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# IBTEX No. 84 of 2017 Apr 27, 2017

USD 64.11 | EUR 69.88 | GBP 82.59 | JPY 0.58

## Cotton Market

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

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 19983 | 41800 | **83.19** |

**Domestic Futures Price (Ex. Gin), May**

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 21120 | 44178 | **87.92** |

**International Futures Price**

| | |
|---|---|
| NY ICE USD Cents/lb ( May 2017) | 80.69 |
| ZCE Cotton: Yuan/MT ( July 2017) | 15,970 |
| ZCE Cotton: USD Cents/lb | **85.66** |
| **Cotlook A Index – Physical** | **88.8** |

**Cotton guide:**

Market is well accepting the fact that 80 cents for cotton remains a key resistance in the near term. On Wednesday cotton for July future contract failed to breach the given level and ended the session on a mixed note at 79.39 cents per pound no major change from the previous close. The December contract also moved in line with July and settled at 75 cents. The difference between the two contracts continues to hold near 4+ cents. We believe soon enough there would be volatility in the spread.

From the trading perspective the volumes were around 25,900 contracts higher from the previous day's session. Total open interest increased by 2,744 contracts to 247,883. July contract open interest had increased by 1,412 contracts to 133,695 contracts while December interest increased by 1,565 contracts to 100,213.

This morning ICE cotton is seen trading at 79.15 cents down by more than quarter per cent. To know the detailed price direction please subscribe Kotak Commodities Research Service.

From the domestic front the spot price of S-6 traded steady to end the session at Rs. 43,750 per candy ex-gin. With the Indian rupee appreciating so much below 64 the equivalent parity was 87.20 cents per pound. From the supply front the daily arrivals were around 65K lint equivalent bales out of which around 19K from Gujarat and 25K from Maharastra. Therefore, the April future trades at MCX ended the session at Rs. 20860 per bale. To know the detailed price action and likely movement access kotak Commodities daily research report of Cotton.

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

# NEWS CLIPPINGS

# INTERNATIONAL NEWS

## US: No objection to FTA with India

The Trump administration has no inherent objection to the India-US free trade agreement though there have been no serious discussions with New Delhi over the issue, US Commerce Secretary Wilbur Ross has said.

The US does not have a free trade agreement with India and as a result India-US trade relationship is currently governed under the World Trade Organisation, Ross told reporters at a White House news conference. Currently, the US has free trade agreements with 20 countries.

Source: thehindubusinessline- Apr 26, 2017

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## Chinese firm to setup textile unit in Karachi

KARACHI: One of the leading Chinese textile machinery manufacturers, Qingdao Haijia has started negotiations to establish a manufacturing plant for its products in Karachi, a top Chinese industry official told The News.

The Chinese company conveyed this interest during the 10th International Textile Machinery and Garment Technology Exhibition (IGATEX) 2017 at the Expo Centre on Wednesday. Hassan Iqbal, federal secretary of textile industry, inaugurated the three-day exhibition along with the government officials and industry people.

He said it was a sign of pride that the international exhibition was back in Karachi after several years. "It is an international level event. Around 60 percent economy in the country revolves around the textile sector, so there is need of more such programmes," he said.

Qingdao Haijia Machinery Co Ltd is minister of international trade Eiffel told The News that they have planned to establish their Waterjet and Airjet Loom machines in Karachi. "We are waiting for the trade policies to become feasible to establish the manufacturing plant here," she said. Qingdao Haijia has a major share in textile machinery exports of China with its customers in Pakistan, India, South and North Koreas, Vietnam, Indonesia, Egypt, Nepal, and other countries.

KCA seeks tax review on cotton import KARACHI: The Karachi Cotton Association (KCA) on Wednesday appealed the government to review a reported proposal regarding the levy of duty and taxes on import of raw cotton.

KCA officials said cotton crop failure in season 2015-16 and shortfall in cotton crop season 2016-17 had compelled most of the local textile mills to import raw cotton from abroad.

Claiming that cotton import was crucial for the textile industry to meet the requirements of basic raw material, KCA officials said levy of any tax on imported cotton would considerably increase their cost of doing business.

It would make the local textile products uncompetitive in the international market, they said, and urged the authorities to continue with the free trading policy of cotton, they said in a statement Free exports and import of cotton without any qualitative restrictions in the coming years was said to safeguard the interest of all sections of the cotton business.

Source: cottonyarnmarket.net- Apr 27, 2017

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## Pakistan's FCCI to set up textile corner

The Faisalabad Chamber of Commerce and Industry plans to establish a textile corner in its research and development cell to help the textile sector to adopt and upgrade new technology with the help of the experts of the National Textile University (NTU). An earlier memorandum of understanding between FCCI and NTU has been upgraded to facilitate this.

According to the new memorandum of understanding, FCCI and NTU will jointly arrange awareness sessions for the benefit of textile manufacturers. Dr Tanveer Hussain, Rector NTU, said that technology upgradation was a continuous process to survive in the competitive international markets.

A cheque of Rs 0.5 million was presented to NTU by FCCI to carry out the research activities and bring a qualitative improvement in the industry-academia linkage. A delegation of FCCI has visited NTU to discuss different opportunities regarding research and development and capacity building.

Textile is the biggest industry of Pakistan which earns foreign exchange of $12 billion per annum for the country. Out of it, $6 billion is contributed by the exporters of Faisalabad, president of FCCI Muhammad Saeed Sheikh said. However, textile exports have been declining for the last many years due to international recession coupled with energy crisis and inconsistent domestic policies, he added.

This was an alarm bell and eye opener for the economic managers which demands immediate remedial measures, he said.

Industry-academia linkage is imperative to survive in fast changing economic scenario. In order to bridge the widening gap between industry and academia, FCCI and NTU have agreed to set up a textile corner which will provide guidance to the exporters to adopt new technologies in order to improve the quality of their products. It will also help in sensitising businessmen to promote value-addition and earn more profit from their exportable surplus.

A few major industrial concerns have established their own dedicated research and development sections to develop new and innovation products

Source: fibre2fashion.com- Apr 26, 2017

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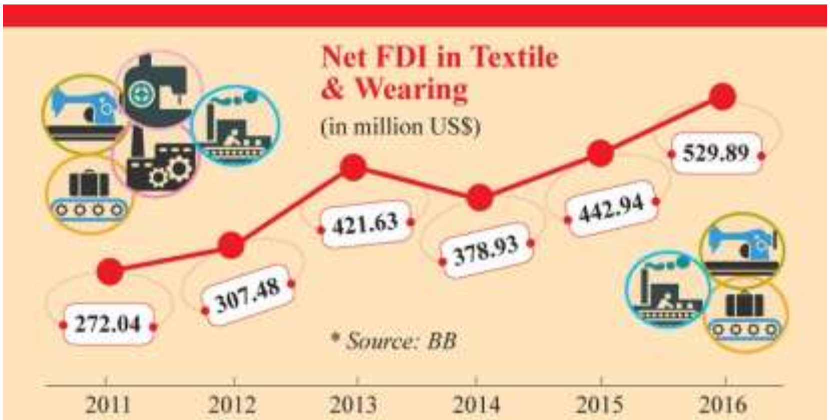
## Bangladesh: Textile sector attracts $530m FDI in last fiscal




Bangladesh' textile and wearing apparel sector attracted some $529.89 million net Foreign Direct Investment (FDI) in the last calendar year.

The sector stood second in terms of FDI receipts preceded by the telecommunication with a FDI inflow of around $572.78 million in 2016, according to the latest data of the central bank. It also showed that net inflow of FDI in the textile sector jumped by 19.63 per cent in the last year over the previous year (2015) when it was $442.92 million.

The data further showed that South Korea had maximum share of FDI into the textile sector last year, which was $179.13 million, while it was followed by Hong Kong with $70.75 million FDI into the same sector.

Source: thefinancialexpress-bd.com- Apr 26, 2017

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## VN textile sector stands chance to achieve export target despite hurdles

Việtnamese textile and apparel sector has set a target of seven percent growth over 2016, with total export earnings of over $30 billion. It stands chance of achieving its export target this year despite facing many challenges in exporting to key markets, such as the European Union (EU) and the United States, according to experts.

With Vietnam earning $6.84 billion from garment and textile exports in the first quarter of this year, 11.2 percent more than in the same period last year, it appears to support their target expectation, according to the Việtnam Textile and Apparel Association (VITAS).

Currently, Vietnamese garment and textile products are available in 40 countries and territories, with major markets including the United States, Japan, the Republic of Korea, China and the EU. VITAS has urged enterprises to optimise the capacity of their equipment to reduce production costs and seek orders for high-quality products.

But Đặng Phương Dung of the VITAS advisory board said that the growth rate of export value and volume to the EU was low, with local manufacturers receiving only small orders. Việtnam's garment industry has also not developed in terms of design, so most textile and garment enterprises have found it difficult to compete for export orders from this market.

High import tax rate of 8-12 percent to the EU market is also one of the obstacles facing garment exporters to this market.

The EU is the second largest export market of Vietnamese garment products, but it has only captured a 1.9 percent share of the union's total import value, according to the association, presenting opportunities for growth.

However, Dung said that meeting the rules of origin under the Việtnam-EU Free Trade Agreement in terms of preferential tax rate would be the biggest challenge for Vietnamese garment exports.

The garment industry expects ASEAN countries, including Việtnam, to sign an FTA between the ASEAN region and the EU, and then local garment enterprises would have more options to get material for garment production from other ASEAN countries, meeting rules of origin under the FTA.

According to the association, many enterprises invested in building textile and dying factories on an extensive and intensive scale to boost opportunities in production and business for the planned Trans Pacific Partnership (TPP),.

But now that the TPP with the United States is no longer in the cards, experts said that these facilities would help the textile and garment industry complete production processes and actively source material, focusing on the significant opportunities offered by other FTAs, such as the Việtnam-EU FTA and the Việtnam-Republic of Korea FTA.

According to the General Department of Customs data, in 2016 the textile and garment sector reached total export value of $23.8 billion, an increase of 4.6 percent year-on-year. In particular, the United States continued to be the largest export market of Vietnamese garment products, accounting for 48 percent of the total garment export value. Export value of textiles and garments into the United States has increased by 12-13 percent each year in recent years.

Source: textileworld.com- Apr 26, 2017

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## Techtextil: Young Engineers Present High-Tech Solutions

FRANKFURT —With 62 exhibiting VDMA member companies, German Technology will be strongly represented at Techtextil Frankfurt at the beginning of May.

The VDMA uses the trade fair for technical textiles once again as an opportunity to honour successful young engineers. At the trade fair, five students will be awarded prizes of the Walter Reiners-Stiftung (Foundation) in the categories dissertation, master and seminar paper for their outstanding and creative achievements.

With their works, which deal with lightweight construction applications among other things, the young ladies and gentlemen demonstrate that textile machinery is a real high-tech industry with a future.

The award ceremony of the Walter Reiners-Stiftung (Foundation) will take place on 11 May, from 5 to 6 pm at the VDMA booth (3.0/D25). Trade fair visitors and exhibitors are very welcome to participate.

The VDMA booth is also the first contact point for visitors who would like to get an overview of the exhibiting VDMA member companies. For example, the list of exhibitors VDMA members @ Techtextil 2017 as well as Buyer's Guide Textile Machinery are available at the information booth.

Source: textileworld.com- Apr 26, 2017

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## New York: Fiberizer to help reduce textile waste

One of the greatest problems of the textile industry, management of textile waste, has been solved by a design and research team from the College of Human Ecology. They have developed the Fiberizer v.2, a machine that challenges the national problem of textile waste by taking old garments and recycling them into reusable fabric.

The team — organized by Prof. Tasha Lewis, fiber science and apparel design — consisted of students from fiber science and apparel design, design and environmental analysis, physics, mechanical and aerospace engineering, and materials science and engineering.

Lewis said that the idea came from a collaboration she had with a company making new clothing from the used clothing exported and sold in Haiti. The company upcycled clothing in a local factory and wanted a way to deal with the fabric waste left over after the new garment was made. The company had asked her and her team if they could develop solutions that would help to eliminate the waste by recycling it for another purpose.

Lewis also established a partnership with Green Eileen, a recycled clothing initiative of Eileen Fisher, Inc., which aims to reduce the textile industry's environmental impact. Green Eileen donates all the garments used in the Fiberizer project, and in return the team provides the company with fiber samples and end-product recommendations,.

Lewis added that, further, they plan to refine the Fiberizer's operation and capability to make sure it can handle a variety of fabrics. They are working to ensure the machine can fiberize all the types of fabrics found in our closets posing a huge challenge.

Rayne Milner ’17, a member of the Fiberizer team said that the project is important because it is redefining how people think about recycling and reusing.The Fiberizer is really just a re-designed paper shredder, but the excitement and interest surrounding the machine is incredible. It is a great example of the growing interest with sustainable design.

Milner added that the company is hopeful that enough interest and money may help them to be able to make a third fiberizer and beyond.Their goal is to have many fiberizers available to produce so they could use them in design and eventually use them to process large amounts of material for repurposing.

The project was funded by a Walmart Foundation U.S. Manufacturing Innovation Fund grant that Lewis secured for the team. It specifically targets the small and damaged textile waste that could not be otherwise put to use. So far, the machine has had an extensive array of purposes, creating products for domestic use and for the outdoors.

Source: yarnsandfibers .com- Apr 26, 2017

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# NATIONAL NEWS

## Union Minister to visit textile clusters in region

*Union Minister to visit textile clusters in region 27 April, 2017*

Coimbatore, Apr 26 (PTI) Union Textile Minister Smriti Irani will review the functioning of textile clusters in the region during her two-day visit, beginning tomorrow.

The Minister, after arrival tomorrow morning, would head to Tirupur to inspect Netaji Apparel Park and Palladam Weaving Park, BJP sources said. She would visit textile units in Bhavani and Erode in the evening, they said. On Friday, Irani would attend a consultative committee meeting in the city with regard to the newly introduced Powertex India, a comprehensive scheme for development of the powerloom sector. Later, she would meet party workers and public in the evening, before leaving for Delhi, they said.

Source: cottonyarnmarket.net- Apr 27, 2017

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## Draft policy proposes National MSME Authority headed by PM

**Revised definition proposed***

| Enterprise | Manufacturing | Services |
|---|---|---|
| Micro | Up to ₹50 lakh | Up to ₹25 lakh |
| Small | Above ₹50 lakh & up to ₹7 crore | Above ₹25 lakh & up to ₹4 crore |
| Medium | Above ₹7 crore & up to ₹25 crore | Above ₹4 crore & up to ₹15 crore |

*Based on the investment in plant and machinery

The Draft National MSME Policy has called for setting up an overarching policy-making authority headed by the Prime Minister as also empowering the Centre to change investment limits instead of being “forced” to go to Parliament.

“To accord the importance the MSME sector deserves, it is imperative to create an apex authority under the chairmanship of the Prime Minister. The authority may be called the National MSME Authority,” says the report prepared by former Cabinet Secretary Prabhat Kumar, adding that the “Act of 2006 may accordingly be amended”.

The report of the one-man committee was presented to the government in January and is likely to be discussed at the meeting of the National Board for MSMEs, chaired by Minister Kalraj Mishra here on Thursday.

With regard to communication and consultation with States, the report has suggested an institutional forum as also an advisory service.

The draft also sets aside two proposals for redefining MSMEs on the basis of turnover or employment, saying that these “do not add anything worthwhile over the present system”, and suggested that a group be set up to look into the structure of different industries and suggest investment bands for each sub-sector.

**Single law**

A single law for micro and small enterprises employing less than 40 persons, social security cover for micro entrepreneurs, reassessment of the impact of bankruptcy code on MSMEs, replication of the Telangana model for statutory clearances of start-ups, creation of land banks by State governments and a dedicated TV channel are some of the measure proposed in the draft.

The draft policy also proposes raising the limit of MUDRA loans for micro units from ₹50,000 to ₹1 lakh, for small units from ₹50,000-5 lakh to ₹1-10 lakh and for medium enterprises from ₹5-10 lakh to ₹10-25 lakh.

“MUDRA should also be scaled up as a financial institution responsible for the entire micro enterprises sector in the country,” says the report.

Thursday’s board meeting will also discuss expanding the mandatory 20 per cent annual public procurement policy to include “all statutory and autonomous bodies and other societies and trusts owned by the Government of India”, as also Central universities and technology centres.

Source: thehindubusinessline- Apr 26, 2017

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# Broader vision needed for growth of textile sector

Nagpur: "Industries as well as the government needs to have a broader vision for the development of the textile sector. The sector will grow at a higher pace if these institutions work hand in hand," said Ujjwal Uke, principal secretary, textiles, government of Maharashtra.

He was speaking at a workshop organized by Indian Textile Accessories and Machinery Manufactures Association (ITAMMA) and The Textile Association India- Vidarbha (TAI) at Chitnavis Centre, Civil Lines. Uke, who was also the chief guest at the said that his department is working on the second textiles policy for the state and they are expecting suggestions for the same. Skilled labour and other points raised at the event would also be considered, he added.

The principal secretary further said, "Textile industries must try to connect with universities and other institutions and encourage innovations. It will help the industries and the country."



A panel discussion on 'Creating ecosystem for innovation and technology development' was also conducted at the workshop.

"Our country lacks an ecosystem for innovations. It is important that peoples' mindset towards innovators changes. Textile producers must give opportunities to innovators," Kishor Khaitan, one of the panellists and president of ITAMMA said.

RK Datta, another panellist, added, "We must focus on use of recyclable synthetic fibres. Clothing waste will be a major problem in the coming days."

Issues like consumer needs, availability of machineries, costing of products were discussed at the workshop.

Source: cottonyarnmarket.net- Apr 27, 2017

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## Planet Textiles to show textiles for the planet

BANGALORE – Visitors to Planet Textiles 2017 in Bangalore next month will get a chance to assess a range of upcycled wool fabrics derived from 100 per cent post-consumer textile waste, newly developed recycled cotton and polyester fabrics spun in India, as well as 'lite' leather produced in ultra-modern tanneries located in the USA, Vietnam and China.
These will be just some of the products and technical solutions offered by a range of exhibitor companies at Planet Textiles who have qualified to show at the event and who will supplement the already impressive speaker line-up on 24th May at the JW Marriot Hotel in Bangalore, India.

Recently added speakers at the event include the AFIRM Group, where representative Elaine Gardiner from the Pentland Group will join a panel session on textile wet processing, and the International Finance Corporation-PaCT will give examples of successes on wastewater management solutions in Bangaldesh thanks to program manager, Mohan Seneviratne. Delegate places are still available here, but space is now becoming limited.

It's been confirmed that Geetanjali Woollens Pvt. Ltd., will be on hand to talk delegates through how the vertically integrated wool textile supplier produces a range of upcycled fabrics from 100 per cent post-consumer textile waste. "All the products are always made from 100 per cent post-consumer textiles without the use of dyes, chemicals and much less water," said Deepak Goel, Director, Geetanjali Woollens Pvt. Ltd., "This provides our clients with a very good closed loop sustainable solution to promote for sustainable clothing collections."

In addition to wool fabrics, Anandi Enterprises will unveil its own 'Recca' branded recycled cotton and polyester yarns and fabrics, wholly produced in its own vertical operation in India. The company says it already works closely with major brands such as C&A, Wal-Mart, H&M, Levi Strauss, Li & Fung, Marks & Spencer and Decathlon.

Also present with an exhibition table will be ISA TanTec, which was founded in 1995 as a German invested company and currently has three ultra-modern tanneries located in the USA, Vietnam and China. The company aims to make leather products in the most environmentally responsible way possible and says: “approximately 27,300 tons of rainwater is collected by our lagoon per year, which is used for production and greenery by wind power, saving 5,189 kwh per year and reducing 4,006 kg $CO_2$ emissions.”

**Life Cycle Assessment**

Visitors will also be able to hear about the World Apparel & Footwear Life Cycle Assessment Database from Quantis International which has a booth at Planet Textiles. The database aims to drive metrics-based sustainability in the global textile and fashion sectors by delivering robust data for environmental impact assessment and foot-printing.

“Life Cycle Assessment (LCA) data is important to understand the impacts of the apparel, footwear, and home textile products. WALDB is eager to provide this data so that we can learn how to create more sustainable products, and in turn transform the industry into a sustainable one,” noted Betsy Blaisdell, Vice President, Higg Index, Sustainable Apparel Coalition.

Also welcoming Planet Textile delegates to its booth will be the new Fashion for Good Initiative. Launched in partnership with the C&A Foundation and a range of other industry stakeholders, Fashion for Good aims to change the apparel industry through innovation and funding new business models. This joint-industry initiative also has the support of C&A, the Cradle to Cradle Products Innovation Institute, The Ellen MacArthur Foundation, Kering, McDonough Innovation, IDH, ImpactHub, the Sustainable Trade Initiative, Plug and Play and the Sustainable Apparel Coalition.

These companies will be joined in the exhibition area of Planet Textiles by performance chemicals supplier Resil which supplies non-leaching, natural particulate silver based antimicrobials; international testing solutions provider TUV Rhineland; man-made cellulosic yarns and fabric supplier

Aditya Birla and Ashoka, and NGO which has a global network of partners who implement system-changing solutions to human and environmental problems.

Source: ecotextile.com- Apr 26, 2017

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## How strong rupee could play spoilsport for reviving exports

The rupee's march towards a 20-month high against the dollar on Wednesday has cast a shadow over the sustenance of a recent rebound in export growth that touched a six-and-a-half-year high in March. While the sustained rise in the rupee poses risk of an erosion of India's export competitiveness, persistent volatility in the movement of the domestic currency, unless managed, could make it difficult for exporters while firming up contracts, according to exporters from a range of sectors like garments, engineering goods and even farm products.

Garment exporters said while the rupee surged, currencies of competing nations have devalued, brightening their export prospects. The Chinese Yuan got depreciated by around 13%, the Bangladesh Taka by roughly 6% and the Vietnam Dong by about 7% over the last three months or so. If the rupee clocks below 63 and continues to fluctuate for the rest of the fiscal, garments exports could drop by 5-10%, said a major garment exporter, who didn't want to be named.

Typically, the average currency hedging by exporters across key manufacturing sectors is to the the tune of 50%, an exporter said.

However, smaller players across sectors like textiles and garments are the most vulnerable to the rupee rise, as the hedging is much less, he added.

Ashok G Rajani, chairman of Midas Touch Apparels and also the chief of Apparel Export Promotion Council chairman, too, voiced concern over the currency surge. "Exporters are not able to book orders due to over-valued rupee as apparel exports are highly price-sensitive." He said the primary reason why a garment package offered last year has not been able to boost exports to the desired level so far is the depreciation of currencies of competing countries like China, Bangladesh and Vietnam when the rupee is strengthening.

FIEO president Ganesh Kumar Gupta said to minimise the impact of the rupee rise, certain incentives in the form of interest subvention, being given to the manufacturers, may be extended to merchant and various other sectors of exports. Moreover, higher MEIS across sector of about 3% can somewhat offset the losses on account of rupee appreciation and further boost exports in such challenging times. He expects that if the currency appreciates in such a manner, the rupee will be in the range of around `62 to a dollar in the next three-months period.

According to the real effective exchange rate (REER) index of the Reserve Bank Of India, the rupee was overvalued by 18% in February and close to 20% in March, Rajani said (see chart). He called for a carefully considered strategy and more pragmatic approach to arrest the rise of the rupee in overall interest of exports employment generation.

TS Bhasin, who exports a lot of engineering goods and is also the chairman of the Engineering Export Promotion Council (EEPC), said the sharp 47% growth of exports in the sector witnessed in February will be tough to maintain with this kind of the strength of the domestic currency.

The rupee's rise came at a bad time for Indian exporters when some developed markets, especially the US, are turning more protectionist and price effect with the commodity surge is gradually diminishing. In the absence of any reform to make the transportation and logistics costs — which accounts for roughly cheaper in the country (like trimming the rail freight costs), the rupee's surge makes a substantial dent in the cost-competitiveness of Indian exporters.

EEPC's Bhasin said the central bank should ensure that the "liquidity coming in droves in the Indian equity and debt market must not harm our fundamental strength in exports".

Since many manufacturing centres are far away from ports, the transportation and other expenses drive up India's cost to export, compared with other Asian peers. According to a World Bank report, India's cost to export stood at a massive $1,332 per container, compared with $572 in Indonesia, $525 in Malaysia.

Merchandise exports jumped as high as 28% in March from a year before — growing for a seventh straight month even in the aftermath of demonetisation — thanks to a rebound in the outbound shipments of engineering goods, petroleum products and garments, apart from a favourable base. With this, exports in the last fiscal grew 4.7% to $274.64 billion — a much-needed rise after two successive years of decline. But with a strong rupee and diminishing favourable base effect, it's now becoming increasingly difficult to predict the course of export growth in the coming months, said the exporters.

Source: financialexpress.com- Apr 27, 2017

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## India exempts CVD on import of jute goods from Nepal

India has withdrawn the countervailing duty (CVD) imposed on import of jute products from Nepal. The anti-dumping duty, however, continues. A Gazette notification on April 20, said that Nepal is eligible to get exemptions from additional duties on jute sacks and bags similar to Bangladesh which was granted the exemption in February 2011.

Issuing a press note today, the Embassy of India in Kathmandu, said that the Indian government issued a notification last week exempting levy of additional customs duty on jute products from Nepal. Henceforth, no CVD shall be imposed on Nepali jute products when imported to India.

The government of India also believes that abolition of CVD will substantially enhance the export of Nepali jute products to Indian markets, thereby helping the people engaged in jute industry of the country.

The export of jute products from Nepal to India had halted for the last four months after the Indian government imposed excise duty of 12.5 per cent on different Nepali jute products beginning December 15. Such import-restrictive levy was imposed on jute yarn, fabric and jute bags. The imposed CVD on Nepali jute exports ranged from $6.30 to $351.72 per tonne on jute exports to India.

This restriction imposed by the Indian government on Nepali jute products had immediately garnered criticism from Nepali private sector and the government itself citing that the Indian government's move had violated the Nepal-India Trade Treaty that ensures duty-free access for Nepali jute products in the Indian market. Efforts were then made by the Nepal government and the private sector to encourage the Indian government to roll back the decision to levy CVD on Nepali jute products.

Raj Kumar Golchha, president of Jute Industry Association of Nepal, said that the domestic jute industries were on the verge of collapse after such imposition by Indian government. However, it is praiseworthy that India has finally exempted the tax levy, paving way for Nepali jute factories to flourish.

Following the exemption of CVD by India, domestic jute companies have already started full-fledged production. Currently, there are four jute companies operating in Nepal — Arihant, Swastik, Baba and Raghupati.

India is Nepal's largest importer of jute products. As per traders, Nepal produces almost 200 tonnes of jute products every day and more than 90 per cent of Nepali jute products are exported to the Indian market. Domestic jute factories, however, are reliant on India for supply of more than 70 per cent of raw materials.

Prakash Mundara, Secretary-General of the Biratnagar-based Morang Merchants Association in Nepal, believes the additional duty was imposed "by mistake". Mundara pointed out that the bi-lateral treaty didn't have scope for such duties and the Nepalese jute industry benefits Indian farmers as well.

According him, with anti-dumping still on, Nepalese jute industry is now treated at par with Bangladesh. This is a positive development for India-Nepal relationship which will help people of both the countries.

Source: yarnsandfibers.com- Apr 26, 2017

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## Uttarakhand seeks NIFT centre in state

Uttarakhand chief minister Trivendra Singh Rawat has sought setting up of a National Institute of Fashion Technology (NIFT) centre in the state. The establishment of such institute would inspire state's youth to amalgamate their traditional knowledge with latest modern technology, and help in preserving the traditional art form of the state.

"I have demanded an NIFT for Uttarakhand. We also had discussions over possible textile-related projects that could be started in the state," Rawat told media persons after meeting Union textiles minister Smriti Irani in New Delhi.

Uttarakhand is known for its woollen products with designs depicting the hills, flora and other traditional art by tribal people from various districts of the state. Hence, setting up of a NIFT centre will help in conserving the traditional art form of the state while creating jobs for the youth, Rawat said.

In absence of such institute the traditional arts and crafts are getting lost and there is an urgent need to conserve them, he added.

NIFT, set up in 1986 under the aegis of ministry of textiles, is a leader in fashion education with the ability to integrate knowledge, academic freedom, critical independence and creative thinking. The institute offers degrees in undergraduates, post graduates and doctoral studies with high academic standards through its 16 professionally managed campuses nationwide

Source: fibre2fashion.com- Apr 26, 2017

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