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IBTEX No. 102 of 2016 May 20, 2016

USD 67.35 | EUR 75.45| GBP 98.27 | JPY 0.61

Spot Prices of Overseas Ring Spun Yarn in Chinese Market		
Date: 7 Apr-2016 FOB Price (Pre-Tax)		
Country	**Prices** (USD/Kg.)	
	20S Carded	**30S Carded**
India	2.10	2.20
Indonesia	2.78	3.18
Pakistan	2.20	2.60
Turkey	2.62	2.75
Source	CCF Group	

Indicative Prices of Cotton Grey Fabrics in China	
Date: 7-Apr-2016	Price (Post-Tax)
Description	**Prices**
(Domestic Production)	(Yuan/Meter)
C32Sx32S 130x70 63” 2/1 fine twill	7.20
C40Sx40S 133X72 63” 1/1 poplin	6.40
C40Sx40S 128X68 67” 2/1 twill	6.20-6.40
24Sx24S 72x60 54” 1/1 batik dyeing	4.50
20Sx20S 60x60 63” 1/1 plain cloth	6.30

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INTERNATIONAL NEWS

International Trade Commission Releases Report on TPP Impact

The U.S. International Trade Commission's (USITC) long-awaited assessment on what the Trans-Pacific Partnership (TPP) will mean for America has arrived.

To make the report, released late Wednesday and titled "Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors," the USITC looked at how the deal would affect U.S. GDP, exports and imports, employment and production in the country.

In short, the nearly 800-page report says TPP's effect on the U.S. will be a positive one. The Commission compared the impact of TPP to a baseline projection that doesn't include TPP.

"The model estimated that TPP would have positive effects, albeit small as a percentage of the overall size of the U.S. economy," the report noted.

By 2032, U.S. annual GDP would be $42.7 billion, 0.15% higher with TPP than baseline projections point to, and employment would be 0.07% higher, or 128,000 more full-time jobs.

U.S. exports would total $27.2 billion, up just 1 percent, and imports would reach $48.9 billion, a 1.1% pick-up from non-TPP projections. U.S. exports to its new trading partners, however, would jump 18.7% (a $34.6 billion increase), and imports from those countries would grow by $23.4 billion, or 10.4%.

The agriculture and food sectors are expected to realize the biggest gains from the deal, with output expected to reach $10 billion by 2032, a 0.5% increase over projections.

"The services sector would benefit, with a gain of $42.3 billion in output," according to the report. "Output in manufacturing, natural resources, and energy would be $10.8 billion (0.1%) lower with the TPP agreement than it would be compared with baseline estimates without the agreement."

Stakeholders, according to the report, say the two new e-commerce provisions that protect cross-border data flows and prohibit data localization “crucial” to developing cross-border trade in services and will be key for large and small U.S. companies to optimize global operations.

For textiles and apparel, the largest changes would likely be in U.S. imports of apparel, and the Commission says U.S. demand for both imported and domestically produced apparel would increase over the baseline.

All textiles and apparel duties between member countries would eventually be eliminated under the TPP, and more than 70 percent of the U.S. textile and apparel 8-digit rate lines would be duty free from the date the deal takes effect.

“These lines are estimated to account for about 28 percent of dutiable imports from TPP countries in 2015,” according to the report.

TPP would result in an estimated 1.4% ($1.9 billion) increase in U.S. imports of apparel.

“Imports of apparel would be expected to grow most significantly from Vietnam, the second-largest supplier to the United States, while those from China, the largest U.S. apparel supplier, would be expected to decline,” according to the report.

And contrary to popular fears that the deal would diminish rekindling prospects for American manufacturing, the Commission said U.S. output in the apparel sector would increase by 1 percent and employment by 0.9% by 2032.

“High-end, niche products, replenishment or quick turnaround products, and other items that generally do not compete with imports are among the types of products being produced domestically,” according to the report.

“Examples of such products include those that require customized, often smaller orders, such as sports team uniforms, test market products or reorders, and fast-fashion items.”

For textiles, TPP should result in U.S. exports 1.3% ($257 million) higher than the baseline estimate that doesn't include TPP, and imports would be 1.6% higher. Output and employment in the textiles sector would likely be slightly lower than they would without the agreement.

"TPP would generally establish trade-related disciplines that strengthen and harmonize regulations, increase certainty, and decrease trade costs for firms that trade and invest in the TPP region," according to USITC.

"Interested parties particularly emphasized the importance of TPP chapters addressing intellectual property rights, customs and trade facilitation, investment, technical barriers to trade, sanitary and phytosanitary standards, and state-owned enterprises."

Source: sourcingjournalonline.com - May 19, 2016

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Pakistan's senate wants ban on Indian cotton imports

Punjab has already asked the federal government to announce the intervention price.

The Pakistani senate committee on National Food Security and Research has asked the government to stop the import of cotton lint from India.

Committee chairman, Syed Muzaffar Hussain Shah, chairing the meeting on Wednesday, said the country's agriculture economy would be ruined if the import of 0.5 million bales of cotton from India through the Wagah border check post was not stopped, Dawn online reported.

It observed that the last season showed a 30 per cent decline in cotton production, and added the figure could rise if immediate measures were not taken.

There is sufficient stock of cotton lint available with the Trading Corporation of Pakistan, so there is no justification to import cotton, observed the committee.

It also sought a report from the Ministry of Commerce on the import of cotton lint from India.

Minister for National Food Security and Research Sikandar Hayat Khan Bosan endorsed the recommendation.

The committee asked the government to immediately announce the intervention price for cotton as harvesting season is fast approaching. Punjab has already asked the federal government to announce the intervention (support) price.

Commerce Minister, Khurram Dastgir Khan, during a meeting with representatives of the Pakistan Cotton Ginners' Association (PCGA) on Wednesday said his ministry would work in collaboration with the provincial governments to increase the production of cotton.

The meeting also discussed the role of Trading Corporation of Pakistan and the effect of import policy of cotton.

Khan said the government's prime concern was to protect the interests of farmers besides boosting textile exports.

Source: business-standard.com- May 19, 2016

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Brazilian cotton market sees high liquidity this month

Cotton trade was seen at high pace during the first fortnight of May in Brazilian market, but the upward bias weakend.

During April 29 to May 16, the CEPEA/ESALQ Index, with payment in 8 days, for cotton type 41-4, delivered in São Paulo, rose slight 0.7 per cent. On May 16, the price was 2.6866 BRL ($0.768) per pound.

Drop in international cotton market quotes like New York Board of Trades and Cotlook A attracted cotton trading companies back to the market, Cepea, the Sao Paulo University linked research centre, said in its latest fortnightly market analysis.

Some traders and merchants, however, were more flexible, decreasing asking prices, the report said.

Regarding purchasers, processors were active in the market, acquiring many small batches for quick delivery in May. Active purchasers and sellers agreed on the prices and deadlines, which averaged 10 days in the first week of the month – the highest was on May 6, averaging 12.76 days.

Meanwhile, the crop survey report released by the National Company for Food Supply, Conab, indicated new retraction in the Brazilian cotton output compared to March 2016, by 2.5 percentage points.

The Conab report estimated 2015-16 harvesting at 1.44 million tons, 7.8 per cent lower than the 2014-15 crop. Sowed area was 1.6 per cent smaller in the same comparison, pressed by the states in the Northeast. The expected Brazilian average productivity was 1,589 kg/ha, 6.2 per cent lower than previous season.

Source : fibre2fashion.com- May 19, 2016

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TPP would increase Indonesia's exports by $2.9 billion

The Trans Pacific Partnership (TPP) could increase Indonesian exports by at least US$2.9 billion an economic observer has claimed.

Indonesia might see swollen imports too, especially for capital goods like machinery, steel, sugar and plastic leading to a reduced trade surplus from $3.1 billion to $2.2 billion after joining the TPP.

However, total trade would significantly rise, said senior advisor for economic and public policy at the Australia Indonesia Partnership for Economic Governance (AIPEG) Ahmad Shauki.

"Indonesia can unlock access to the main TPP countries such as the US, Canada and Mexico as well as other Latin American countries, which will cut tariff barriers from between 2 and 5 percent to zero.

Exporters will save $1.3 billion from the tariff cuts and it will create a $306 million trade diversion," he said in Jakarta on Wednesday.

The sectors to benefit most would be footwear and textiles, which could increase by 22 and 18 percent respectively. Both sectors could contribute 70 percent of the potentially increased exports, he continued. Exports of commodities such as palm oil, wood and rubber would not significantly increase as their tariffs were already low amid decreased demand.

Meanwhile, Center of Reform of Economics (Core) Indonesia research director Mohammad Faisal warned that not joining the TPP would transfer this potential to Vietnam, which is already a member of the TPP.

"Vietnam is our toughest competitor because the product mixture is similar; footwear, textiles, electronics and machinery," he said.

Indonesia’s exports to the US were stable in the last decade with 6 percent growth from 2001 to 2015.

However, Vietnam’s exports to the US in the same period had spiked by 242 percent even before joining the TPP.

"Actually the tariffs imposed by the US on ASEAN countries, including Vietnam and Indonesia, are almost similar.

But we’ve got problems such as high transportation costs, rising fuel prices and increasing labor costs without increased productivity," Faisal said.

With regard to labor costs, Indonesia’s are lower than Thailand, China and Malaysia but higher than India, Vietnam and Cambodia, according to Faisal.

However, unlike in Thailand, the wage disparity in Indonesia between rural and urban areas is very wide.

Source: thejakartapost.com- May 19, 2016

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Turkish additional duties set back Asian textile exports

The imposition of additional duties on imports of textiles and apparel, among other things, means that companies from Asian countries like India or China that export to Turkey now face cumulative duties of 28 per cent for textiles and 42 per cent for apparel.

For EU exporters and for exporters from countries with whom Turkey has free trade agreements, the situation is different. **Jozef De Coster** reports on the disputes.

During a conference in Brussels, on February 23, 2016, specialised European law firms made it clear that the Turkish additional duties on the imports of textile, apparel and an increasing number of other products like carpets, rugs, bedding, leather bags, are illegal. These duties are in breach of WTO rules and, as far as Turkish imports of EU and Euro-Mediterranean products are concerned, they are also in breach of the EU-Turkey Customs Union. It can only be a question of time before complainants sue Turkey and force it to clean up its act.

In 2011, following a safeguard investigation which was triggered by a textiles firm alleging that it was suffering serious injury caused by a significant increase of imports, Turkish authorities announced a series of decisions, published in the Turkish Official Gazette No 28055 of September 15, 2011. They imposed additional customs duties for woven fabrics and apparel (HS codes 50 to 62).

Depending on the country of origin for textiles imported into Turkey, the additional customs duties varied from 11 per cent (for LDC and GSP+ countries) to 20 per cent (for countries subjected to MFN rates). For apparel, the additional duties varied from 17 per cent (for LDC and GSP+ countries) to 30 per cent.

Taking into account the Turkish Most Favoured Nation (MFN) rate of 8 per cent for textiles and 12 per cent for apparel, this means that companies from Asian countries like India or China that export to Turkey face cumulative duties of 28 per cent for textiles and 42 per cent for apparel.

These are quite high import duties for companies that have to compete with Turkish companies operating in their home market. The Turkish textiles/apparel sector is one of the most competitive worldwide.

Imports from Asia suffer most

For EU exporters and for exporters from countries with whom Turkey has free trade agreements, the situation is different. In a decision dated June 1, 2012, the Turkish authorities confirmed that additional duties are not charged to goods originating in the Pan-Euro- Mediterranean area (practically EU + EFTA plus those 17 countries with whom Turkey has a preferential trade agreement).

This was an important confirmation for exporters concerned. Turkey is surely an interesting market for EU exporters. According to the Textile and Clothing Information Centre, quoted by the European Apparel and Textile Confederation (Euratex), in 2015 EU textile exports to Turkey amounted to €1.8 billion (increase of 4 per cent compared to 2014) while EU apparel exports reached €900 million (plus 2 per cent).

On May 30, 2015, Turkish authorities revised the textile measures imposed in 2011. The ad valorem rates remained the same. Only the minimum and maximum amounts of additional duties for GSP beneficiary countries were elevated.

It was no surprise that the introduction of the additional duties in the second half of 2011 had an adverse impact on textiles and apparel exports to Turkey. In general, Turkish imports of textiles and apparel decreased substantially in 2012. However, they started to increase in 2013. In 2014 and in the first half of 2015, Turkish textiles and apparel imports decreased only with the general trend of decrease in total Turkish imports of all products.

The statistics show, however, a different development for Turkish imports of Asian origin and those of pan-Euro-Mediterranean origin. Between 2010 and 2014, the share of imports of textile and apparel products from Asia decreased from 64.7 per cent to 57.9 per cent.

During this same period, the share of imports (of items not originating in EU countries or Mediterranean countries with whom Turkey has an FTA) from EU and FTA countries increased respectively from 19 per cent to 23.6 per cent and 8.8 per cent to 12.5 per cent.

According to representatives of the Turkish industry, the main effect of the additional duties over the local textiles and apparel industry is the increase in local investments and creation of new employment, especially in the relatively less developed eastern parts of Turkey.

Illegal additional duties under attack

At a well-attended conference under the title 'Trouble Selling in Turkey?', the experienced Belgian international trade, customs and EU regulatory lawyer Yves Melin, of McGuireWoods LLP, explained to the audience that the discussed Turkish additional customs were not only in breach of the EUTurkey Customs Union Agreement (1995) but as well with Turkey's own WTO obligations.

GATT Article II:1(b) says that non-ordinary customs duties cannot normally be imposed. Such duties like additional customs duties, are only compatible with the WTO if they are compatible with the WTO Agreement on Safeguards. However, Turkey has not followed the WTO Safeguards procedure.

A few associations like Euratex, Belgian Textile Industry (Febeltex) and Italian Textile Finishing Industry (Federtessil) have already filed a complaint against the Turkish additional customs duties in the context of the European Commission's Trade Barrier Regulation (TBR).

The TBR is a means for EU enterprises and associations affected by a foreign measure to have access to the international dispute settlement mechanism (Note: there is no dispute settlement mechanism in the EUTurkey Customs Union).

The main purpose of these TBR complaints was to exert pressure on the European Commission and on Turkey so that they would settle for a solution in order toprevent a dispute settlement action at the WTO level. However, up to now the complaints seem to have been unsuccessful.

Nothing happened. As far as the EU is concerned, Turkey is presumably well aware of the existing barriers to trade (like the additional customs duties), but wants to address them as part of the modernisation of the EU-Turkey Customs Union.

Not only international law specialists of McGuireWoods, but also lawyers from other member firms of Green Lane, The Alliance of European Customs and Trade Law Firms, are convinced that it would be a good thing that companies, associations, countries that suffer injury caused by the Turkish additional customs duties, undertake action. Not only the interest of suffering parties is at stake, but also the broad public interest of maintaining observance of international trade laws.

Sporting goods too have been affected

At the conference 'Trouble Selling in Turkey?' Stuart Newman, legal advisor at Foreign Trade Association, Brussels (representing 1,700 EU retailers, importers and brand-name companies) gave another example of the gradual erosion in Turkey of the rule of law. Additional customs duties on footwear came into effect on August 10, 2014.

Accredited EU-laboratory test results on footwear (not originating in EU or FTA countries) are no longer accepted by Turkey, which is in conflict with Article 10 of the EU-Turkey Customs Union. The EU sporting goods industry estimates the cost of additional duties at €120 million, the cost of tests at around €4 million, and cost of additional warehousing at €4 million.

It can be expected that probably sooner than later a group of either EU or Asian companies will try to mobilise broader support among same-sector companies, associations from different sectors and several states to fight against the Turkish additional customs duties.

Each company/association will then have to substantiate revenue losses, employment losses and competitiveness losses. The adverse impact on integrated supply chains could form a key argument. According to lawyers who explained the case at the 'Trouble Selling in Turkey?' conference, a well-devised action may lead to the measures being withdrawn by Turkey, without recourse to the WTO Dispute Settlement Body (DSB), or it could lead to forced withdrawal of the measures if DSB is convinced that impairment of trade benefits is important.

Source: fibre2fashion.com- May 19, 2016

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Wagah LFU generates Rs13m taxes on Indian yarn in 10 months

The Pakistan Customs Land Freight Unit (LFU) at Wagah generated Rs 13 million in wake of duty/taxes only on the import of Indian cotton yarn during first ten months of current fiscal year 2015-16.

According to the details, Pakistan imported cotton yarn worth Rs 1,719 million from India through Wagah border during the period, while it imported the same worth Rs 1,685 million during same corresponding period of last year.

The LFU Wagah collected Rs 16 million in wake of duty/taxes during the first ten months of fiscal year 2014-15.

The import of raw cotton and cotton yarn has increased due to poor yield in Pakistan which imported millions of cotton bales from India and China to meet the demand of the local textile industry.

Source: customstoday.com.pk- May 19, 2016

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Strong growth in retail sales dispels gloom around UK economy

Much stronger than expected growth in retail sales has provided a rare bright spot in an otherwise gloomy UK economic outlook.

Consumers spent an average of £7bn a week in April, with the volume of goods purchased up 1.3 per cent compared with March, and 4.3 per cent compared with April last year.

This is a turnround after growth had slowed earlier in the year, according to figures published on Thursday by the Office for National Statistics.

Markets had expected volumes to be just 0.5 per cent higher in April than in March so the new figures provide unexpected good news after a succession of weak economic numbers. These had suggested businesses and households might be delaying decisions because of uncertainty over the outcome of the June 23 referendum on EU membership.

The latest figures provide a glimmer of hope that consumers will continue to buoy growth, though David Kern, chief economist at the British Chambers of Commerce, warned that the encouraging data, combined with “the problems facing other sectors such as manufacturing highlights the unbalanced nature of Britain’s recovery”.

The volume of sales was up in all areas except textiles and clothing, continuing a period of steady decline. Clothing store sales were down 7.4 per cent over the past year. Retailers pointed to the adverse effect of an early Easter and unseasonal weather affecting demand for summer ranges.

Internet sales continued to perform particularly well, with UK consumers spending an average of £886.6m a week in April, up 9.3 per cent on last year. Online spending now accounts for 13.4 per cent of non-fuel spending compared with 12.4 per cent a year ago.

Despite the rise in the volume of sales for most stores, the ONS noted that average prices had fallen across all store types.

Looking at non-seasonally adjusted data, prices were 2.8 per cent lower in April than a year earlier, the 22nd consecutive month in which this has been the case. This reflects "continued fierce competition both on the high street and online", said John Hawksworth, chief economist at PwC.

Despite better than expected news from the retail sector, many commentators continue to expect a slowdown in overall economic growth in the second quarter with heightened uncertainty and caution ahead of the EU referendum.

Howard Archer of IHS Global Insight noted that "we still suspect that consumers will be more cautious in the near term. Consumers have been benefiting from high and rising employment, together with decent purchasing power underpinned by negligible inflation. However, these factors have become less favourable recently."

Source: ft.com- May 19, 2016

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EU Trade Ministers Review Next Steps for US, Canada Pacts

The European Commission has confirmed plans to submit a proposal to the European Council in June for signing the 28-nation bloc's trade deal with Canada, amid continued questions over the pact's potential fate in the ratification stages.

The news came as part of a meeting of trade ministers from the EU's 28 member states.

The Brussels gathering also saw ministers – meeting under the European Council – discuss next steps for the bloc's trade deals with the US, including a new sustainability impact assessment.

Canada "mixed deal"?

The EU and Canada completed negotiations for a bilateral trade deal – known as the Comprehensive Economic and Trade Agreement, or CETA – in 2014, following six years of talks.

While the negotiations themselves were already difficult to complete, getting the deal to the signature and ratification stages has also proven challenging, with public debate in both the EU and Canada focused heavily on topics such as the potential investor protection and dispute settlement provisions of the pact.

Earlier this year, a legal scrub of the agreement saw the two sides change the deal in order to incorporate an investment court system which the EU has said should become the norm for all of its future trade and investment agreements. At the time, officials explained that the move was also in response to the feedback from their respective citizens. (See Bridges Weekly, 3 March 2016)

Whether the CETA is a "mixed agreement" – one which has provisions that also fall under member state responsibility, rather than just under the Union's exclusive competences – has also been a key question for the deal going forward, and was raised during the 13 May meeting in Brussels.

"Mixed agreements" require ratification by both the European Parliament and national parliaments, while deals not under this category do not need national parliament approval.

"The Council emphasised a view shared amongst ministers that CETA is of mixed EU and member state competence and should be signed and concluded as such," ministers said last Friday.

Getting approval from national parliaments is set to be difficult, given both the ramifications of a separate dispute between the EU and Canada on visa-free travel, as well as concerns by individual member states on certain areas of the pact.

Canada requires a visa for citizens from Bulgaria and Romania, both member states of the EU, to enter the country. Citizens from other member states are not subject to this requirement. The discrepancy and lack of visa reciprocity for those two countries has proven controversial, given that the European Union supports a common visa policy across the bloc, with talks still ongoing among the EU institutions on how to proceed. Meanwhile, the situation has led to statements from both countries affirming that they will find it difficult to approve CETA while the issue remains outstanding.

For separate reasons, the Wallonian Parliament in Belgium approved a resolution last month against giving the country's federal government the power to sign the accord without more guarantees on certain issues. Wallonia is a self-governing region within the country of Belgium. (See Bridges Weekly, 14 April 2016)

After the Commission submits its proposal in June, the pact will likely be signed in October at a bilateral EU-Canada summit, according to the Council conclusions.

Trade officials have, however, said that overall the response to CETA has been positive, and hope to see it ratified in the coming year in order to see it in force in 2017.

"Member states are very supportive of this agreement," said Lilianne Ploumen, the Dutch minister for foreign trade and cooperation who is serving as the current Council president.

TTIP: public support needed

The meeting last week also saw a discussion with the Commission on the ongoing negotiations with the US for a Transatlantic Trade and Investment Partnership (TTIP).

According to the Council conclusions, ministers reiterated their push for a deal to be reached before US President Barack Obama leaves office in January 2017 – "provided that the substance is right" – terming the upcoming months as "crucial for success."

"Time is short if we are to finalise the talks before the end of the year, but we are striving for an ambitious outcome in all key areas of the agreement. EU interests must be reflected. There will be no 'TTIP-light'," said Ploumen.

The need for boosting public support in the 28-nation EU for the trade deal was also raised during the 13 May discussions.

The TTIP talks have long struggled to win public backing from some quarters, amid concerns that the deal's provisions could affect the bloc's ability to keep or develop strong social and environmental protections –

concerns that trade officials have repeatedly attempted to assuage, pledging that nothing in the final agreement will lower such protections or hinder the right to regulate in the public interest.

Last month, the “leak” by Greenpeace’s Netherland branch of several purported TTIP documents fuelled this debate even further, dominating news headlines and sparking heated debate over what is currently on the table and what is the endgame for those talks. (See Bridges Weekly, 4 May 2016)

At the Brussels meet, EU Trade Commissioner Cecilia Malmström presented a new draft study on the deal’s potential impact, conducted by Ecorys, an independent consultant. The report is now open for public consultation, with a final version due by year’s end.

“In essence, this is a snapshot based on assumptions about a future TTIP deal,” she said in a related blog post. “Needless to say, being a draft version to now be scrutinised by stakeholders and others, this assessment should be taken with a pinch of salt.”

Among various other findings, the Ecorys draft report suggests that the EU’s GDP could see a 0.5 percent additional boost annually from TTIP, with a 0.4 percent increase for the US. Gains are also projected for national income; high-skilled and low-skilled worker wages; and exports and imports for both sides.

Breaking these results down by sector, Ecorys predicts that the EU will see gains through improved market access in leather, textiles, and clothing; drinks and tobacco; motor vehicles; water transport; and insurance.

Losses will be seen in areas such as electrical machinery, non-ferrous and fabricated metals, and iron and steel goods, which the report credits to the likely boost in competition following cuts in tariff and non-tariff measures.

Source: ictsd.org - May 18, 2016

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US the main market for Cambodian garment and textile industry

Despite increasing number of countries competing in the garment export business, the United States was still the key buyer and the main market for Cambodian garment and textile industry, said the Minister of Labor Lth Sam Heng after a meeting with US ambassador William Hiedt at the ministry on Wednesday.

Mr Sam Heng said that the United States' market is still very important for them. Although it is now the second biggest importing market after the European market, it is still big and worth billions of dollars. So they are still trying to work well with buyers from the United States and get to place more orders to them.

Mr. Sam Heng said that the ambassador raised the issue of imports during a discussion about the union law, saying the law should be implemented fairly among concerned parties in the interests of the industry.

There are just a few issues about the implementation of the union law of concern and they are required to carry it out fairly with all trade unions and no discrimination. They think that the law is in line with the interests of employees and employers as well as the investment climate of their country. And they will try their best to implement it.

According to data from the United States Trade Office, total exports to the US dipped about 3 percent in the first quarter of the year to more than $706 million compared with $725 million in the same period last year.

Seung Sophari, a spokeswoman for the Ministry of Commerce (MoC) said that the slight drop in exports to the US in the first quarter was mainly due to the current electoral campaigns in the US and the rise of new exporting countries like Myanmar. However, she was optimistic that the figures will improve soon.

Ulrika Isaksson, a spokeswoman for Swedish retailer H&M, said that the company had been checking the law since it was drafted because of concerns by workers, trade unions and NGOs.

The International Labor Organization (ILO) has warned the legislation may violate local law and breach international conventions signed by the government.

They are at the moment analyzing the new law and can't go into details except that they now need to look closely at how this will affect their ongoing work on strengthening industrial relations and ensuring that freedom of association and the right to organize is respected throughout their supply chain in Cambodia.

According to figures from the Garment Manufacturers Association in Cambodia, the garment and footwear industry plays a critical role in the economy, representing 70 percent of total exports and employing more than 700,000 workers.

The total exports from the sector were worth $6.3 billion last year, a slight increase of 7.6 percent from the previous year,

Cambodia is now the US's 70th largest goods trading partner with $3.0 billion in total between the two countries, the US's 129th largest goods export market and also the US's 60th largest supplier of imported goods in 2013, according to the Office of the United States Trade Representative.

Source: yarnsandfibers.com - May 19, 2016

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Frayed Ends: The Mystery Behind Cotton Labeling

Bait-and-switch labeling, inferior products, counterfeit schemes, environmental violations: These devious tactics are rampant in the cotton industry according to the makers of a new technology in DNA testing.

If the claims hold to be true, a process called FiberTyping is likely to make waves throughout the textiles industry. Tipped off by the brand Himatsingka (who no doubt hopes to promote its new DNA testing and tracing capabilities), we dug in to learn more.

I started to fiddle with a loose seam on my shirt as the phone rang — I was waiting for David Greenstein, CEO of the major, vertically integrated home textiles manufacturer Himatsingka to pick up. His company employs some 5,000 workers worldwide, and he was about to tell me how DNA testing in textiles could shake the apparel industry to its core.

"I am very eager to speak with you on this matter," David tells me as our conversation begins. By the time we hang up, I'm left with a few leads and plenty of questions about an issue that sounds like a game-changer. Yet a week later, after dozens of emails and phone calls, what I learned left me with even more questions about the state of cotton and outdoor apparel alike. Above all, it had me wondering if any of us know what we're really wearing.

Cotton Industry Embraces DNA Tagging

For years, big companies like Patagonia and Icebreaker, and little guys like Iowa-based, eco-friendly lifestyle brand Soul Flower, have created awareness campaigns around topics like traceable goose down, merino wool, and organic cotton versus industrially-farmed.

But while these campaigns promise consumers a better, more responsibly-sourced product, are you really getting what you pay for?

Until now, companies in the textiles industry have established relationships with farmers and production facilities, integrating their supply chains in an attempt to meet consumers' demand for transparency and accountability.

The world that exists between the cotton fields and your shirt is messy, complicated, and long — suffice it to say that the threads you wear have traveled from the U.S. to China, Russia, or a host of countries in between, and passed through innumerable hands, machines, and shipping containers.

Currently, most manufacturers rely on the honesty of their suppliers to provide the product as promised.

"We use organic cotton sourced from the USA, India, and Turkey [as] there is a shortage of USA-grown organic cotton," said Mike Shoafstall, president of Soul Flower, an online apparel company focused on sustainably sourced products. "We rely on our manufacturers to verify the origin and content of the fabrics we use."

GearJunkie got wind of a new technology using DNA tagging that would help manufacturers maintain accountability through the supply chain and authenticate that what they labeled is what consumers bought.

FiberTyping: A Fingerprint For Textile Traceability

The root of all this demystification is a process known as "fiberTyping," which verifies the content of any given textile such as cotton or wool with a two-fold process that is part of a security package offered by the New York-based Applied DNA Sciences (ADNAS).

ADNAS, it should be noted, is massive — as in, government contract for forensic applications in missile defense massive. It is a leader and innovator in molecular identification technology.

Its relevance to textiles lay in its ability to identify the genetic signature of a cotton product after harvest, say high-grade pima cotton, from lower quality cotton (known as “upland”).

Its second step is a genetic marker that adheres to the fibers on a molecular level and serves as a marker to track and validate cotton products along a complex supply chain that flows from farm field to retail rack.

To genetically mark the fabric, sheets of unprocessed textile are misted with a proprietary agent that binds with each fiber on a molecular level. While completely imperceptible to the naked eye, the ADNAS-applied marker can be read to detect fraud in manufacturing or along the supply chain.

‘Cutting’ Cotton: Cheap Blends With Premium

Why is this important? Per my initial conversation with Mr. Greenstein, whose company oversees the movement of cotton from farm to finished product, “blending is rampant.”

“Most impurities arise in spinning,” he said. “This has been the ideal opportunity to blend inferior, cheaper or less desirable fibers into the yarn.”

In 2014, his company learned that most of its brand of pima cotton, renowned for its long fibers and soft feel, was being cut with lower-quality “upland” cotton somewhere within the supply chain.

As reported in an April edition of Ag Alert, a weekly trade publication for the agriculture industry, a non-profit organization of pima cotton farmers from California, Arizona, New Mexico, and Texas known as Supima, which brands pure American pima cotton, “strongly suspect some spinners were blending Supima with other cottons.”

Marc Lewkowitz, CEO of Supima, acknowledges the probability of unauthorized blending, but stops short of calling the process rampant or malicious.

"The issue of 'cheating' in the supply chain is one that has to be addressed, but… [if] fibers that are included that are not intended to be there end up in a product, this is not the same as cheating where there is the intentional blending in of other fibers."

Supima embraced the DNA typing of pima cotton to protect its brand as it oversees the licensing of its name to manufacturers and retailers as a guarantee of high-quality pima.

But, according to Simon Ferrigno, a consultant on cotton sustainability in the U.K., "There are regular reports of fraud/sales of sustainable cotton that is in fact not certified, but it is hard to put a number or percentage on this — but is likely to be a minute fraction of the total."

"Nobody is immune to this problem," Greenstein insisted. "And the technology is applicable to all materials in the textile industry."

ADNAS confirmed that its technology can be used on any fiber, natural or manmade, including merino wool, silk, goose down, and more.

FiberTyping A Rising Trend?

Some in the industry were quick to adopt (and promote) the use of fiberTyping. In 2009, shortly after ADNAS unveiled its technology, the Textile Center of Excellence, a U.K.-based non-profit dedicated to promoting and growing the English textiles industry, partnered with the American forensics firm to help track and protect its high-end Yorkshire wool.

When we learned of this, GearJunkie immediately put out a call to Patagonia, which in 1996 began sourcing all of its cotton from organic growers. Our attempts to obtain comment on this new technology were met with a referral to the company's sustainability webpage, stating that it confirms the veracity of its cotton "by an accredited third-party certification body."

Many such certification bodies exist to audit organic practices, but according to ADNAS and Himatsingka, no textiles supply chain had yet verified with genetic testing that cotton products labeled as pure were, in fact, that. Though its test was not aimed at organics, according to Greenstein "using DNA to tag and trace sustainably and humanely-raised feather and down would be highly relevant" in the context of DNA testing.

DNA Testing Comes To Market

The pima cotton from Himatsingka — the first such cotton verified pure from a molecular level — is just now reaching consumers.

"The first wave of products tagged with this traceability technology are hitting shelves now in the form of home textiles — sheeting, towels, and so forth," said Rodger Glaspey, managing director with Louis Dreyfus Company Cotton, which sources and supplies raw cotton for companies like Himatsingka. "In six months, that's when you will start to see apparel that can be traced all the way back to its source."

Even with the recent partnership with Himatsingka, which owns exclusive licenses for the sourcing, marketing, and distribution of luxury home textile brands like Calvin Klein Home and Barbara Barry, ADNAS only processed about 100 million pounds of cotton with molecular tagging.

For context, Louis Dreyfus Company Cotton cites the U.S. produced 13 million bales of cotton last year — that's 6.5 billion pounds. Of that, 80,000 bales, or 40 million pounds, were tagged — roughly half of one percent.

Is Blending Really A Problem?

Where does that leave us? On one hand, a major cotton manufacturer, distributor, and retailer – Himatsingka — and its forensic partner — ADNAS – have invested heavily in a high-tech solution to a problem they call "rampant."

According to ADNAS, a random test it performed in 2009 of products advertising 100 percent pima and Egyptian cotton showed that 89 percent were blended with lower grade upland cotton, which costs two to three times less than the advertised premium varieties.

What's more, few industry leaders in the textiles and outdoors world offered comment, or seemed knowledgeable, on this issue. That could prove damaging if Greenstein's allegations and ADNAS's findings of unauthorized blending and mislabeling are true.

On the other hand, organizations concerned with the sustainability of cotton farming seemed less ready to sound the alarm.

Source: gearjunkie.com - May 19, 2016

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Pakistan: Cotton production to decline further next year if right measures not taken

Cotton Commissioner Dr Khalid Abdullah while speaking at the Senate Standing Committee on National Food Security and Research on Wednesday, said that, cotton cultivation in Punjab the largest cotton producing province is going down by 28 percent in the current season and termed it very alarming. Due to which the cotton production in Pakistan may witness further decline next year.

He further added that the country witnessed 30 percent decline in cotton production in year 2015-16 due to abnormal weather, seed quality, pests, diseases and low prices.

Cotton is grown mostly in the two provinces of Punjab and Sindh, with the former accounting for 79% and the latter 20% of the nation's cotton growing land. Abdullah said that in spite of sufficient stock of cotton with Trading Corporation of Pakistan (TCP), 500,000 cotton bales have been imported from India via Wagha border.

All Pakistan Textile Mills Association (APTMA) urged the government to further increase the import of cotton lint from India up to 530,000 bales. If the government allowed increase in import of cotton, it would badly affect local growers and the situation would further deteriorate in the country therefore the import of cotton via Wagha border should be stopped.

The Agriculture Minister of Punjab province has requested the federal government to fix intervention price for cotton. The Committee which met with Senator Syed Muzaffar Hussain Shah in the chair observed that import of cotton lint from India via Wagha border is detrimental to the interest of cotton growers in the country and should be immediately stopped.

Federal Minister for National Food Security and Research Sikandar Hayat Bosan fully endorsed the view that the import via Wagha should be immediately stopped. The Committee requested the Ministry of Commerce to consider this recommendation on priority basis.

Last year cotton production in the country declined by 30 percent and if appropriate measures were not taken this year, cotton production in the country will further decline.

The committee observed that there are sufficient stocks with the TCP, there is no justification for importing cotton from India.

The senate body also recommended including tractors in the compulsory list of vehicles which conferred the authority to Ministry of Science and Technology to check the standards of vehicles for agriculture. The committee observed that a laboratory affiliated with Pakistan National Accreditation Council should be set up to check compatibility of vehicles with international standards.

The National Assembly will be passing the Plant Breeders Rights (amendment) Bill, 2015 shortly which will help resolve many issues related to quality of seed.

The cost of production will decrease when government takes effective measures for reduction of input cost. The committee expressed displeasure over the poor implementation of Seed Act, 2015.

Muzaffar Hussain shah said that Parliament passed the Bill last year but many outlets especially of cotton seed are not being checked for quality.

The Federal Seed Certification and Registration Department is responsible for checking seed quality but is has only 28 offices and facing shortage of staff.

The scarcity of staff offices of the department who have the responsibility to check the seed is leading to problems in seed certification.

The committee urged the Ministry to come up with proposals on how to ensure good quality seeds for farmers.

About the proposal of budget (2016-17), the Minister said that majority of the proposals developed by the Ministry for the upcoming budget is aimed to reduce cost of production.

Source: yarnsandfibers.com - May 19, 2016

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Focus on promoting trade, textiles industry: TN industry

Industry today hoped that the new AIADMK-led government will focus on promoting trade and make Tamil Nadu the hub for textile manufacturing.

Lauding the victory of AIADMK in Assembly polls as a remarkable achievement by Jayalalithaa in the current political scenario, Southern India Mills' Association Chairman M Senthilkumar urged the chief minister to help take the textile industry to new heights, giving focus on value addition and make Tamil Nadu the hub for textile manufacturing and trade in the world map.

CII Southern Region Chairman Ramesh Datla said the landmark victory strongly demonstrated the popular support for her proactive and inclusive governance in the last five years.

He said CII looks forward to working closely with the Tamil Nadu government in realising the vision set out by the Chief Minister to be the numero uno State in the country.

Source: business-standard.com - May 19, 2016

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India and China Technical Textile Market Will hit at a CAGR of 5.4% from 2015 to 2020

Future Market Insights (FMI), delivers key insights on the technical textile market in its latest report titled, “Technical Textile Market: Global Industry Analysis and Opportunity Assessment 2015-2020”. According to the report, the global technical textile market is anticipated to grow at a CAGR of 4.5% during the forecast period.

The promising growth of the technical textile market is attributed to its versatile nature as a raw material for use in various products, such as automotive carpets, geo grids, aprons, and gloves. This versatility is driving increasing adoption by various end-user industries such as construction, automobiles and chemicals.

Technological advancements in technical textile production and increasing demand through exports are major underlying factors anticipated to fuel the demand for technical textiles in the near future. This is expected to offer growth opportunities to technical textile manufacturers, distributors, and product converters.

The trend is even more pronounced in emerging economies of the world, such as Brazil, India, Russia and China. Healthy trade relations and government support in these regions has served to boost technical textile export-import activities.

Key driving factors identified in the global technical textile market include robust growth of the automotive sector in emerging markets and government support to SMEs to boost manufacturing.

However, lower profit margin due to intense competition, toxic waste production, and can pose challenges. Some major trends identified in the global technical textile market are use of e-textiles in medical and apparel industry and rapid innovation to meet changing customer preferences.

The global technical textile market is segmented on the basis of region, process type, and application type. Process type is further sub-segmented into non-woven, composite and others (includes weaving, knitting, braiding).

On the basis of application, the market is further sub-segmented into agrotech, buildtech, hometech, indutech, sportech, packtech, mobiltech, meditech, clothtech, geotech, protech and oekotech. , Oekotech and geotech application segments are projected to exhibit highest CAGR of 7.1% and 6%, respectively during the forecast period due to increasing construction activities and projects concerning environmental protection.

Source : newsmaker.com.au- May 19, 2016

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Amazon India teams up with government to boost handloom sales; directly engages with weavers

Amazon India today forged a partnership with Development Commissioner Handloom of the Union Ministry of Textiles under which it will educate, train and enable cooperatives and weavers to directly sell their products on the online portal .

The partnership allows Amazon India to engage with weavers in Kota in Rajasthan, Nadia in West Bengal, Bargarh in Odisha, and Bijoynagar in Assam.

The products will carry government certifications 'India Handloom Brand' and 'Handloom Mark', ensuring availability of quality products to shoppers across the globe, Amazon India said.

The company has already deployed teams in the four states and conducted workshops in Kota and Bargarh, introducing weavers to online selling and Amazon.in's seller services that will help them kickstart their online business, it said. Alok Kumar, Development Commissioner (Handlooms), said "Authentic handloom products have always found resonance with shoppers.

Our partnership with Amazon India will allow weavers to satiate this demand by making their products available in all corners of India. Weavers will also get the right value for their offerings through this direct sales channel."

Gopal Pillai, Director & GM, Seller Services, Amazon India, said all products listed by weavers will be available through the 'Crafted in India' store on Amazon.in that was launched recently, which aims to bring the rich Indian heritage of handicraft and handlooms to Indian consumers' doorsteps.

Source : economictimes.com- May 19, 2016

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A million dollar question

Dollar City, a documentary by R.P. Amudhan, brings to light the consensus among the stakeholders who want the Tiruppur garment industry to run at any cost.

"For the past 20 years Tiruppur has not seen a workers' strike," claims a garment exporter. "Though the companies are governed by labour rules of eight working hours per shift, the rule is mostly followed in breach," admits a trade union leader. "I stick to this company just because my employer helps me," says a worker.

The statements recorded in the documentary *Dollar City* can be seen as a classic example of the Antonio Gramscian idea of manufacture of consent.

Tiruppur is called as Dollar City for its thousands of export oriented garment hosiery units and millions of migrant workers. A major money spinner, the city symbolises a development model where the state machinery, exporters, small and big entrepreneurs, commission agents, trade unionists and workers converge to prioritize export. Their collective aim is to earn foreign exchange and in the process all the laws that protect environment and workers' rights are given a go by.

The 77-minute film by award-winning documentary filmmaker R.P. Amudhan brings to the fore a successful economic system where ambitions and loyalties collapse, rights become a privilege, duty becomes an opportunity and where one's desperation is another's aspiration. Amudhan provides a ring side view of the system where consensus among the employers, mediators and workers put to rest all arguments on workers upliftment.

"Every time I visit Tiruppur, the first thing that strikes me is the consensus among all the players in the field. Right from the auto driver to hotel manger to tea master, all want the industry to run at any cost. Their desperation caught my attention. I wanted to record their version of consensus," he says.

The documentary, produced by Raj Kajendra, also takes a dig at the role of Government in promoting the business in a big way by giving several sops to the manufacturers.

One exporter even claims that the Government initially waived income tax and gave incentives. People are fully aware of the exploitation and resign to the fate. The acceptance has given the employers enormous strength to flout all the rules.

Amudhan has adopted a different narrative technique by recording the statements of people who talk about themselves. “The complexity of the problem led to this narrative technique.

It is a kind of hypothesis, which I attempted to realise or materialise or prove or argue in the film. I deliberately chose the ones who appreciated the industry and through which I have attempted to understand the hegemony of the industry,” he says.

Source : thehindu.com - May 19, 2016

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Spot demand lifts cotton futures up by Rs 460

29-mm cotton prices spurted by Rs 460 per bale of 170 kg to Rs 17,340 in futures trading today after participants enlarged positions, driven by strong demand in the spot markets.

Besides, hike in cottonseed oilcake and kapas prices supported the uptrend.

At the National Commodity and Derivatives Exchange, 29-mm cotton price delivery for June spurted by Rs 460, or 2.73 per cent to Rs 17,340 per bale of 170 kg, with an open interest of 76 lots.

Likewise, delivery in May shot up by Rs 430, or 2.57 per cent, to Rs 17,150 per bale, having an open interest of 853 lots.

Marketmen attributed the rise in cotton prices at futures trade to strong demand against restricted supplies from growing regions at the spot markets.

Source : business-standard.com- May 18, 2016

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Fashion curation apps like LimeRoad, WithMe, Voonik are carving a business out of recommending what to wear

Neha Tyagi, employed with a research firm in Gurugram, often used Facebook for advice on what to buy or what to wear to a special occasion. The only hitch—she did not want all her Facebook friends seeing her trial pictures, and not all the responses were relevant. Three months ago, Tyagi started using social fashion networking apps WithMe and Styledotme.

"Unlike on Facebook, people on these apps are serious about fashion. I recently uploaded two pictures of me (on WithMe), one in a black dress and the other in a rose print dress, for deciding what to wear for a birthday. While I got 33 'Yays' for one, the other got five 'Nays' from friends and stylists on WithMe. That helped," said the 24-year-old fashionista, who has 200 'followers' on WithMe.

Styledotme and WithMe belong to a genre of startups that offer personalised styling, a networking platform for people with similar interests in fashion, and lead customers to online retailers that sell fashion products recommended by them. In the past 12-15 months, at least a dozen such startups have secured significant money from investors. Fashion network Roposo , which is backed by New York-based hedge fund Tiger Global Management, recently raised $5 million (about Rs 33 crore) rom Bertelsmann India Investments , taking its total funds raised to $21 million.

"Social media is the new fashion guru," said Saket Dhankar, a former head of fashion at IMG Reliance who, along with other wealthy investors, put money into WithMe this year. "User-generated content like do-it-yourself hacks, mix-and-match and street-style experiments are aiding consumers in the discovery of fashion and trends."

Fashion ecommerce—which Google India estimates will grow to $35 billion by 2020 (or around 35% of total ecommerce revenue)—is the largest and mostprofitable ecommerce category globally. Importantly, the segment offers tremendous scope to experiment with business models.

In large ecommerce economies such as China, social-fashion startups occupy significant space. Mogujiem, among China's biggest fashion startups with more than 80 million users, in January struck a $3-billion deal to buy rival Meilishuo. Last year, Yahoo acquired American fashion app Polyvore for $230 million.

What makes these firms so relevant to users? Ashutosh Pandey, chief executive at WithMe, put it this way: "Unlike other products such as electronics, which are very standardised, with most searches directed at price comparison, fashionbuying is extremely complex in terms of choosing from a plethora of choices that suit individual tastes."

The crux of what fashion personalisation and recommendation platforms do is "a combination of deep data science and machine learning technologies," said Sujayath Ali, CEO at Sequoia Capitalbacked Voonik .

Ali explained this with how Voonik operates. After downloading the app, a user has to take a short quiz to help the app understand her body type, height, skin tone and personal style. The app's algorithms will then begin tracking her online behaviour— what products does she spends time on; which product details pages does she linger on, and more such.

When sellers on the Voonik platform upload images of their products, the app's system runs image-recognition algorithms to understand the attributes of the product such as color and design pattern. Finally, the app's personal-styling engine, which has more than 10,000 'rules', processes every bit of the collected information to recommend specific products to specific users.

Social-fashion startups offer various interesting features to suit individual styling needs. Styledotme's app allows consumers to instantly poll friends for advice on a certain outfit and sends phone notifications to signal urgency. Roposo and LimeRoad , in which Tiger Global is a common investor, follow a communityand content-based based approach to discovering the best fit for a user.

Gurugram-based Roposo, founded in July 2014 by IIT-Delhi alumni Mayank Bhangadia, Avinash Saxena and Kaushal Shubhank, allows users to post stories— say, 'three ways I wore my saree'—in the form of pictures, blog posts or videos. The technology revolves around matching the most relevant content with individual tastes to aid decision-making.

Roposo adds about 2 lakh posts a month from users including celebrities and professional bloggers, and recently crossed 2.5 million downloads.

LimeRoad has a community of at least 50,000 women , several of whom create their own mix-and-match designs based on products in the platform's inventory. The most creative ones gain a legion of followers, who can purchase the products that went into these designs from any of LimeRoad's 50,000 sellers.

"Community- and content-driven model has better pull and differentiation, ensuring lower cost of customer acquisition and better lifetime value," said Avnish Bajaj, managing director at venture capital firm Matrix Partners, which along with Tiger Global and Lightspeed Venture Partners has pumped in nearly $50 million in curated fashion website LimeRoad.

Fresh content is critical for communitydriven fashion apps to be able to get repeat customers without having to spend heavily on marketing or offering steep discounts. "Everybody is focused on (gross merchandise value, or gross sales) but the GMV composition should be driven by repeat customers, not discounts. Otherwise, you are building a blackhole," said Suchi Mukherjee, CEO at LimeRoad.

There are, however, several hurdles on the road to achieving a sustainable business model.

Roposo, which has partnered with about 300 merchants, earns commissions on each sale and is experimenting with brand-advertisements on its platform. Voonik, which positions itself as a fashion personalisation and curation app, has ended its affiliate-fee revenue model and become a marketplace.

"The move to the marketplace model, which gives us 20% margins as opposed to 10% margins in the affiliate-fee model, has helped build a more robust business model," said Sujayath Ali, CEO at Voonik, which handles 25,000 deliveries a day. "Also, there was no control on end-to-end customer experience."

Source : economictimes.com- May 20, 2016

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