Chief Minister of Maharashtra launched PowerTex India helpline for any assistance in this regard. PowerTex India van was also flagged off for publicity of PowerTex scheme across the country.

The Minister and CM interacted with various locations like Malegaon, Ichalkaranji and Kolhapur in Maharashtra; Surat, Gujarat; Bhagalpur, Bihar; Erode, Tamil Nadu; Bengaluru, Karnataka; Varanasi, Uttar Pradesh; and others through video conference, as PowerTex India scheme was launched nationwide.

Source: business-standard.com - Apr 01, 2017

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Haryana govt's Textile Policy offers incentives for new units

Keen on making Haryana a global hub of textile manufacturing and a popular investment destination, the state government has prepared Textile Policy-2017.

Under the policy, the government will give incentives for setting up new units and ensure growth and modernisation of the existing textile industry in the state.

"Taking a holistic approach to the issue, the policy is packed with fiscal incentives and contains provisions for infrastructure augmentation, setting up of textile parks, and facilities for skill training. It aims at generating 50,000 new jobs by attracting investment in the textile sector to the tune of Rs 5,000 crore," an official spokesman said today.

The policy has been formulated with an eye on the cotton belt of Haryana, he said here.

"The state is one of the leading cotton producers in the country with Sirsa, Fatehabad, Bhiwani, Hisar and Jind being the main cotton producing districts.

"This sector provides employment to about one million people and readymade garments worth USD two billion are exported from the state annually," he said.

The policy proposes capital subsidy of 10 per cent for the eligible new projects of all textile enterprises across the state.

"It aims at positioning Haryana as a preferred destination for global textile majors, besides boosting textile exports by Compound Annual Growth Rate (CAGR) of 20 per cent during the policy period," he said.

Under the policy, the HSIIDC will offer industrial plots on lease for 33 years with five per cent increase in annual lease rent. Besides, panchayat land will also be made available on lease for industrial development, he said.

Textile enterprises acquiring technology will be provided financial assistance of up to 50 per cent of the cost for adopting technology from recognised national institutes, subject to maximum of up to Rs 25 lakh.

The spokesman said that in order to meet the demand for an international quality testing centre at Panipat, the existing quality marking centre for textile goods at old industrial area in Panipat would be upgraded to global standards.

The government would also facilitate setting up of a textile park at Hansi in Hisar district.

The park would house weaving, sizing and garmenting enterprises to augment the already strong infrastructure for ginning, spinning that already exists in that region.

For Khadi industry, the government plans to facilitate retail space at nominal rates for Khadi institutions.

Locations such as famous tourist spots, places with heavy footfall such as airports and retail hubs would be explored for such opportunities, he added.

Source: india.com- Apr 01, 2017

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Tamta gheraoed by weavers over non-payment of TUFS subsidy

Union minister of state for textiles Ajay Tamta was ghearaoed by around 200 weavers and embroidery unit owners, who were protesting over non-payment of subsidy amount under Technology Upgradation Fund Scheme (TUFS) here on Saturday.

Tamta was in the city to participate in the nation-wide launch of the package for powerloom sector under Power Tex India scheme of the Government of India. Union textiles minister Smriti Irani launched the scheme from Bhiwandi through video conferencing, which connected major textile manufacturing centres across the country, including Surat.

A group of weavers approached Tamta after the programme ended at Veer Narmad South Gujarat University's (VNSGU) convention hall. The weavers were demanding that the textiles ministry should immediately release the subsidy amount due to more than 500 weavers. According to the weavers, over Rs150 crore worth of subsidy amount is yet to be released from the last two years.

Dipak Sheta, a weaver, said, "We have invested huge amount to take benefit under the TUFS and were dependent on the subsidy amount. Yet, the government has not released the subsidy amount since two years now. I have invested Rs50 lakh."

Tamta assured that his department will certainly look into the issue and try to release the subsidy amount as soon as possible. "We can have a one-to-one discussion on this. The ministry is committed to resolving the subsidy issue at the earliest," Tamta said.

Source: timesofindia.com- Apr 02, 2017

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CAG faults Andhra government for delay in textile parks completion

The textile and apparel parks being developed by the State government to help weavers and several others who are dependent on them remains incomplete.

No units were established in two textile parks as of date and the only unit started in Rayadurg of Anantapur district remains idle. This was disclosed in the CAG report.

The establishment of textile and apparel parks was intended to increase employment and export of textiles/apparels.

However, there were delays ranging from 23 to 156 months in establishment of parks due to improper selection of site, delay in transfer of lands to Department of Handlooms and Textiles, non-completion of infrastructure facilities and amenities.

According to CAG, it resulted in significant non-achievement of objectives of the parks as envisaged. There was 24 to 100 per cent shortfall in setting up of units in these parks while the shortfall in employment generation ranged from 74 to 100 per cent.

From 2002-03, efforts were on to develop textile and apparel parks, some export-oriented and some integrated parks with domestic market in focus. Under different schemes, 11 such parks were taken up in the State.

CAG for its auditing had reviewed five parks, one developed by a private party with government support (Brandix India Apparel City Private Limited), two by APIIC Apparel Export Park (AEP), Proddatur and Vizag Apparel Export Park) and two by the Department of Handlooms and Textiles (Textile park in Mylavaram and textile park in Rayadurg). BIACPL and VAEP had received Central government assistance under Scheme for Integrated Textile Park (SITP) and Apparel Parks for Exports Scheme (APES) respectively.

No progress yet on big ticket projects

CAG observed that site for textile park in Mylavaram was not right and the Detailed Project Report (DPR) prepared by Andhra Pradesh Industrial and Technical Consultancy Organisation Limited (APITCO) for 62.18 acres of the project was faulty. It said as per DPR, the land surface was plain and involved minimum development cost.

Further it was said the State had easy accessibility to water due to proximity to Mylavaram Reservoir and availability of groundwater. The DPR stated there was potential for immediate investment and employment generation, which were favourable factors.

However, the audit observed from the records that the Water Resources Department could not provide water form Mylavaram Reservoir and at present, the textile park was depending on a borewell to meet its requirements. Out of 118 plots of the park, only 43 were allotted to entrepreneurs and no unit has been established till date.

In respect of Apparel Export Park in Proddatur, a DPR was prepared for the project on 50 acres of land in 2004.

Proposals to Central government seeking funding under Apparel Export Park Scheme, but the proposal was returned pointing out several discrepancies in the proposal. First of all, the land identified was only 50 acres as against prescribed 150-250 acres.

Further, the DPR lacked details of the proposed garment units/investments/ production/marketing.

No Master Plan was indicated. The State government started development of the AEP with its own funds by acquiring 76.17 acres of land without preparing any fresh DPR. It saw the park not receiving any investor till date, CAG observed.

It was also observed that Brandix India Apparel City Private Limited was partially completed with delay of 23 months and three parks - Mylavaram Textile Park, Rayadurg Textile Park and Apparel Export Park in Proddatur were not completed till date, even though they were proposed to be completed by February 2006, June 2003 and December 2006 respectively.

It was due to non-transfer or delay in transfer of lands in the name of Department of Handlooms and Textiles.

Transfer of lands was necessary for allotment of individual plots for setting up of units in those parks.

Non-development of infrastructure was also a reason for delay in completion of AEP Proddatur and textile park in Rayadurg. Several crores spent by the State government for land acquisition, creation of infrastructure and for paper work remained unfruitful.

Source: newindianexpress.com- Apr 02, 2017

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Aditya Birla Group's Jaya Shree Textiles aims to add 156 'Linen Club' stores by 2020

Amid rising demand for linen fabrics, Jaya Shree Textiles, an Aditya Birla Group company, plans to add around 156 Linen Club stores to its retail chain— taking the total count to 300— by 2020. At present, Jaya Shree has 144 Linen Club stores operational in the country.

As per Thomas Varghese, business head – textiles, Aditya Birla Group, the company would invest about `60 lakh to `70 lakh for each store with an area ranging from 1,200 sq ft to 1,500 sq ft. It would be a mix of company-owned stores and franchisees, he added.

The company opened its first Linen Club store in Hyderabad in 2002, but it took time for the company to expand the retail format aggressively as the fabric has taken time for awareness and acceptance by customers. "The demand for the fabric has grown with a shift in trend from formals to casual and comfort wear, Varghese said. Initial expansion will be in the existing markets in southern and western region, while the company plans to enter the northern region sometime this year.

The company already has a store overseas in Muscat and plans to open a few more in the region in the next couple of years. Rajesh Vig, partner, PricewaterhouseCoopers, said:

"Linen fabric commands a premium of 35% to 40% over cotton. The annual demand is growing by at least 15% to 20% annually. Linen is a fabric worn for comfort and, given the hot climate in India, its demand is increasing."

The company on Saturday launched its exclusive identity store at Linking Road, Bandra, in Mumbai spanning 1,370 sq ft. "This store is our first flagship outlet in Mumbai and our fifth store in Greater Mumbai.

This store would be our 144th store pan India," Varghese added. Rajiv Dube, director, Aditya Birla Management Corporation, said, "Mumbai is the fashion capital of India and we are absolutely positive that the style connoisseurs of the city will welcome the finest European linen fabrics. All our fabrics are made from raw material sourced from France and Belgium and processed at our manufacturing facilities."

Source: financialexpress.com- Apr 02, 2017

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India's technical textiles industry is expanding

The Indian textiles industry, currently estimated at around $108 billion, is expected to reach $223 billion by 2021. Expanding in the same proportion as the entire textile industry, the market for technical textiles in India, which stood at Rs 92,499 crore in 2015-16, is expected to grow at 12 per cent CAGR and reach 1,16,217 crore by 2017-18.

In 2015, technical textiles accounted for around 29 per cent share of the global textile revenues. Demand for technical textiles is expected to stay steady during the period 2015-2020, due to a broadening application in end-use industries, such as automotive, construction, healthcare, and sports equipment etc, said Sanjay Aggarwal, chairman, Industry Affairs Committee, PHD Chamber of Commerce & Industry (PHDCCI), at the recently concluded Technical Textiles Exhibition cum Buyer Seller Meet in New Delhi.

In 2015, the global technical textiles market was valued at around $153 billion. On back of strong demand, the global technical textiles market is estimated to reach at $194 billion by 2020, with global consumption expected to surpass 40 million tonnes, said Aggarwal.

Development and industrialisation are the main drivers for the demand of technical textile products in a country, said Aggarwal.

"Given the large scale at which emerging nations are industrialising, the market for technical textiles can only be expected to grow in tandem with industrial growth in different parts of the world."

India is expected to play a key role in shaping the future technical textiles market with consumers spending more on home textile, sportswear products, and medical products.

In fact, technical textiles is expected to provide new opportunity to the Indian textile industry to have long term sustainable future.

Despite achieving high growth rate, the per capita consumption of technical textiles in India is 1.7 per kg vis-a-vis 10-12 kg in developed countries.

Globally, the technical textiles contribute to about 29 per cent of textile industry, in some of the western countries its share is around 50 per cent while in India it is a meagre 10 percent only.

Ram A Poddar, co-chairman, Industry Affairs Committee, PHDCCI, said that India's textiles sector is one of the oldest industries in the economy dating back several centuries.

Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports.

The textiles industry is also labour intensive and is one of the largest employers.

Vivek Seigell, director, PHDCCI, said that the time has come to position India as manufacturing hub for technical textiles. "So, the first step into positioning India as a technical textiles hub is to carve out a clear vision, strategy and action plan for technical textiles.

For this, we need the support of the industry to map out existing technical textiles demand and future growth rates in each of the different technical textiles segments in domestic as well as global markets."

Source: fashionnetwork.com - Mar 31, 2017

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Boost for power looms in Maharashtra as Fadnavis announces schemes

The Maharashtra government is working on schemes to provide subsidies to power looms in the stat, said chief minister Devendra Fadnavis in Bhiwandi on Saturday.

He added that the state is also planning to add on to the 50% subsidy on solar energy and a subsidy on the interest on loans provided to the looms.

He added that owing to the ongoing Assembly session, he cannot give a formal announcement of the schemes though they will soon be underway.

Fadnavis along with the Union textile minister Smriti Irani was inaugurating the PowerTex India Schemes in 43 cities at one time via video conferencing in Bhiwandi.

The scheme comprises new research and development in power loom textiles, new markets, branding, subsidies and welfare schemes for the workers.

Fadnavis said, “Bhiwandi is the ‘power loom capital’ of India. Chief minister Narendra Modi has strived to upgrade every component of this sector. The central government has given 50% subsidy to power looms, and we will see if the state can give the remaining 50%.”

Fadnavis said, “The government has given Rs1,000 crore as funds to this sector in the past, which has now reached to Rs1,500 crores. The scheme to provide additional subsidy is ready and it will be announced soon.”

Source: hindustantimes.com - Apr 01, 2017

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AB Fashion eyes 49% in local arm of Danish apparel maker Bestseller

Old money, says Deal Street, is in hot pursuit of fast fashion for the young.

The Aditya Birla Group, founded before the Crown formally began her reign over India, is in talks with Danish apparel company Bestseller A/S to acquire a significant stake in the Indian arm of the fashion house that owns Vero Moda, Jack & Jones, and Only — or labels for the millennials.

Aditya Birla Fashion and Retail is in "active discussions" to acquire 49% stake in Bestseller India, and is offering attractive valuations, according to one of the three industry executives aware of the development.

Aditya Birla Fashion said it does not comment on "market speculations," while Bestseller confirmed business discussions with the Indian group. "Our pan-India presence over the last two years has increased and we hope to bring in more brands to the market in the years ahead," Vineet Gautam, chief executive of Bestseller India, said in an emailed response.

"As a result, we have seen increased interests from multiple key Indian partners and business houses, Aditya Birla being one of them."

Talks with Bestseller are part of Aditya Birla Fashion's strategy to enhance its portfolio of international brands, as the compa-ny seeks to cater to the changing taste of the urban consumer.

According to an industry source quoted above, the fashion business of the Aditya Birla Group is under pressure from investors to stitch together a winning formula, reflecting the latest trends in India's fashion scene that has been redefined in the past few years by Zara and H&M.

"Aditya Birla Group was becoming less relevant with its existing brands. So, it is now getting its act together and talking to foreign players," the executive said, requesting anonymity.

Aditya Birla Fashion owns top labels in formal menswear, such as Louis Philippe, Van Heusen, and Allen Solly. It also owns the Pantaloons department stores.

The company said it is a "market leader" in India's branded apparel market, and that it has a "rich portfolio of the largest and the most profitable brands in the country".

"These brands enjoy unparalleled consumer franchise with their distinctive brand and product proposition as well as wide reach across channels," an Adiyta Birla Fashion spokesperson said in an emailed response. "Our strategy is focused around continuous investment and growth of these brands."

Harminder Sahni, founder of retail consultancy Wazir Advisors, said that the group had "overall good and stable business" in the segments that are not competing with global labels.

"Aditya Birla Group sees the value being created by Reliance Brands and Arvind Brands because of Tommy Hilfiger, Gap, Children's Place and Sephora," Sahni said. "Now it is waking up to the reality that there is value in running international brands."

Source: economictimes.com - Apr 03, 2017

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Native cotton takes root once again

There's a revival in cultivation of 'desi' cotton organically

Long after losing ground to the transgenic variety, native cotton is gaining fresh currency and regaining its lost ground, but in small measures. While traditional food like millets is seeing a revival, parts of Karnataka are also seeing cultivators eschewing the transgenic cotton variety.

Groups like Sahaja Samruddha — an organisation working for conserving traditional and indigenous variety of crops — have networked with farmers in the State, besides establishing links with similar like-minded organisations across the country. It has collaborated with Tula, a non-profit social enterprise, which encourages farmers to cultivate 'desi' cotton organically. It purchases the materials from the cultivators, weaves and manufactures fabric, and sells them to ensure that farmers get the best price.

The three-day Desi Cotton Mela, held in Mysuru recently, is expected to open up the market for the farmers while providing an alternative and diverse range of clothing for the consumers.

"There was a steady decline of the native variety of cotton cross India due to the government support for transgenic Bt cotton. But in the last few years, native varieties like Jayadhar is back in the reckoning and is being cultivated in parts of central Karnataka like Gadag, Hubballi, Koppal and Haveri," said Krishnaprasad of Sajaha Samruddha.

There are more than 100 farmers in the Sahaja Samruddha network cultivating Jayadhar variety, he added. There are similar network of farmers in the Vidharba region of Maharasthra cultivating Dhanavantri variety and Karunganni cotton in Tamil Nadu.

"Historically, the Indian subcontinent was famous for cotton, but now the 'desi' cotton cultivation is less than 3% of the total production," according to Ananthasayana of Tula.

But we are talking to the urban consumers on the economics involved and also creating a market for it, adding that millets too were in a similar situation 10 years ago.

Besides, there is a preference for native cotton cultivated organically for surgical and medical use, but this market has not been fully exploited, say the promoters who are confident that native cotton has a better future in the years ahead.

Water-savers

A majority of native cotton varieties are dry land crops and do not require much water and hence are resistant to drought. The cost of cultivation is less and the yield and returns surpass the input cost, which will help sustain farmers, according to Krishnaprasad of Sahaja Samruddha. "This is true of cotton and millets," he added.

Source: thehindu.com - Apr 01, 2017

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Here's what can change the dynamics of world trade

On January 1, 2017, a freight train departed from Yiwu (Zhejiang Province) and arrived at Barking station (London) in about 16 days, covering 12,000 km across nine countries (China, Kazakhstan, Russia, Belarus, Poland, Germany, Belgium, France and the UK). This freight train service costs 50% less than air-freight, while reducing the shipment time by 50% compared to sea-freight.

As against 30 days of time required for import from China through sea route, there is now a rail option of just 16 days. This is just one benefit of "Silk Road Economic Belt-SREB." On the other hand, "Maritime Silk Road-MSR" will provide connectivity with resource-rich African countries. This is going to bring in big changes in the way trade happens between China and EU and other countries, which lie on Silk Road Economic Belt.

In September 2013, President Xi Jinping during his visit to Turkmenistan, Kazakhstan, Uzbekistan and Kyrgyzstan called upon Central Asian countries to join hands in building a "Silk Road Economic Belt-SREB." The SREB will connect China with Central Asian countries and Europe via an extensive network of roads, rail, pipelines and SEZs.

Subsequently, "Maritime Silk Road" was announced, which is supposed to traverse through South China sea, South Pacific Ocean, Indian ocean, Suez canal to Mediterranean sea. Collectively, both SREB and MSR have officially been labelled as "One Belt, One Road" or in other words "Belt & Road" initiative.

The OBOR comprises two physical routes, with six economic corridors, and is one of the biggest infrastructure projects of modern world. These two different routes will ultimately connect China with about 100 countries in Europe, Africa and Asia. These countries represent about 70% of the global population, 55% of global GDP and 24% of global trade.

It is quite evident that the OBOR initiative has great potential. However, the size of the project brings various challenges. Even though ground transport is less expensive, it stalls each time when the shipment crosses a border which may result in increase in cost in the form of tariffs and arbitrary delays.

However, if OBOR initiative operates with a single unified customs system and effective trade facilitation mechanism, then trade can happen smoothly across boundaries, combining the efficiency of air shipments with the low cost of land transport.

According to various estimates, countries along the OBOR route will collectively need $5 trillion of investment in transport infrastructure until 2020. The massive investment will create over 70,000 new jobs and 12,000 engineering contracts until the completion of OBOR. OBOR countries will also receive significant amount in foreign direct investment (FDI). The benefit will rest not only with China, but also with countries along the OBOR project.

On the west of South Asia, China-Pakistan Economic Corridor (CPEC) is getting constructed which plans to connect Gwadar Port in Pakistan with Xinjiang province in western China. This corridor will be used for shipment destined for Africa and Middle East.

China, in turn, is expected to facilitate its energy imports from Middle East through CPEC. The corridor is being built with an investment of approximately $50 billion. In the eastern part of South Asia, the planned Bangladesh, China, India and Myanmar Economic Corridor (BCIM) joins eastern part of India with OBOR, and navigates through Bangladesh and Myanmar.

Even though the project is being led by China, it would be incomplete if India is not a part of complete OBOR. India is strategically located along both the land route as well as sea route of OBOR.

From India's point of view, it has huge infrastructure requirement internally and externally. OBOR brings opportunity for India to connect with East Asia, Central Asia and Eastern Europe.

Despite India having its own concern regarding the sovereignty of the country, it would have to work in close cooperation with Pakistan and China in order to reap the full benefit of logistic facilities.

Since 2013, till the end of 2016, China has entered into over 50 cooperation agreement and has issued joint statement along with the OBOR countries.

Going forward China would have to coordinate with over 100 countries and align its vision that can fructify into concrete measures. If the OBOR project takes concrete shape then it will change the dynamics of world trade in coming years.

Source: financialexpress.com - Apr 03, 2017

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India needs to recognize import demand: Report on Singapore trade pact

India's exports must be in line with demands from trade partners, a report looking at the nation's current trade deal with Singapore has pointed out.

The report released by foreign trade think tank RIS, showed that small but affluent Singapore has increasingly gained an appetite for high value imports while the diversity of India's export basket to the nation has remained stagnant. This is evident in the nation's growing demand for branded jewellery and pharmaceutical specifics rather than the generics that India specializes in.

India had signed the Comprehensive Economic Cooperation Agreement (CECA) back in 2005. The agreement has been credited with increasing India's exports to the nation from $4 billion in 2004-05 to $16.9 billion in 2011-12. However, exports have seen a steep decline since then, going down to $ 7.7 billion in 2015-16.

The government is currently reviewing Free Trade Agreements that India has signed with trading partners after the industry voiced concerns about benefits of these pacts for domestic players.

These agreements have been signed with several countries, including Asean bloc of nations, Japan and Korea. It is also negotiating similar pacts with several regions, including the European Union, Australia, New Zealand and Canada.

However, a second review of the CECA has remained inconclusive over the past six years.

Recently a Finance Ministry report looking at persisting problems in stagnant exports had said the same thing. Rather than exporting that which is available domestically, it had urged the government to consider shifting to items for which there is world demand and India enjoys basic competence.

"In 2015, India's export share in the top 100 world import items at four-digit HS level were more than five per cent in only five items," it had said. This represents only 1.6 per cent in value terms.

Also pointed out, has been the low participation of Indian companies in the supply chains which have come up in the area with Singapore being a hub.

Among all Asian nations, India's services trade is also highest with Singapore, which is a world leader in the field. On that note, the lack of mutual recognition agreements (MRA) - whereby countries agree to recognize one another's conformity assessments - in crucial sectors have hit India's services exports, the RIS report points out.

The issue has become a fulcrum of other trade talks that India is currently engaged in such as the Regional Comprehensive Economic Agreement (RCEP) since the nation has significant strength in the fields of Architecture, Medical, Dental, Nursing and Chartered Accountancy, among others.

According to government figures, Singapore is the third largest foreign investor in India whereas Singapore received the highest outflow of Indian FDI.

Source: business-standard.com - Apr 03, 2017

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India's exports may cross $300 billion in FY17, says FIEO

'Growth is encouraging as global trade is down and many economies are still in the red'

India's merchandise export is expected to cross $300 billion during the current fiscal, said a top official of Federation of India Export Organisations (FIEO).

FIEO expects India's shipments for fiscal 2016-17 to close at $272 billion against $262 billion in the previous year – a growth of 3-4%. This fiscal, the exporters' body expects manufacturing shipments to be in the region of $300-310 billion and services to be between $175 billion and $180 billion.

"This (export) growth for 2016-17 is encouraging as global trade is down and many economies are still in red," said Ajay Sahai, Director General & CEO, FIEO. "China's February figure shows that exports have declined. The Indian exports figures are not only of low base, but they are nowhere near our potential.

"We had already touched $300 billion in exports in the past and from here on we should look at more promising exports. We expect the current year exports shipment to be between $300 billion and $310 billion." Though last year's export growth was minimal, Mr. Sahai said one must look at the outcome in the context of global scenario. "If you look at it in isolation, I may not be happy. But, if you look how my competitors have performed and how the world economy has moved, I am happy.

"But, we have to give a greater push to exports, because I am not looking at foreign exchange realisation alone, I am looking at exports and economic activity which creates employment generation. Sectors such as handicrafts can be pushed only through exports," he said.

Asked whether it was possible to reach an exports target of $900 billion by 2019-20, Mr. Sahai said: "During the current year, we might touch $480 billion. To reach the target, we should have a compounded growth of 29%."

Source: thehindu.com - Apr 03, 2017

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