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The Cotton Textiles Export Promotion Council [TEXPROCIL]
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IBTEX No. 248 of 2016 Dec 09, 2016

USD 67.60 | EUR 71.70 | GBP 85.11 | JPY 0.59

Cotton Market Update (08-12-2016)

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

Rs./Bale	Rs./Candy	USD Cent/lb
18501	38700	**72.99**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
19040	39827	**75.11**

International Futures Price

NY ICE USD Cents/lb (March 2017)	71. 05
ZCE Yuan/MT (January 2017)	15,685
ZCE Cotton: USD Cents/lb	**88.84**
Cotlook A Index – Physical	**79.80**

Cotton & currency guide: Cotton price in India traded down on Wednesday. The spot shankar-6 variety traded lower to Rs. 39150 per candy ex-gin equivalent 73.50 cents/lb.

The price has been declining gradually with higher new crop arrivals and tepid demand. On Wednesday the ICE futures for March cotton ended tad higher at 71.05 cents down by 28 cents from the previous day's close.

This morning ICE cotton is seen trading steady at 71.11 cents and the Chinese counterpart is almost at 15600 Yuan/MT.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

USA: 5 Things Apparel Experts Are Watching for 2017

There's no telling quite yet what 2017 will bring for the world considering the uncertain global climate, but when it comes to apparel, there are five trends apparel experts foresee shaping up in the coming year.

In a webinar presentation of her talk at CBX Software Global Sourcing Day last month, Jane Singer, managing director of market intelligence firm Inside Fashion said there'll be five things to keep an eye on in 2017: changes in order sizes, China becoming a buyer, Vietnam rising, quality becoming an increasing priority and new routes to new markets.

1. Changes in order sizes

There continues to be downward pressure on the size of orders, and in the last three years, average order size has decreased between 20 percent and 30 percent.

"People want to have smaller inventories, they want to be able to modify things more, consumers are buying fewer but better, and there's not this kind of just shop-till-you-drop that we used to have," Singer said.

The downsizing has hit bigger factories, particularly in Asia, the hardest as they've been set up to handle huge orders ever since offshoring took off. Now, buyers are hardly placing orders for 100,000 dozen of one style, one color, Singer explained.

"So now you're taking an entire business model that's been set up a certain way and saying to these guys, 'We need small orders, we need it faster, we need more complex orders.' It's tough for a lot of these factories," Singer said.

To hold onto the volume of orders they've been used to, Singer said Chinese factories in particular are "really cutting their prices."

Better factories are trying to reengineer and become high-end producers, going after more complex orders where there's more price flexibility.

What some factories are doing—and even the high-end ones—is adopting a sort of shared capacity model, though it's not the lambasted subcontracting or outsourcing that may come to mind.

Some factories, as Singer explained, are making agreements with other factories that if one gets a big order, they can place some of it in the other's factory.

"Rather than investing in excess capacity, which may or may not be idle part of the time, it's that kind of a shared, sort of a leased out capacity if you will," Singer said. "And it's amongst good players. It's not just subcontracting and turning their back. They're running it as it it's their own factory but they're using other people's equipment and workers. We're starting to see a lot more of that."

2. China is becoming a buyer

For much of the last few decades, China has been considered the world's factory, but the Asian powerhouse is increasingly becoming a buyer of consumer products.

The consumer economy has grown steadily in China, there isn't the same unemployment problems that exist in other parts of the world, and consumers have pent up demand—a mix that makes for ample opportunity. "There's a buying capacity there that we can't ignore as suppliers," Singer said.

Chinese brands are also willing to pay a premium for better quality materials and often buy at the better end of a collection as there's so much competition in the country that special is necessary.

"We think that's a very important shift to be taking a look at," Singer said. China-based suppliers have started selling more into China and not just to foreign brands for export. According to Singer, the capacity Chinese suppliers are selling to domestic buyers compared to for-export has gone up to 50 percent of what they're producing.

"Ultimately, we're going to start to see more of a floor on prices," Singer said. "It's going to be harder and harder to push the price down as far as we've sort of been able to do in recent years."

3. Vietnam rising

Vietnam fills an "interesting" niche as a sourcing destination, according to Singer, because it's cheaper than China with better skills than Bangladesh. It can also handle smaller orders than what has to be placed in Bangladesh, efficiency is increasingly improving, its free trade agreement with the EU looks to be nearing completion and its FTA with the Eurasian Economic Union (which includes Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia) took effect in October.

"Even without TPP, which tends to be the big topic when you talk about Vietnam, we still feel that Vietnam has a lot of opportunities," Singer said. There will be a continued investment in mills in Vietnam as the country lacks raw materials and still imports much of them from China, which doesn't do much for speed to market.

But as the influx of manufacturing hits Vietnam, there's going to be an upward pressure on wages and labor shortages.

"The more forward-thinking factories and the factories that are just being built are putting a lot into automation with that in mind," Singer explained. "They're going to have to get a lot more productivity out of workers because wages definitely are going to be going up."

4. Quality is now a priority

The increased demand for quality comes more from the consumer side as the Internet has turned shoppers into savvier buyers.

Consumers can study products to understand what makes some things better than others and read reviews about the item.

"In the old days, people would buy something just because they liked it, the next bright, shiny object kind of thing. Nowadays, people will think about it," Singer said. "Quality isn't something we can just talk about. We have to address it."

Brands and manufacturers will have to consider ways to add quality into a product, how to trade it up or find a way to personalize it. There will be a need to move away from basics into goods that add value.

5. New routes to new markets

With speed to market ever critical and brands battling the trade-off between price and speed, new routes to new markets will be key.

The major route to watch in 2017 will be the trans-Eurasia rail linking China to Europe and Russia.

“We feel that this link into Europe and into the developing areas in the Middle East and Russia is quite interesting in terms of new markets,” Singer said.

As brands and manufacturers look for greater speed to market at a cost they can still manage, tapping into rail will be a quicker yet cost-effective mode of transport over sea and air.

“This will be really impactful in growing the development of inland China and Western China and will also provide more opportunities for the export of goods coming from Europe into China,” Singer said.

In looking at how U.S. trade policy will affect trade and new markets since Donald Trump has been clear about stamping out certain trade deals and relationships, Singer said nothing too dramatic will happen too quickly.

“We think that there might be changes in trade but I don’t think it’s going to be anything too radical too fast,” she said. “It’s actually market reaction, it’s people being nervous about something and reacting to something more so than what’s actually happening that’s going to be impactful on consumer markets.”

The Trans-Pacific Partnership (TPP) that Trump has promised to do away with came with its own challenges too, Singer said, noting the multitude of mechanisms and clauses to be aware of before thinking everything would just be duty free.

“Think of it [TPP] as a bonus if you get it, but not as the bread and butter.”

Source: sourcingjournalonline.com– Dec 08, 2016

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15 years on: China's growing global Influence in WTO

December 11th, 2016 marks the 15th anniversary of China's accession to the WTO. On that day, China formally became the full-fledged 143rd member of the WTO after 15 years of arduous and prolonged negotiations. China's entry into the WTO was approved unanimously at the WTO's ministerial meeting in the Gulf state of Qatar on November 11th, 2001 and bringing a market of 1.3 billion people into the global trading system. Over the past 15 years, China has made great contributions to the WTO's multilateral trading system as well as to global economic growth.

According to WTO Deputy Director General David Shark, since its WTO accession, China has significantly increased national income, made great progress in poverty relief, influenced economic growth in many regions, and made vital contributions to raising incomes and living standards globally.

After three decades of spectacular economic growth, China surpassed Japan as the world's second-largest economy behind the United States in 2010. At its current rate of growth, economists say China replacing the US as the leading economic power in the coming years as early as 2020.

China's growing global influence is spreading far beyond its borders over the last 30 years. China has begun to reshape the way the global economy functions by virtue of its growing dominance of trade on the global stage.

With its huge hoard of foreign exchange of 3.201 trillion U.S. dollars, China is challenging the US dollar's long-standing dominance as the medium of international trade.

The inclusion of the Renminbi in the Special Drawing Right (SDR) basket has confirmed China's status on the world stage as an economic and financial power.

China became the world's largest trading nation in 2013, overtaking the US in what Beijing described as "a landmark milestone" for the country. According to the IMF report, China now accounts for more than 12 percent of world exports and 10 percent of imports. In fact, all the other major trading nations – US, Germany, Japan, France – have seen their share in global exports decrease while China's share has shot up.

Surely, China has made contributions to the global trading system over the past 15 years by opening up its economy, improving the stability, predictability, transparency of a large number of regulations that favor trade and economic activities, in addition to enhancing employment. There is no question that China's membership in the WTO has expanded the universality of WTO membership and strengthened the multilateral trading system.

The Chinese economy remains the single largest contributor to world GDP growth. WTO economists reported on 7 April, 2016 that with the IMF currently expecting only 3.1% global growth this year, China would contribute nearly 39% of the total. Praising China's role in helping other WTO member countries, Roberto Azevedo, Director-General of the WTO, said on July 6, 2016: "China has always been a very strong supporter of multilateralism and of the WTO and has been very constructive in negotiations."

China's WTO accession has significantly boosted world trade, and China's rapid economic rise, notably in the textile, metals and machinery sectors and advanced its legal and governmental reforms. In 2001 at its WTO accession, China's GDP stood at 1.33 trillion USD, ranking the world's 6th, while in 2015, it topped 10 trillion USD, increasing by nearly 8 times, and ranking the 2nd globally.

China has overtaken former leading exporters such as Japan and Germany, with its share in global exports rising from 5.9 % in 2003 to 12.7 % in 2014 and in global imports from 5.4 % in 2003 to 10.5 % in 2014. Obviously, China has benefited from WTO rules that lower tariff and non-tariff barriers to trade for all WTO members and that prevent WTO members from engaging in trade discrimination against each other. Basic WTO rules that require non-discriminatory "national treatment" and "most-favored-nation treatment" for the traded products of WTO members benefit China worldwide.

In spite of increasingly unsettling factors and the slow recovery of the global economy, China's economy has maintained vigorous development, which has attracted growing attention from the international community. Now China has come to a stage where anything that happens to its economy has global reactions.

On March 4, 2016, while attending a panel discussion at the annual meeting of the Chinese People's Political Consultative Conference (CPPCC), Chinese President Xi Jinping reiterated that China's fundamental economic structure would continue to be based on "diverse" forms of ownership which would develop side by side with a state sector that would play the "dominant" role - a firm restatement of China's fundamental economic strategy since reform was launched in 1978.

This economic structure generated in 1978-2015 an average annual GDP growth of 9.6 percent - the fastest sustained expansion by a major economy in history. The sustained and rapid development of China's economy and the continuous improvement in the Chinese people's living standards has made great contributions to the sustainable development and prosperity of mankind.

According to the latest World Bank data, 728 million people in China were lifted out of internationally defined poverty since 1981; the whole of the rest of the world achieved only 152 million. According to a report released by a financial research institute with the Bank of China (BOC), China contributed roughly 30 percent to world economic growth during the first half of this year with a growth rate of 6.7 percent, which is among the highest for major economies.

In 2015, China's export of goods registered 2.27 trillion USD, accounting for 12.4% of the world's total, making it the biggest exporting economy for 2 years in a row, and China's import of goods and services recorded 1.96 trillion USD and 382 billion USD respectively, taking up 10.3% and 8.1% of the global total. Numerous Chinese products have gone out to the world, while large quantities of foreign products have poured into China. China is the world's biggest exporter of electronic devices ($215 billion) and steel ($30 billion). Globally recognized big companies, including Apple and Microsoft, prefer to manufacture in China due to low costs.

The low-cost but good products exported by China have benefited many consumers worldwide, helping the consumers in the United States alone save USD 15 billion annually. The swift increase in China's imports has created numerous job opportunities for the world. On the export side, China is a formidable competitor in many markets, overlapping in its export composition with other countries such as India, Malaysia, Mexico, Pakistan, the Philippines and Thailand.

China is now Japan's main trading partner and is increasingly important to companies such as electronics firm Sony and carmakers like Honda and Toyota.

As a major exporter China has shared many interests with developed countries and has thus been supportive of the inclusion of the General Agreement on Trade Facilitation (GATF) into the WTO framework as part of the 2013 Bali package. China ratified the GATF as one of the first WTO members in2015. Over the past 15 years, China has actively assumed its responsibilities as a major developing trading nation, having cut its overall tariff level from 15.3 percent to 9.8 percent.

Today it has become the largest trading partner of more than 120 countries and regions. China's imports and exports affect their markets. It has long been an advocate of free trade, as evidenced by the fact that it has to date signed 14 free trade agreements with 22 countries and regions. As part of China's new round of opening up, three Pilot Free Trade Zones have been set up in Guangdong, Tianjin and Fujian. China's first Pilot Free Trade Zone was established in Shanghai in 2013. Over 13 million new jobs were created in the urban areas over the past two years.

As a WTO member, China has also played an active role in Doha Development Agenda negotiations and showed its support for the multilateral trading system through constructive action and key initiatives. China's leadership in boosting regional and global economies, through programmes such as the "Belt and Road" initiative, was supported by the WTO reviewers during the sixth round of the Trade Policy Review (TPR) of WTO in Geneva in July this year.

In the TPR, WTO members encouraged China "to make further efforts to conclude" its Government Procurement Agreement (GPA) negotiations, which commenced at the end of 2007 when China submitted its initial offer.

As a nation that has been fundamentally changed by WTO membership, China hopes to gain "market economy status" under Article 15 of the Protocol on China's accession to the WTO despite growing opposition in Europe and the US to a move that would make it harder for other major economies to bring anti-dumping cases against Beijing.

China is now the EU's second largest trading partner and one of the biggest markets for the 28-member bloc. During meeting with German Chancellor Angela Merkel in Beijing in June this year Chinese President Xi Jinping urged the EU countries to stop the practice of using surrogate countries in anti-dumping cases against China before December 11 this year. So far, over 80 countries, including Russia, New Zealand, Singapore and Australia, have recognized China's status as a market economy.

However, China's export juggernaut is the most frequent subject of anti-dumping investigations. Over the past two years, numerous anti-dumping cases have been decided by the USA, European Union and India against China. India is also initiating 18 anti-dumping investigations on imports from China in 2016 so far.

The USA and the EU are obliged to stop the surrogate country practice in the anti-dumping investigations against China as most applications of antidumping against China have become more discriminatory since its 2001 accession. According to China's WTO accession protocol, the use of the "surrogate country" method in anti-dumping investigations against China will end on December 11.

The truth is that the USA is less and less important to China's extraordinary economic growth with every passing year. Government leaders under the umbrella of WTO can no more thwart the rise of China and its active diplomacy by imposing trade barriers just as they cannot stop the rotation of the earth every 24- hour day.

Future decades will see even greater increases in Chinese power and influence. We, common people around the globe, hope that all members of the WTO join hands to combat the rising trend of protectionism, and bring the general public more benefits from global trade.

Source: english.cri.cn – Dec 08, 2016

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US export gains shield Central America trade deal under Trump

For critics of globalization who argue that US free trade agreements are uniformly harmful to the US economy and unfairly punish American exporters, Donald Trump's ascension to the White House only strengthens their hand. From his calls to dismantle, at most, and overhaul, at least, the North American Free Trade Agreement to his promise to squelch the once highly touted 12-nation Trans-Pacific Partnership, free trade perhaps attracted the sharpest rhetoric leading up to Trump's victory.

But is Trump truly anti-free trade, and if so, will he also train his eye on the Central America Free Trade Agreement, the decade-old trade pact that was modeled after NAFTA and deregulated US trade and investment with Costa Rica, El Salvador, Guatemala, Honduras, and the Dominican Republic?

Not likely, free trade advocates say. Of all the regions in the world, the Caribbean basin is the only region in which the United States has enjoyed a trade surplus for three decades, according to David Lewis, vice president of Manchester Trade, a Washington-based consulting firm active in the region. Moreover, by establishing a single, much larger market for US exports in that region, CAFTA has helped drive up bilateral trade with Central America at an impressive rate.

As an example, for the month of September 2006, US exports to CAFTA (which did not yet include Costa Rica) totaled about $1.7 billion. By September 2016, those monthly US exports to CAFTA nations had hit $21.4 billion, a nearly 13-fold increase in dollar value. Over the same time period, US imports from CAFTA countries grew more than 10-fold, from $1.6 billion to $17.7 billion.

By establishing CAFTA, Lewis said, the United States "basically consolidated the gains of American manufacturers and service suppliers in those countries, which embarked on opening their economies. From the US perspective and for US companies, not only in manufacturing but also in services, CAFTA has been a boon because this region is also the most interdependent region — after Mexico — with the US economy. Pretty much 75 percent-plus of all their trade and investments are with the United States."

Even more than NAFTA, trade with Central America has been a relationship of unequals: one large industrial economy — the United States — linked with six small, agricultural economies with incipient manufacturing sectors.

Unlike NAFTA, under which Canada and Mexico maintained their original internal markets, CAFTA has enabled several small Central American countries (the largest being Guatemala with 14.3 million people) to combine into a single internal market with a population of 53 million (including the Dominican Republic) whose enlarged economies of scale encourage trade and investment from manufacturers and retailers in the United States and from within the region.

“When you open the Central American market and make it grow (by expanding its scale), it means these small markets are able to benefit more from access to the largest consumer market in the world — the United States — and at the same time, they become more attractive to the largest source of investment in the world, which is the US,” Lewis said.

Seeing a potential market of 53 million consumers, major US companies, including Wal-Mart and Cargill, as well as textile manufacturers are expanding in the region, Lewis added. “There were trade restrictions, tariffs among those countries, but now they can operate seamlessly in CAFTA because it is one seamless market.”

According to the US Department of Commerce, the US trade surplus with CAFTA countries totaled $5 billion in 2015, and US goods exports to CAFTA countries supported an estimated 134,000 jobs in 2014.

According to Bruce Burdett, president of Cargill Central America, which trades agricultural commodities into and out of the three violence-plagued members of the region’s Northern Triangle (El Salvador, Guatemala, Honduras), Cargill has “substantial investments in poultry, further processed meats, and animal feed plants, as well as joint ventures there, employing over 10,000 associates.”

Not surprisingly, the payoff for Costa Rica, the wealthiest of the CAFTA markets, has had a different character, said Anabel Gonzalez, senior director of the World Bank’s Global Practice on Trade and Competitiveness.

CAFTA took effect in Costa Rica in 2009, but a 2014 World Bank study of that country concluded that it already had "derived significant positive benefits from the agreement, including increased exports and foreign direct investment. The telecommunications market has shown extraordinary growth in access and price reductions. Costa Rica is considered a success story in that it has transformed itself from a commodity exporter to a diversified economy, integrated into global value chains. Life sciences, business and information process outsourcing, and eco-tourism drive the country's exports, with the United States its major trade and investment partner."

Mario Moreno, senior economist for IHS Maritime & Trade (the division within IHS Markit that also includes JOC.com), expects US containerized imports from the Caribbean region to expand 5 percent to 10 percent in 2017 and 2018, with the bulk of growth driven by the Dominican Republic. Likewise, the Dominican Republic is expected to account for most of the US export growth to the Caribbean, with Moreno anticipating export growth of 5 percent to 7 percent in 2017 and 2018, according to third-quarter Container Shipping Outlook, released in September.

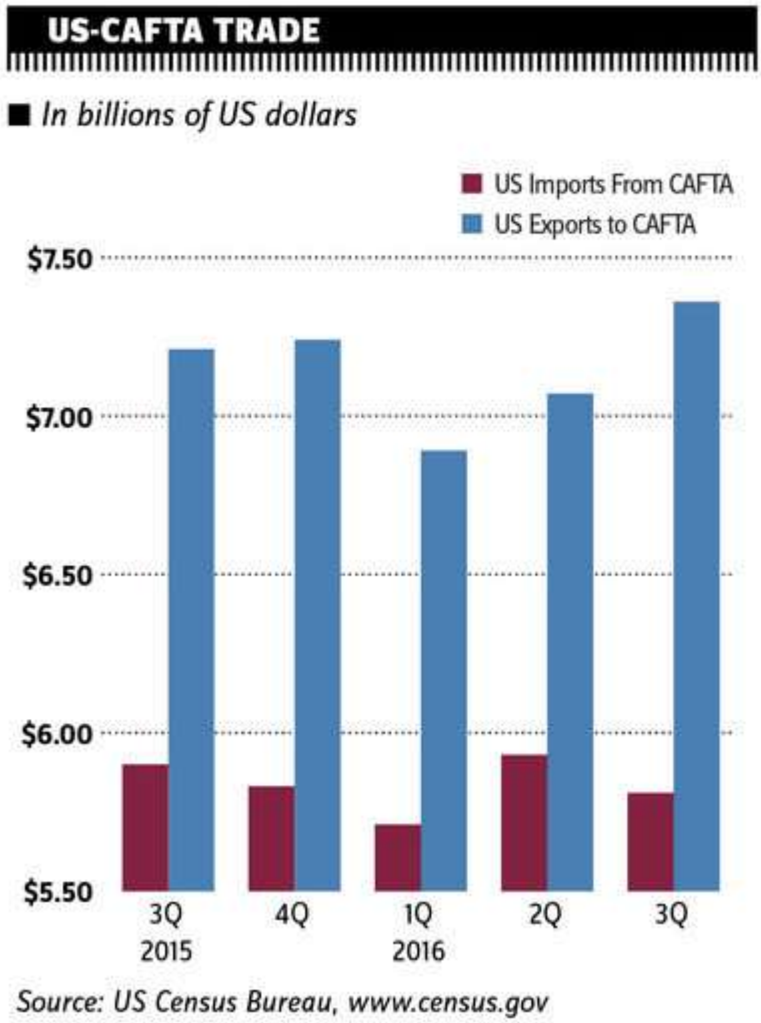
CAFTA will promote important structural change to the Guatemalan economy over the long term, Moreno said, widening opportunities to boost exports, investment, growth, and employment by granting expanded and more stable access to the United States.

What kinds of changes are likely for CAFTA with Trump as the US president? Lewis said sources close to Trump's advisers are optimistic about the prospects. They say things like, "We don't have any trouble with them (CAFTA countries), because we are actually selling more to these people, and making more money with them than we were before (the trade agreement). These actually are good trading partners for us, in their view of the world."

That doesn't necessarily mean a few minor changes in the CAFTA accord aren't in store. "After a decade of CAFTA, some of the countries have seen the growth, but now they are also seeing some of the pain," Lewis noted. "Every trade agreement has clauses in it — institutional set-ups for periodic reviews — where countries come to the table and say:

'We do have zero tariffs, but there are these problems' — or some unfair trading processes — or a couple of cases in labor practices against Guatemala and Honduras, as there were during the Obama administration.

"That's perfectly legitimate, and it's a long cry from saying, 'We are going to eliminate a trade agreement.' Or that 'We are going to renegotiate it.' "



Alvaro Sousa, president of the Dominican Association of Exporters, or ADOEXPO, said he's confident the Trump administration will not revise CAFTA, which "has been beneficial for this nation." Rather, ADOEXPO expects Trump to focus on renegotiating troublesome trade pacts with other trading partners, such as Mexico, which have been recording sizable US trade deficits.

On the other hand, shortly after Trump's victory, the governments of Honduras, Guatemala, and El Salvador announced they will seek support from Mexico to forge a joint strategy in response to Trump's victory, according to Reuters.

With so many undocumented immigrants now headed to the United States from the poorest CAFTA countries — rather than from relatively wealthy Mexico — there are growing concerns that Trump's campaign promise to deport millions of illegals back to Central America could have especially grave economic consequences for employment, investment, and public security in Central America. This prospect also could have a dangerous impact on Mexico, should many of those illegals prefer to relocate to Mexico.

The textile and apparel industry is one sector where expectations about CAFTA proved to be overly sanguine over the years. Under the trade agreement, qualifying US yarns and fabrics enter the CAFTA region duty free. Duty-free market access allows for increased export opportunities for US textile and apparel manufacturers.

In addition, because the agreement has no termination date, investment in the textile and apparel sector "is expected to continually grow, promoting increased trade and increased exports to the CAFTA market," according to the Commerce Department's Office of Textiles and Apparel.

And yet, over its first decade, CAFTA has done little to promote the growth of US apparel imports from Central America, given the onslaught of apparel imports to the US from China — despite the much higher cost of making those goods in Asia and transporting those goods across the Pacific.

Thus, from 2004 to 2014, US apparel imports from Honduras, the largest source of US apparel imports in Central America, actually decclined from 1,198,000,000 square meter equivalents in 2004 to 1,084,000,000 SMEs in 2014. Over the same time period, US apparel imports from China grew more than fourfold, from 2,972,000,000 SMEs to 10,780,000,000.

Those who believed CAFTA would lead to a massive relocation of offshore manufacturing plants back to the Western Hemisphere have been disappointed. Nowadays, many companies "are balancing off their value chain" with near-shoring operations "because that's the value of their business model," Lewis said.

"CAFTA will continue to fill a niche in the light manufacturing sector, which includes apparel and textiles, to provide US businesses with a very 'close' market, less than 24 hours away in Central America, as part of their global value chain. But I don't think there's any more of that vision that we had in the 1990s — and leading up to China's (2001 accession to the World Trade Organization) — which was that this was a zero-sum (relationship), one in which China's gain was Central America's loss and vice versa."

Source: joc.com– Dec 08, 2016

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China refuses to give Pakistan more concessions on FTA

China has reportedly refused to give more concessions to Pakistan on the existing Free Trade Agreement (FTA).

An official at the Ministry of Commerce told this scribe on the condition of anonymity that China was ready to give more concessions in FTA-II, but it had declined to give concessions on the existing FTA that had been in force since 2007.

Trade representatives from both the countries met in Islamabad on December 6-7 and discussed tariff reduction modalities (TRMs) for the second phase, besides the electronic data interchange (EDI), services and investment, Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) measures.

An official at the ministry told this scribe that Pakistan had requested China to grant deeper market access for 35 to 40 tariff lines of Pakistan's prime export interest in the first step to make the FTA mutually beneficial and to promote acceptability of the second phase.

Pakistan also shared its concerns over insufficient utilisation of concessions given by China to Pakistan and the competition faced by the local industries due to cheap imports from China. Beijing had insisted that it would provide relief in the second generation FTA. The business community had urged the government to take more relief from China on the existing pact.

Currently, Pakistan has reduced duty to zero percent on 35 percent of the products, while China reciprocated it by reducing duties to zero percent on 40 percent of products.

It is worth mentioning here that Pakistan's major exports to China in 2015 were rice, cotton yarn and woven fabric, while imports were electronics, stainless steel items, polyester, yarn, fabric and tires. The FTA covers more than 6,700 tariff lines at eight-digit tariff code under the harmonised system (HS).

Some officials said that China had also refused to give details of export value to the Federal Board of Revenue (FBR) under the electronic data interchange. Both the countries have huge discrepancies in trade volume, and through the EDI Islamabad and Beijing agreed to resolve the issue in 7th round of strategic dialogue.

It is pertinent to mention here that Pakistan had a trade deficit of more than $9 billion with China, whereas Chinese data shows a trade deficit of more than $14 billion, indicating that during the year 2015, trade amounting to nearly $5 billion remained unaccounted for, which means the government coffers suffered a huge loss as a result of tax evasion.

Islamabad and Beijing had held six meetings before this round, but failed to develop an understanding on the preferential concessions to each other. The last meeting on FTA-II was held in October 2015 in Beijing.

Source: dailytimes.com.pk- Dec 09, 2016

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Pakistan resumes cotton imports from India - government official

Pakistan has resumed cotton imports from its top supplier India after suspending them for few days, government and industry officials told Reuters on Thursday.

The resumption in the cotton trade will help India in exporting surplus, while Pakistan will benefit from cheaper supplies from the neighbouring country.

Last month Pakistan suspended cotton imports from India, saying shipments failed to fulfil phyto-sanitary certification, threatening the $822 million-a-year trade.

"Our move was portrayed as if we had banned imports," Imran Shami, director general of Pakistan's Plant Protection Department (DPP) told Reuters, so we have started re-issuing permits, he added. Authorities are still working on the certification issue.

Indian traders have signed contracts to export 350,000 bales to Pakistan since the start of the marketing year on Oct.1. Out of that nearly 300,000 bales for shipments in December and January were stuck after Pakistan suspended imports.

"Since Pakistan has started issuing import permits, we are hopeful that buyers will fulfil the contracts," said an exporter based in the western state of Gujarat.

In 2015/16, Pakistan surpassed Bangladesh to become India's biggest cotton buyer, accounting for 40 percent of exports.

"Pakistan still needs to import at least 2 to 2.5 million bales. Resumption in trading will help both the countries," said Chirag Patel, chief executive officer of Indian exporter Jaydeep Cotton Fibers.

Pakistan's cotton consumption is pegged around 15 million bales, while it is likely to produce around 10.5 million bales, Patel said.

Last year, Pakistan bought 2.7 million bales from India and supported Indian cotton prices at a time when China was cutting imports, traders said.
Source: in.reuters.com - Dec 08, 2016

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Germany: Steady growth in technical textile visible for global textile companies

Steady growth opportunities are visible for textile companies as the global textile consumption is expected to grow at a CAGR of 5.4% through 2020, indicating.

The key factors anticipated to boost demand for technical textiles include steady growth of automotive sector, rapid industrialisation in emerging economies, robust demand from healthcare sector and even growing environmental awareness.

The automotive sector in emerging economies is anticipated to fuel demand for technical textiles. Use of technical textiles per mid-size car is anticipated to increase from the current 25-27 kg to 34-36 kg by 2020.

The global industrial production is anticipated to increase by 3.5% to 5% from 2015 to 2020. Owing to steady industrial growth, demand for woven and dust filters, and conveyor belts is expected to receive a boost.

Demand for Meditech technical textiles is projected to grow in Asia Pacific, as providing affordable healthcare becomes a priority for governments.

On the back of mounting concerns over conservation of environment, Oekotech technical textiles are gaining traction among end-users. Demand for Oekotech is expected to grow at a high CAGR during the forecast period 2015-2020.

According to statistics, the global technical textile market is expected to reach US$ 193 billion in revenues in 2020, with global consumption expected to surpass 37 million tonnes. Robust demand from China and India is projected to continue, whereas the demand for advanced materials will become stronger in the U.S. and EU5.

By application, Hometech, Buildtech, and Meditech will remain the highest-selling technical textiles throughout the forecast period 2015-2020, with Homtech technical textile consumption anticipated to reach 6.43 million tonnes by 2020. By process type, non-wovens will continue to have a dominant edge over composites, owing to their versatility in medical and industrial applications.

Asia Pacific's revenue share of the global technical textiles market is anticipated to reach 44.6% by 2020. Among all the technical textile types, demand for Hometech will remain the strongest. This technical textile segment is expected to account for over one-fourth volume share of the global market by 2020. The U.S. and EU5 countries will remain the other leading markets for technical textiles, with Mobiltech expected to witness the highest demand.

While the global technical textiles market is anticipated to grow at a steady CAGR, few challenges can restrain growth.

High price of finished products has remained a longstanding challenge for end-users, and in price-sensitive markets, it can be a major impediment.

Further, the technical textile market is highly fragmented with small and medium scale enterprises in Asia Pacific giving intense competition to European players.

The technical textiles market remains highly fragmented with local players in Asia Pacific offering cost-effective variants of technical textiles.

Multinational players are facing a stiff competition from local players, and mergers and acquisitions remain a key strategy for many leading players.

Source: yarnsandfibers.com - Dec 08, 2016

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NATIONAL NEWS

TEXPROCIL welcomes package for Made ups

The much awaited package for the made ups sector has been approved by the Union Cabinet with the primary objective of creating large scale direct and indirect employment of upto 11 lakh persons over the next three years in this sector.

Shri Ujwal Lahoti , Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL) extended his thanks to Shri Narendra Modi , Hon'ble Prime Minister for his visionary outlook towards employment generation.

He conveyed his special thanks to Smt.Smriti Irani , Hon'ble Union Minister of Textiles , Smt Rashmi Verma, Secretary of Textiles and the entire Ministry of Textiles for having kept the promise of extending the special package for apparels to the made ups sector also.

Welcoming the package , Shri Ujwal Lahoti said, "This a positive move by the Government which will give a big boost to exports of made ups and also generate employment opportunities ".

Shri Lahoti pointed out that this announcement has come as a relief to the exporters of made ups who are passing through a difficult phase as their products faces duty disadvantage in the main market of EU as compared to products from competing countries on account of preferential tariffs given to some of them.

The package includes similar measures given to apparels such as additional 10% subsidy under Technology Upgradation Fund Scheme (TUFS) , additional contribution under Pradhan Mantri Rozgar Protsahan Yojana (PMRPY) and the Rebate of State Levies (ROSL).

The made ups sector generates employment opportunities for women and in rural areas and the Government has recognized this potential while announcing the measures , according to the Chairman, TEXPROCIL.

The permissible overtime has been increased upto 100 hours per quarter and the employees' contribution to EPF has been made optional for employees earning less than Rs.15000 per month.

According to Shri Lahoti , these measures will go a long way in bringing about labour reforms in the sector besides enhancing the benefits to the workers.

Source: texprocil intelligence - Dec 08, 2016

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R&D is key to textile industry's growth: Kavita Gupta

Research and development is the key to the growth of the textiles industry and the government has already invested in R&D in the textile machinery manufacturing sector, said textiles commissioner Kavita Gupta.

She also added that India's textile industry can overtake China's in the near future as the former is more competitive in terms of labour and power.

The government will also ensure a favourable business environment with policies and infrastructural support, said Gupta while addressing the visitors at the ongoing textile machinery exhibition India ITME 2016 in Mumbai.

"R&D is a key to this growth. The government has added R&D investments in textile machinery manufacturing to get all benefits as any other sector. There is no reason why India cannot overtake China in near future. We are already more competitive than China in labour, power and manufacturing costs in textile industry," said Gupta.

At a conference at India ITME, the leaders of textile industry were unanimous in their view that the industry is witnessing a paradigm shift worldwide and India can seize the opportunity to be a dominant player.

The textile sector's share in the overall Indian exports stands at 11 per cent and the country exported goods worth $40 billion in the fiscal 2015-16.

India is well on its way to achieve the target of generating $300 billion through textile exports, according to RD Udeshi, president polyester value chain, Reliance.

Faster technology upgradation, marketing innovation, better policy framework, focus on quality and enhancing production capacities were identified as some of the growth drivers for textile and apparel business by the industry stakeholders.

They also said that the 'Make in India' initiative by Indian government also needs to be leveraged to achieve scalability and be globally competitive.

Sustainability in textile manufacturing was also discussed at length at the conference in India ITME.

"More efficient machines that are smaller, consume less water and energy need to be adopted. Sustainability would play a critical role in tomorrow's technologies," said BK Behra, head of department, Textiles, IIT.

Bulent Eksoy and Sandeep Arora of Polyspin, India, said that the industry needs to replace urea urgently to save the impact on environment. Manish Mehta, MD of Sundrem TexVentures was of the opinion that Linen and Lincel are gaining faster acceptance as they are more sustainable in nature as raw materials.

The textile consumption within India is growing rapidly. Also, with China's share in world textiles trade about seven times of that of India, the Indian manufacturers are sensing better exports in future, said the organisers of Indian ITME.

Visitors from 38 countries are participating in the ongoing exhibition that is witnessing dozens of product launches.

It is proving to be an effective platform for joint ventures and collaborations between the stakeholders of textile industry in India and overseas.

Source: fibre2fashion.com- Dec 08, 2016

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$48 bn textile exports target looks hard to achieve: Government

The overall exports of textiles and garments from India during 2015-16 was USD 40 billion, falling way short of the USD 47.5 billion target.

Government today admitted it may be "hard to achieve" the USD 48 billion target for textiles and garment exports for 2016-17, mainly because of less demand in major markets such as the US, EU and China.

The overall exports of textiles and garments from India during 2015-16 was USD 40 billion, falling way short of the USD 47.5 billion target. Asked whether the target would be "hard to achieve" due to less demand from China, US and EU, Union Textiles Minister Smriti Irani replied in the affirmative.

Elaborating upon measures being taken by the government to attain the goal, the Minister, in a written reply to the Lok Sabha, said that to promote exports in garments sector, a special package of incentives was announced in June this year which includes relaxation in certain labour laws, income tax concession, 100 per cent employer's contribution to EPFO by government, rebate of state levies for exports, etc.

Moreover, the government implements various export promotion schemes to promote exports of all the segments in the sector on a sustained basis, Irani said.

"These include, Interest Equalisation Scheme, Merchandise Exports from India Scheme, Market Access Initiative, Market Development Assistance and Duty Drawback," she said.

Source: moneycontrol.com- Dec 08 2016

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Industry needs to create 1cr jobs in 3yrs: Kavita Gupta

Sharing several initiatives laid out by the government in R&D, textile parks, branding, marketing, and skilling, textile commissioner Kavita Gupta has said that the textile industry needs to create one crore new jobs over the next three years. She said, "The textile industry needs to think of quantum growth using innovation and technology."

The textile machinery manufacturing in India needs to catch up with the world level, said Gupta while addressing the textile engineers from SASMIRA at the ongoing India ITME 2016 in Mumbai on Thursday.

Encouraging the Indian textile industry to grab the domestic as well as global opportunity, she said, it is only in the textile industry where a single unit is eligible for all incentives. On display at India ITME 2016 are world's best innovations and technologies. 1,050 manufacturers of textile machinery from across 38 countries are showcasing their products.

The world's best names are looking into India as one big opportunity. It is an opportune time that we start exploiting the opportunity ourselves. "Strengthening of domestic industry will ensure that we create more jobs for ourselves" said Gupta.

Organised by the India ITME society, the six-day exhibition is witnessing dozens of product launches and is proving to be an effective platform for joint ventures and collaborations between the stakeholders of textile industry in India and overseas.

The governments of Gujarat and Karnataka are participating in this event as state partners. The idea of "Make in India" in textile engineering is being promoted to the visiting foreign business visitors. Government schemes and incentives for the textile industry in India are also being propagated.

The textile sector is one of the largest contributions to India's exports accounting for approximately 11 per cent of total exports. India's overall textile exports during FY 2015-2016 stood at $40 billion.

Source: fibre2fashion.com– Dec 08, 2016

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India can outperform China in coming years in home textile market

Thanking the Centre for extending a special package to Made-ups sector, Indian Texpreneurs Federation (ITF), a textile industry body in the region today said with estimated size of $96 Billion of global home textile market, India can outperform China in the coming years with this support measure.

This measure, on the back of the special package for apparel sector, will help to increase the market share of home textile market globally, ITF Secretary, Prabhu Dhamodharan said in a statement here.

For the past few years, Made-Ups exports was in uptrend on year on year basis particularly India's share in USA market increasing steadily with the current share of 17 per cent, he said.

With this enhanced duty drawback rates to cover State levies along with increase in capital subsidy and reforms in labor laws, the industry can expect a solid growth in investments in this sector, Prabhu said.

Stating that the growth of made ups sector was directly linked with the Indian SME weaving sector, he said that many weaving clusters can grow and upgrade to next level of technology parallelly.

"We are extremely happy to witness continuous focus and support by the government to various segments of textile manufacturing sector and industry is confident of creating further huge employment opportunities to many rural youths particularly women and textile sector will be the ideal example for success of "Make In India," Prabhu said.

Source: economictimes.com– Dec 08, 2016

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Indian wool industry attaining world recognition

Indian fabrics, processing methods, art and its unique cultural distinction have been drawing attention from various parts of the world for years now. After famous Indian fabrics like pure cotton, tussar silk and khadi (hand-spun and hand-woven cloth), it's the Indian wool and weaving techniques, which are in the limelight now.

The Indian textile industry and fabrics have traced an impression in the global market over the decades now. From cashmere pashmina wool, mohair wool to the angora wool, Indian floccus have been well known and admired across the world for their beauty, texture and craftsmanship.

Apart from silk, cotton and khadi, which reign the oral history of weaving in India, the rhetorical style of knitting bright-coloured wool in states like Himachal Pradesh, Jammu & Kashmir and Punjab, among others, is very popular in the country and is also gaining recognition abroad.

The wool industry in India is a source of livelihood for many in the rural areas. The fabric used to manufacture rugs, apparel, quilts, finished textiles and knitwear particularly in the Indian states of Rajasthan, Punjab, Jammu & Kashmir, Karnataka, Gujarat, Uttar Pradesh Uttaranchal, Andhra Pradesh, Maharashtra and Haryana.

India is the seventh largest wool producer in the world and has a huge wool production capacity with sufficient raw material, manufacturing capacity, a large pool of skilled and cheap work force, big export potential, large domestic market and very low import content, because of which the US, Europe, Middle East, Latin America, South East Asia and East Asia are key export markets for Indian wool and its blended products.

Make in India

In a recent development, the Woolmark Company, based in Australia and India, hosted a fashion event at The Grand Hotel, Vasant Kunj in New Delhi, titled 'Grown In Australia, Made In India' to discuss the potential of merino wool in India, especially when blended with other fibres like bamboo, cashmere and polyester.

Designers like Suket Dhir, Nachiket Barve, Ritu Kumar, Janne Einola – CEO and country head of H&M India – and Ram Bhatnagar – Vice

President of Raymond Textiles, graced the occasion with their presence and raised a potential possibility of using the trans-seasonal fabric even in summer.

The company has started its journey for this concept with the Bhutti Weavers of Himachal who in India with the merino wool grown in Australia. Artisans of Bhuttico knit woollen scarves, stoles, dresses, jackets, ties and socks, along with other accessories, to showcase the heritage of handloom weaving in India to the world.

"The farm-to-fashion journey truly highlights how merino wool can beautifully be transformed into fashion pieces here in India. We encourage the use of wool as a natural fibre as we aim to promote the Indian wool industry," said Union Textiles Minister, Smriti Irani.

As wool consumption is expected to increase to 260 million kilogram by 2019-20, it is yet to see if the Indian wool industry witness a further boost.

Source: mediaindia.eu– Dec 08, 2016

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Special package for made ups sector to generate 11 lakh jobs

The special package for the made ups sector approved by the Union Cabinet may help in generating large scale direct and indirect employment of up to 11 lakh people over the next three years in this sector, an industry body said today.

"The much-awaited package for the made ups sector approved by the Union Cabinet with the primary objective of creating large scale direct and indirect employment to employ upto 11 lakh persons over the next three years in this sector," the Cotton Textiles Export Promotion Council (TEXPROCIL) Chairman Ujwal Lahoti said here.

Welcoming the package, Lahoti said, "This a positive move by the Government which will give a big boost to exports of made ups and also generate employment opportunities."

Lahoti pointed out that this announcement has come as a relief to exporters of made ups who are passing through a difficult phase as their products face duty disadvantage in the main market of EU as compared to products from competing countries on account of preferential tariffs given to some of them.

The package includes similar measures given to apparels such as additional 10 per cent subsidy under Technology Upgradation Fund Scheme (TUFS), additional contribution under Pradhan Mantri Rozgar Protsahan Yojana (PMRPY) and the Rebate of State Levies (ROSL).

The made ups sector generates employment opportunities for women and in rural areas and the Government has recognised this potential while announcing the measures, he said.

The permissible overtime has been increased upto 100 hours per quarter and the employees' contribution to EPF has been made optional for employees earning less than Rs 15,000 per month.

According to Lahoti, these measures will go a long way in bringing about labour reforms in the sector besides enhancing the benefits to the workers.

Source: financialexpress.com– Dec 08, 2016

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New Autocoro 9 unit drives denim yarn production in India

The Indian denim market is booming, with a 15% turnover rise to a volume of US$ 4.5 billion in the last five years. Experts predict that the US$ 8 billion mark will be reached by 2023.

According to Saurer Schlafhorst, a leading textile machinery manufacturer, the growth of denim yarn production in the country has been correspondingly dynamic with an increased use of *Autocoro 9* automated, independent production unit.

With a market share of over 90%, the Autocoro plays a major role in the growth and value added in the Indian textile industry, the company reports. Increasing productivity

Sudarshan Jeans is one of the biggest denim manufacturers in India and is also the largest India based customer for the *Autocoro 8* and Autocoro 9 made by the German textile machinery manufacturer. Sudarshan already owned the Autocoro 8, when the company decided to invest in the new Autocoro 9 model, which was exhibited at ITMA 2015 in Milan.

Thirteen Autocoro 8 and 9 machines with a total of 6,528 spinning positions are now in operation at two plants around the clock, producing cotton yarns that are predominantly intended for downstream processing within the company.

“Our market is characterised by intense competition. The new Autocoro 9 ensures that we are even better placed to implement our company philosophy of 'value for money' while also attaining maximum productivity and efficiency in operation,” commented Sudarshan Bansal, Chairman and Managing Director of the company.

“With its innovative individual spinning position drive and superlative efficiency, the new Autocoro technology has raised our productivity to new record highs,” notes Director Gautam Bansal. “Operating with minimum infrastructure and the lowest levels of energy consumption, we are now more productive than ever.”

The individual spinning position drive enables higher rotor speeds while consuming less energy per kilogram of yarn than conventional rotor spinning technology featuring belt drives, the company explains. “At these rotor speeds, we are therefore able to make full use of the raw material within the limits of textile technology in order to increase productivity,” said General Manager Shankar Khot.

First Autocoro 9 in India

The Indian textile industry has already made consistent use of the innovative Autocoro 8 technology over recent years in order to achieve above-average growth and profitable margins. One of the first Autocoro 9 machines was supplied to an Indian quality spinning mill T.C. Spinners, which ordered the Autocoro 9 at ITMA 2015 in Milan.

T.C. Spinners was founded in 2006 and primarily produces weaving and knitting yarns that are made from 100% cotton, as well as polyester yarns. The family-run company boasts a total production capacity of around 50,000 spinning positions.

The Autocoro 9, which delivers a further significant boost to production with its 720 spinning positions, has been well and truly put through its paces by T.C. Spinners in the course of everyday operations since it entered operation in 2016, the company reports. According to the manufacturer, with the new technology, the energy consumption is up to 25% lower, with spinning costs falling by as much as 19%.

“T.C. Spinners produces a wide range of top-quality yarns. As a result, we also value the high flexibility offered by the individual spinning position drive, which enables economical production even in the context of frequent lot changes. The new Autocoro 9 now offers us even greater utilisation of space, higher productivity and higher energy efficiency,” said Dhuruv Satia, Managing Director.

Source: innovationintextiles.com– Dec 08, 2016

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Duty drawback benefit extended for home textile

In a boost to the home textile segment, the government has extended a five per cent duty drawback benefit to the made-ups (including towels, bedsheets, curtains, decorative cotton products, etc) sector.

In June, the government had announced a Rs 6,000-crore package for the textile sector, aimed to generate 10 million jobs in the next three years.

The made-ups sector was left out and the government was urged, led by the Cotton Textile Export Promotion Council (Texprocil), to rectify this. And, on Wednesday, the Cabinet approved the inclusion of made-ups in the apparel package, in a time-bound manner.

Extension of the package would benefit companies in the segment — Welspun, Trident, Century Textiles, Indo Count, GHCL.

“This is a positive move by the government and a relief to exporters of made-ups, passing through a difficult phase as their products face duty disadvantage in the main market, the European Union, as compared to products from competing countries on account of preferential tariffs given to some of those,” said Ujawal Lahoti, chairman, Texprocil.

The package includes similar measures given to apparel. Such as additional 10 per cent subsidy under the Technology Upgradation Fund Scheme, additional contribution under the Pradhan Mantri Rozgar Protsahan Yojana and Rebate of State Levies. The made-ups segment generates jobs for women and in rural areas, and the government has recognised this potential while announcing the measures.

“Beside employment, it will boost exports. Made-ups manufacturers use locally made fabrics and thus the package is likely to boost the entire supply chain, up to yarn,” said B K Goenka, chairman, Welspun Group, and co-head of the textile committee at the Confederation of Indian Industry.

R K Dalmia, senior president, Century Textiles & Industries, agreed, saying it would benefit the entire made-ups segment and help it compete in export markets.

Permissible overtime has also been increased up to 100 hours a quarter and employees' provident fund contribution has been made optional for those earning less than Rs 15,000 a month.

Reacting to the government decision, the share price of Century Textile jumped by 4.7 per cent, to close on Thursday at Rs 821.25. Trident’s stock moved up by 2.7 per cent, to close at Rs 56.80. Other stocks in this segment saw a marginal rise.

Source: business-standard.com– Dec 09, 2016

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India's trade grows 10% in Q3, currency ban to hit agri exports: Maersk Line

India's export and import (EXIM) containerised trade reported 10 per cent growth in the July-September quarter (Q3) as compared with one per cent growth in the same period last year due to improvement in the economies of key export markets and growing demand for imported products in the domestic market, said Maersk Line, in its Q3 trade report titled "India, solid economic growth."

The containerised trade accounted for approximately 55 per cent of the country's total EXIM trade volumes. While exports to the U.S. and Europe remained steady, an increased demand from Latin America, Far East and South Africa contributed to the overall export growth of 9 per cent.

"India continues to shine in the global trade growth. This is driven by stability in the U.S. market, ongoing improvement in the European economy and growth in emerging markets such as Latin America with exports to Brazil nearly doubling this quarter as compared to the same quarter last year," said Franck Dedenis, Managing Director, India, Sri Lanka and Bangladesh Cluster, Maersk Line.

North India led the country's global trade witnessing a 22 per cent increase in exports and a 26 per cent increase in imports.

Exports

The U.S. and Europe have traditionally been the regions accounting for the largest piece of India's exports.

However, increased demand has been seen from Saudi Arabia, Turkey and Brazil. Automobiles, Garments and Metals contributed to exports growth.

Strong volume growth in the automobile sector was driven by demand from Egypt, South Africa, Algeria and Brazil and the U.S. Garment and metal volume growth was driven by U.S. and Europe.

Exports of frozen and cut vegetables and an increased demand from the Middle East contributed to growth in agri exports. Fish exports moved up due to a strong shrimp season in East and South India.

China dominated the import market led by consumer electronics and solar panels. Imports from North America rose by 21 per cent due to price competitiveness it offered in commodities such as textiles, apparels, accessories, plastics and rubber. Import of fruits and nuts nearly doubled due to strong domestic demand.

Currency effect

Trade-wise, Maersk Line expected India's EXIM growth in the fourth quarter to be slower than in the third, as a result of the demonetisation exercise undertaken by the Government in November this year.

"Limited availability of new currency in the hands of people will impact exports in sectors like agriculture due to a high number of cash transactions. We have seen transactions declining in November," said Mr. Dedenis.

The reduction in consumption of imported goods, especially garments, will hit imports hard in the January-March quarter as importers will reduce their orders in the current quarter.

Source: thehindu.com– Dec 09, 2016

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Govt rushes officials to textile hubs to ease demonetisation pain of workers

The government has sent officials to various textile and garment clusters across the country to facilitate the opening of bank accounts for workers, including the casual ones.

Amid complaints that many workers are deprived of wages following demonetisation announced a month ago, the government has sent officials to various textile and garment clusters across the country to facilitate the opening of bank accounts for workers, including the casual ones, and help them adopt digital transactions, official sources told FE.

The officials are expected to soon submit inputs from the ground on how the cash crunch has impacted people in general and the textile and garment sector labourers in particular. Apart from the textile ministry, the cabinet secretariat is learnt to be monitoring the development regularly, the sources said.

The move is important, as the textile and garment sector is the largest job provider in the country after agriculture, having employed almost 32 million people, many of whom are casual workers who are paid either daily or weekly.

Demonetisation is said to have hurt this segment of labourers the most, also because most of them don't have bank accounts in the cities of work. For instance, most of such temporary workers in the garment hub of Tirupur in Tamil Nadu are from the northern and north-eastern parts of the country.

Apart from setting up workshops to open bank accounts, these officials will also promote the use of the unified payment interface (UPI) app for those who have bank accounts to effect digital transaction using cell phones. The UPI transfers the fund immediately, without constraints of holidays or late hours or even bank strikes.

Even the recipient's bank account details and IFSC code are also not required. All the sender needs to transfer money is a unique ID of the recipient — called the Virtual Payment Address — that the latter's bank has allotted him/her. The cost of transferring money, again, is much less than some other modes of electronic transfer.

Late last month, FE had reported that in a letter to all deputy chief labour commissioners (central), chief labour commissioner (central) AK Nayak said employers must be "advised" to pay wages or salary to even contract and casual workers "only through bank accounts".

Source: financialexpress.com– Dec 09, 2016

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