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

IBTEX No. 22 of 2017 Jan 30, 2017

USD 68.08 | EUR 73.05 | GBP 85.59 | JPY 0.59

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
19959	41750	**78.23**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
20690	43279	**81.10**

International Futures Price

NY ICE USD Cents/lb (March 2017)	74.85
ZCE Cotton: Yuan/MT (January 2017)	15,250
ZCE Cotton: USD Cents/lb	**87.10**
Cotlook A Index – Physical	**83.55**

Cotton & currency guide: The week gone by for cotton ended with slight positive note. The both spot and future settled slightly higher. For reference the most active February future trades at MCX ended the week at Rs. 20520 per bale up by Rs. 120 from the previous week's close. However, during the week cotton price was highly volatile. We saw cotton price making a weekly high of Rs. 20950 while made a low of Rs. 20110. Basically market turned volatile because the recent price gains in cotton looks excessive especially the domestic cotton which is trading around 900 basis points higher than the globally traded ICE March futures contract while translating in parity. We believe if the basis continues to hold higher the export demand may remain feeble while only hand to mouth consumption of cotton by the local mills may be witnessed by which price may continue to remain steady

From the spot front Indian asking rates for S-6 variety drifted from the weekly high of Rs. 42800-42900 per candy to end the week at Rs. 42250 per candy. In the meanwhile, Punjab J34 variety ruled steady near Rs. 4570 per maund. Further nationwide, daily seed cotton arrivals estimated at roughly 155,000 lint equivalent bales (170 kgs), with over 40 percent of the total being delivered in Maharashtra

However, from the global front the ICE future advanced in the last week to end at 74.85 cents/lb up by 181 points from the previous week's close. On last day of the week the estimated turnover was at 24,100 contracts, compared with the 28,329 that changed hands previous day. Total open interest rose by 4,056 contracts to 267,702, with increases reported in March '17, May, July and December 17

Further on the global scenario, Cotlook's latest assessment of world production in the 2016-17 seasons implies an increase of 194,000 tonnes compared with November estimate. The change is mainly attributable to considerable increases for China, the United States and Australia, and is partially offset by reductions for Pakistan, India and some smaller producers. Global consumption has been reduced by 141,000 tonnes. A higher figure for China is more than offset by a major reduction for the Indian subcontinent and lower expectations in the United States. World stock levels are therefore now expected to contract by the end of the season by roughly 1.24 million tonnes, compared with 1.58 in our November estimate

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	With TPP Out, What's Next for US Trade Deals?
2	White House Raises Prospect of Tariffs on Imports from Mexico
3	What's at Stake in Trump's Push to Rewrite or Abandon NAFTA
4	Egyptian textile companies eyeing Brazilian market
5	Pakistan's exports to EU increase 37pc in past three years: commerce minister
6	'In terms of skills, Pakistan lags behind Sri Lanka and Bangladesh's garment industries'
7	Bangladesh : Trade barriers hold back exports to India: Tofail
8	Robots may soon take over millions of jobs in ASEAN, reveals ILO study
	NATIONAL NEWS
1	India looks to tap export market in technical textiles
2	Indian textile industry likely to double its productivity by 2030
3	Irani, 3 other Union ministers to inaugurate Investors meet
4	Textile industry takes a big hit due to Chinese devaluation
5	GST in Budget 2017 may make branded apparels expensive
6	MP to soon bring special policy for garment industry
7	Incentivising exports a key textile industry demand
8	NE Investors' Summit to focus on textile manufacturing
9	Textile growth may generate 50 mn jobs by 2025: Report
10	Government looking at PPP model for reviving AFT and two other mills
11	Weavers and craftsmen gather in Shillong to explore business avenues
12	Talking trade in the time of Trump

INTERNATIONAL NEWS

With TPP Out, What's Next for US Trade Deals?

It's hard to tell what exactly will happen with trade under the Trump administration, but if the new U.S. president made one thing clear when he pulled the States from the Trans Pacific Partnership Monday, it was that all trade relations could be up for renegotiation.

In a presentation titled, "Trade in the Time of Trump," at Texworld USA in New York Monday, Gail Strickler, president of global trade for Brookfield Associates and former Assistant U.S. Trade Representative for Textiles at USTR, perhaps did a little to calm an audience of uncertain minds.

"Our existing FTAs and preference programs that are already enforced—regardless of the rhetoric—I personally don't think those are likely to change," Strickler said after touching on the now defunct TPP.

On Monday, in addition to pulling out of TPP, President Trump was also expected to sign an executive order indicating his intent to renegotiate NAFTA, but the White House has not confirmed that order was signed.

With TPP out, NAFTA on a tightrope and border taxes on imports being bandied about, apparel sector stakeholders are reevaluating their sourcing strategies to brace for possible changes in trade.

They're also wondering what's going to happen with U.S.-China relations.
"The anti-China, anti-trade sentiment being espoused by the new administration creates tremendous uncertainty for our industry," Strickler said. "And the threat of a border tax further exacerbates the concern that the apparel industry, which imports more than 95 percent of its product could suffer a disproportionate share of the burden."

Though many things remain uncertain, for Strickler, NAFTA going way entirely isn't one of them.

Roughly 60 percent of the textiles and apparel imported into the U.S. under NAFTA are made up of U.S. yarns and fabrics. Letting go of that would have a detrimental impact on what's left of the domestic textile sector and 120,000 textile jobs would be at risk.

In a December statement, the National Council of Textile Organizations (NCTO) said: "The American textile supply chain exports more than $10 billion in yarns and fabrics to Mexico and other Latin American countries. When consumers buy clothing items from there, they are more likely to be supporting American manufacturing jobs," according to the council's president and CEO Auggie Tantillo. "On the other hand, if a garment is labeled 'Made in China,' it is almost certain that none of the yarns and fabrics used to make it come from the United States."

So the new administration has much to consider before making drastic moves on trade. And there's a lot of money at stake.

Forty percent of the tariffs U.S. Customs and Border Protection collects come from textiles and apparel, and those importing textiles and apparel to the U.S. are currently paying more than $11 billion in duties and tariffs.

"A border tax the way it is being proposed would be a tremendous hardship for this industry," Strickler said. "I think you really have to be strategic. You have to think about what is in the U.S. interest and what is in the political U.S. interest, and the two might be completely different."

For now, American brands and retailers may want to turn their attention to trade preference programs, where things are still looking at least somewhat concrete.

At present, preference programs like the African Growth and Opportunity Act (AGOA), Qualifying Industrial Zones (QIZ) and Haiti HELP & HOPE, only account for 3 percent of imports, compared to 17 percent of imports that are brought in under free trade agreements, according to Strickler.

AGOA was recently renewed for 10 years and should remain intact with the duty free trade benefits it provides for eligible countries through 2025. The Haiti HELP and HOPE II, which lets apparel wholly assembled in Haiti enter the U.S. duty free, should also be firmly in its place until 2025.

The QIZ program, which allows Egypt to export product to the U.S. duty free, provided 10.5% of the value of the goods incorporate inputs from Israel, never expires.

Each of these regions hold their own opportunities for the apparel sector, and brands reevaluating their strategic sourcing amid all of this uncertainty could benefit from giving each deal a closer look.

Ending the talk on as positive a note as possible, Strickler reminded the audience that the president doesn't make trade plans singlehandedly.

"Regardless of who the president is, trade is still overseen by the appropriate committees in Congress," Strickler said, adding that many of the people who participated in negotiating TPP still hold the same posts. "Hopefully what you will see if NAFTA is renegotiated, is some of the changes that were going to come under TPP, like a more modern way of looking at rules of origin."

Source: sourcingjournalonline.com – Jan 28, 2017

HOME

****

White House Raises Prospect of Tariffs on Imports from Mexico

The Trump administration has raised the possibility of imposing tariffs on imports from Mexico as a way to pay for a wall President Trump has pledged to build along the U.S.-Mexico border. However, it remains unclear what the exact nature of such a measure might be, and some businesses and lawmakers are already voicing opposition.

According to press reports, a Trump spokesman mentioned Jan. 26 the idea of a 20 percent tariff on imports from Mexico; i.e., an amount that would be due at the time goods are shipped across the border.

Under existing laws, the president does have the authority to impose tariffs on goods imported from a specific country under certain conditions.

However, the spokesman may have been referring instead to the border adjustment tax that congressional Republican leaders have proposed as part of a broader corporate tax overhaul. This measure would disallow the existing tax deduction for costs associated with imported articles or inputs while exempting export revenue from income tax calculations.

This interpretation appears to be supported by the spokesman's reference to "using comprehensive tax reform as a means to tax imports from countries that we have a trade deficit [with], like Mexico." House Ways and Means Committee Chairman Kevin Brady, R-Texas, indicated that this is the way he sees it as well.

While administration officials have spoken of the tariff or border adjustment tax as a way to make Mexico pay for the proposed wall, in either case it would be U.S. importers (and, by extension, U.S. consumers) that would ultimately pay the associated costs.

That's why, said Nicole Bivens Collinson, president, international trade and government relations, for Sandler, Travis & Rosenberg, it's important for importers to act now to make sure policymakers in the White House and Congress hear their concerns. "There's a lot of uncertainty about the specifics," she said, "but it seems clear that something is going to change, and likely sooner than later. Input from businesses and trade associations can help influence those decisions."

STTAS Vice President Mike Wilder said importers should also closely examine their sourcing and determine how their business might be affected by potential changes to tariffs, taxes, or both. "Our systems can help companies plan by reviewing their import data against a variety of tariff scenarios," Wilder said.

"We can also show companies how to benefit from mechanisms to reduce or avoid duty liability such as free trade agreements, foreign-trade zones, and the First Sale Rule."

Source: strtrade.com– Jan 30, 2017

HOME

****

What's at Stake in Trump's Push to Rewrite or Abandon NAFTA

President Donald Trump, engaged in a diplomatic row with Mexico, plans to shake up trade across North America.

Trump is vowing to rewrite the North American Free Trade Agreement — or pull out of it altogether. His efforts are injecting worrisome doubts about the future of business among the United States, Canada and Mexico.

Here's what's at stake:

What is Nafta?

Negotiated by President George H.W. Bush and signed into law by President Bill Clinton, NAFTA took effect on Jan. 1, 1994. The trade pact eliminated tariffs — taxes on imports — and other trade barriers among the United States, Canada and Mexico. The impact on some vulnerable U.S. industries was delayed. Tariffs on textiles and clothing, for instance, were phased out only gradually. So were many trade barriers in the auto industry.

Supporters said the agreement would promote trade and create jobs across a North American single market. It would be, in other words, a victory for everyone. Critics countered that low-wage competition from Mexico would wipe out American factory jobs. In 1992, U.S. presidential candidate Ross Perot famously predicted "a giant sucking sound" as American jobs migrated south across the border.

So What Actually Did Happen?

Trade among NAFTA countries exploded. But so did America's trade deficit with Mexico.

In 1993, the year before NAFTA took effect, the United States had sold Mexico $41.6 billion in goods and bought $39.9 billion for a trade surplus of $1.7 billion. By 2015, the U.S. had exported $235.7 billion in goods to Mexico (a 467 percent increase) and imported $296.4 billion (up 643 percent). That created a trade deficit in goods of $60.7 billion.

It's a figure Trump has invoked to argue that naive American policymakers had been out-negotiated by their Mexican counterparts. But the trade gap has widened partly because American consumers are eager to buy relatively low-priced cars and other goods from Mexico.

NAFTA's impact on the economy was more modest than partisans on either side of the debate had expected. In part, that's because trade represents a surprisingly small portion of the U.S. economy — 28 percent in 2015, according to the World Bank, one of the lowest shares in the world. And trade with Mexico is a smaller still portion.

The Congressional Research Service has concluded that the impact of NAFTA on the US. economy "has been relatively small." The Peterson Institute for International Economics, a pro-free trade think tank in Washington, estimates that the U.S. loses about 203,000 jobs and gains 188,000 annually" on account of two-way trade with Mexico." That's a net loss of 15,000 jobs a year— a mere rounding error in a country with 145 million jobs.

What Does Trump Want To Do?

The president has vowed to negotiate a better NAFTA — or to walk away from the agreement if he can't get one. Adam Posen, president of the Peterson Institute, says he thinks the agreement should be updated to reflect, for instance, the rise of the internet businesses over the past 23 years ago.

Trump hasn't spelled out how he wants to change the deal. But he clearly seeks to shrink the trade gap with Mexico by reducing imports, increasing exports or both. One likely target: U.S., Japanese and other automakers, which shipped more than $100 billion in autos and auto parts from Mexico to the United States in 2015.

After NAFTA, automakers began producing small cars in Mexico and shipping them across the border to the United States.

Mexican auto workers still earn less than $10 an hour, allowing manufacturers to keep small car prices low — and affordable to U.S. families on a budget.

But U.S. and other companies have built complicated supply chains that span the U.S.-Mexico border. Pulling out of NAFTA would throw their operations into disarray. Although they build cars in Mexico, U.S. companies also do a big business ($30 billion worth in 2015) shipping auto parts to Mexico.

The nonprofit Center for Automotive Research estimates that the U.S. would lose at least 31,000 jobs if Trump went ahead with his threat to impose a 35 percent tax on Mexican auto imports.

Source: abcnews.go.com– Jan 28, 2017

HOME

****

Egyptian textile companies eyeing Brazilian market

Several textile manufacturing companies from Egypt are looking to export to Brazil, according to the Egypt's trade office in São Paulo. The companies searching for Brazilian buyers include Spinalex, Misr Amreya, Elbanna, Sammakia Embrator, Hesni, Sogic, KCG Textile, etc. Among Arab nations, Egypt is currently the top textile exporter to Brazil.

Alexandria based Spinalex is searching for a local representative to export 100% Egyptian cotton to Brazil. The company had done business in the South American country in the past, and it now wants to resume trade, according to a Brazil-Arab news agency report. Spinalex currently exports cotton to the US, Canada and other Arab countries.

Misr Amreya, also based in Alexandria, exports 100% Egyptian cotton yarn, fabrics, tablecloths and napkins to countries in the Middle East, Africa, Europe and the US. It is now looking for buyers in Brazil, the report said.

Innerwear producer Sammakia Embrator, which operates more than 1,000 stores in the Middle East, North Africa and Asia, is also planning to extend its operations to Brazil.

With a portfolio of over 40 items, the company's main markets are the UAE, Kuwait, Saudi Arabia, Libya, Morocco and South Korea.

Sewing threads producer Elbanna, cotton yarn manufacturers Sky Tex and Shamtex, fabric producer Hesni, home textiles firm KCG Textile, and textiles and clothing manufacturer Sogic have also approached the Egyptian trade office looking for buyers in Brazil.

Last year, Brazilian textile imports from Egypt stood at $9.4 million, according to the data from the Brazilian ministry of industry, trade and services.

Source: fibre2fashion.com– Jan 28, 2017

HOME

****

Pakistan's exports to EU increase 37pc in past three years: commerce minister

Pakistan's exports to the European Union (EU) soared 37 percent during the last three years on the back of generalised scheme of preferences (GSP) plus status, commerce minister said.

"The GSP status offers huge potential for enhancing mutual trade between Pakistan and the EU," minister Khurram Dastgir Khan said in a statement received from Brussels on Friday.

Khan, in a meeting with a member of the committee on international trade in the European parliament Jan Zahradil, said export of machinery, chemicals and dyes from Europe to Pakistan also rose 14 percent. "These products were required to meet the growing demand of Pakistani products, particularly textiles and garments in the European markets."

In December 2013, the EU awarded GSP Plus status to Pakistan, which would give zero tariffs to 20 percent and preferential rates to 70 percent of the country's exports to the region. The status is valid till 2017.

Annual bilateral trade between Pakistan and the EU is more than seven billion dollars. Balance of trade is nearly equal. Pakistan's main exports to EU consist of textile and leather products and medical equipment.

The GSP Plus status was expected to boost Pakistan's exports to two billion dollars in addition to create jobs opportunities.

The biggest beneficiary of the tax concessions is textile and clothing industry, constituting over 60 percent of the Pakistan's exports. The country's rivals Bangladesh and Sri Lanka are also enjoying duty-free access to the 28-member EU bloc.

Under the GSP Plus, Pakistan has to comply with all the 27 United Nations conventions on human rights and labour and environmental laws.

Minister Khan apprised Zahradil about various steps being taken by Pakistan to improve working conditions in the manufacturing sector and law and order and human rights.

"The focus of Pakistan has shifted towards strengthening its economy through trade rather than aid," he said.

He accentuated correlation of economic progress with peace and stability of any country. "Economic and social indicators are on the rise in Pakistan," he added.

Commerce minister also held meetings with Pakistani-origin members of the European parliament, member European parliament and former head of committee on foreign relations.

Secretary commerce Azmat Ranjha accompanied the minister in the meetings.

Source: thenews.com.pk– Jan 28, 2017

HOME

****

‘In terms of skills, Pakistan lags behind Sri Lanka and Bangladesh’s garment industries’

In terms of skill base in the garment industry Pakistan lags behind Sri Lanka and Bangladesh, Firoz Rasul, the president of the Aga Khan University, said on Saturday.

He was speaking as the chief guest at the 17th convocation of the Textile Institute of Pakistan held at its main campus near Eastern Zone, Bin Qasim (Ghakkar Phatak).

Firoz said he admired TIP’s work, significance and its impact. He added that textile was one of the most important sectors of the country and considered the backbone of Pakistan’s economy.

“We are the eight largest exporters of textile products in Asia, fourth largest producer of cotton and third largest consumer of cotton in the world. We are also the world’s second largest cotton yarn exporters and third largest cotton cloth manufacturer and exporter.”

He appreciated that the sector provided employment to about 40 percent of the industrial labour force and accounted for eight percent of the total GDP. However, Firoz noted that Pakistan lacked quality and innovation in engineering and technology development. He highlighted the energy crisis, shortage of gas supply and power cuts for the reducing number of textile mills in the country.

He observed that production capability was very low because of obsolete machinery and technology while in the long term, cotton as a crop would not be viable in Pakistan with its scarce water resources.

Degrees and medals

The institute awarded 38 degrees and six gold medals. Aminah Shahzad of the Textile Design Technology was given the Dr Eqbal Ahmad Award and a cash reward for scoring the highest CGPA among her graduating classmates of various faculties. She also delivered the valedictory speech on behalf of graduating students.

The Dr Eqbal Ahmad Award is given in memory of the TIP's first chancellor, the late Dr Eqbal Ahmad.

TIP president Humayun Zafar informed the audience that the institute had produced 1,117 graduates during the last 22 years and it was producing leaders for the socioeconomic progress of Pakistan. "The TIP has 100 percent employment to its credit, which by no means itself is a great feat to celebrate," he added.

"Now the TIP is moving forward in a sustained manner."

He announced that from the Fall 2017, the TIP would introduce industrial manufacturing and management as another degree programme.

Two MoUs have been signed with fashion institutions in Switzerland and France last year while this year the TIP is planning to ink an MoU with two leading firms for betterment of its students.

The TIP president shed light on the ongoing development at both campuses and mentioned that 26 students and three faculty members went to Frankfurt to attend Heimtextil textile fair held annually in Germany.

"The research is now considered a primary responsibility of an academic institution, but in our country, the research culture is not yet fully developed." He appealed to the textile industry to strengthen the TIP as they had done in the past.

Source: thenews.com.pk- Jan 30, 2017

HOME

****

Bangladesh : Trade barriers hold back exports to India: Tofail

Bangladesh's exports to India have not been growing at expected levels despite duty benefits in place, due to different tariff and non-tariff barriers, Commerce Minister Tofail Ahmed said yesterday.

With the current imbalance in trade between Bangladesh and India, the minister urged the Indian government to hold dialogues between the two countries to remove the barriers to higher exports from Bangladesh to India.

India has awarded duty-free access for all Bangladeshi goods, except 25 alcoholic and beverage items, to the Indian market, but it has imposed a 12.5 percent countervailing duty on apparel and up to $329 antidumping duty on jute exports, he said.

“I hope those barriers can be removed through discussions. But here, India will have to come forward. We have a lot of expectations from our largest neighbouring country India.”

Ahmed was speaking on 'India's Integration with South and Southeast Asia' on the second day of a partnership summit held at Visakhapatnam, the capital city of Andhra Pradesh.

The Indian Chamber of Commerce and the Ministry of Commerce and Industries of India jointly organised the annual event where businessmen, ministers and business leaders from home and abroad were present.

Bangladesh exported goods worth $689.78 million in fiscal 2015-16 and at the same time, India exported goods worth $5.70 billion to Bangladesh.

Moreover, it is believed that goods worth more than $6 billion come to Bangladesh through informal channels through the border areas.

Ahmed invited Indian entrepreneurs to invest in any of 100 special economic zones that the Bangladesh government is developing.

On the first day of the event, the minister brought forward the issue that Bangladeshi exporters are facing hurdles in the export of jute and jute goods to India for the antidumping duty imposed by India.

The issue of antidumping surfaced after the Directorate General of Anti-Dumping and Allied Duties or DGAD under India's commerce ministry concluded its probe into the matter in October last year.

Bangladesh's jute and jute goods used to enjoy zero-duty benefits on exports to the Indian market under the South Asian Free Trade Area agreement.

Three years ago, the Indian Jute Mills Association had accused Bangladeshi exporters -- for the first time in 40 years -- of selling jute products at prices lower than those in India's domestic market.

In October 2015, the Indian antidumping authority started its investigation into the matter. Usually, the antidumping duty on a product is the same amount by which it undercuts the domestically manufactured product. The prices of jute yarn in the Indian market tend to be comparatively low.

Bangladesh exports more than 110,000 tonnes of jute yarn to India a year, according to data from Bangladesh Jute Spinners Association. Besides the jute yarn, Bangladesh also exports raw jute and other jute goods.

Jute yarn and twine account for 65 percent of the sector's annual export receipts of over $850 million, according to data from the Export Promotion Bureau and Bangladesh Jute Spinners Association.

The number of trucks carrying jute and jute goods into India through the Benapole land port sharply declined after New Delhi imposed a high antidumping duty on the imports of the goods from Bangladesh.

India on January 5 slapped the antidumping duty on imports of jute and jute goods from Bangladesh and Nepal to “protect the domestic industry”. For Bangladesh, the duty ranges between $19 and $352 per tonne.

Source: thedailystar.net- Jan 30, 2017

HOME

****

Robots may soon take over millions of jobs in ASEAN, reveals ILO study

Flagging the imminent takeover of million of jobs by disruptive technologies such as robotics, automation, cloud, Internet of Things etc., a new ILO study urges all stakeholders — government, employers and employees — to lose no time in adapting to these changes to skill their workforce, create meaningful employment and prepare its workforce.

The study, 'ASEAN in Transformation', covers five export-oriented sectors — automotive and auto parts; electrical and electronics; textile, clothing and footwear (TCF) in manufacturing, and business process outsourcing and retail in services in the Association of South East Asian Nations (ASEAN) members — and finds that technologies, both current and forthcoming, will increase productivity, render some occupations obsolete and create new ones.

As the automobile sector accelerates research and development (R&D) with a focus on electric vehicles, hybrids etc, ILO research indicates that automation and robotics will have the largest impact on jobs in the industry throughout the region.

“Robots are becoming better at assembly, cheaper and increasingly able to collaborate with people. They are also critical in making firms more productive and workplaces safer,” it says, adding that these trends have a two-fold effect on the labour force.

First, low-skill workers will find themselves displaced in favour of automation. For instance, over 60 per cent of salaried workers in Indonesia and over 70 per cent of workers in Thailand face high automation risk. Second, manufacturers will increasingly seek higher skilled talent with R&D competencies.

Women workforce

In labour-intensive sectors, such as TCF, the study warns of the “potential dangers” of a ‘business as usual’ approach, especially on women workers who among its largest constituents.

“For example, over 70 per cent of workers in ASEAN’s TCF sector are women. Additionally, the retail and BPO sectors provide critical employment opportunities for women; they make up about 50 per cent of the workforce.

However, all three sectors face high automation risk, jeopardizing prospective employment opportunities for the region’s female workers,” says the study by International Labour Organisation (ILO), which conducted more than 330 interviews, 4,000 enterprise surveys and 2,700 student surveys across ASEAN.

“It is critical for employers, governments, workers and other key stakeholders to actively prepare and respond to the changes taking place in workplaces. In addition, constructive engagement between social partners and educational and training institutions is critical to ensure that the workers of today continue to find meaningful employment tomorrow,” adds the study.

Source: thehindubusinessline.com- Jan 30, 2017

HOME

****

NATIONAL NEWS

India looks to tap export market in technical textiles

India is looking to increase exports of technical textiles such as sweat absorbing clothes for athletes or fire retardant wear used by factory workers or fire-fighters, where margins are higher than traditional garments.

The global technical textiles market is estimated to be around $100 billion in which India has a negligible share. Unlike traditional garments, which India has made a dent in the global market on quality and pricing, in the technical textiles, its investments are still low.

These apparel require specialised processing of apparel to meet requirements of customers as per global standards, but sell at higher price points than readymade garments.

India expects this segment could also absorb better-qualified engineers and researchers to work on products that could eventually get sold in the US and Europe. At the same time, it would also increase employment for women workers in states such as Karnataka and Tamil Nadu, where there is educated workforce.

"This is one area we are lagging. It is high-value business and has less competition (from other countries," said Dr A Sakthivel, chairman of the Federation of Indian Export Organisations (FIEO) Southern region, who heads garment exporter Poppys Group. "There is a lot of technology involved and requires engineers and scientists."

India's textile exports stood at around $40 billion, around half of it in garment exports, which faces tough competition from countries from lower-priced countries such as Vietnam and Bangladesh. It employs over 40 million workers across India.

Technical textiles have multiple segments such as agrotech — crop covers and shade mats; tarpaulins, floor and wall coverings for buildings, and apparel used in cars and aircraft.

While the association is looking at setting up a research lab to work on products near Tirupur, Sakthivel says Karnataka would be an ideal location considering that the climate allows research on better products for the global market. Besides the export market, these products also have an opportunity in the local market as most if it is currently imported at high costs.

Amrit Exports, a Kolkata-based exporter is the only large player in this segment, he says, adding that there are many small players.

The country's technology upgradation funds scheme (TUFS) could be utilised to upgrade infrastructure and setting up labs to upgrade to working on technical textiles, says Sakthivel.

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

HOME

****

Indian textile industry likely to double its productivity by 2030

The Indian textile sector once a key industrial sectors in India, currently contributing 5 percent to India's GDP and 14 percent to overall index of Industrial production. The sector has potential to grow 5 times to around $ 500 billion market, according to a study conducted by Wazir Advisors and PCI Xylenes & Polyester.

Textile companies from India off late have been feeling the heat, and many smaller countries have surpassed India in terms of the share of exports in the global supply chain in textile sector. Once the advantage for India (lower energy, labour costs, compliance costs, etc) is now becoming the advantage of other countries. Sector faces many challenges. Energy and environment management costs are hurting the sector the most.

Unlike many of the other neighboring countries, the requirements to manage obligations on energy and environment are pretty stringent in India, and to be fair they are expecting it go sort of increase further going forward. Productivity in India also lags other producing countries. Thus, new technology is required and so is the up skilling of staff to use the new technology.

But there is an opportunity to turn things around. Emergence of Big Data Analytics and Industrial Internet of Things (IIoT) provides an amazing tool for the sector to explore and invest in process changes, resource optimisation and technology upgrades to double the energy/resource productivity.

The sector needs to be moving in a direction to use more or less the same amount of resource (energy, water, chemicals) but produce double the amount of output they are producing now. India has the financial capacity and business acumen to change the game by embracing technology.

Some of the recommendations for the Finance Minister for considerations under this budget are: Financial packages that are provided to the industry have to be output based, reviewed on multiple key indicators, one of them being improvement of energy/resource productivity. Fund made available via technology up gradation scheme have reduced to around 40 percent of what it was in 2006.

Allocate fund for R&D on standardisation of operational indicators across the sector, establish a central resource productivity management repository, provide data driven benchmarking to industries to help them consistently check their performance and improvise upon.

Provide rebates, financial assistance for companies that are investing in deployment energy/resource productivity management tools.

Set aside an innovation fund that can encourage entrepreneurs to develop tools/solutions that can help the smaller units manage resources better, helping them stay relevant and competitive in the entire supply value chain
To sum up the budget provisions will have to care of other business fundamentals but all benefits should help the industry move towards adaptation of new technologies and the utilisation of funds made available to the industry have to reflect progress on these key aspects.

Indian textile industry with support from Government should focus on technology upgrades and doubling resource/energy productivity - extracting maximum value out of its resources considering that they have their presence in the entire value chain from fibre to garments. On doing this all other disadvantages would be mitigated.

Source: yarnsandfibers.com – Jan 27, 2017

HOME

****

Irani, 3 other Union ministers to inaugurate Investors meet

Union Textiles Minister Smriti Irani and three other union ministers will inaugurate the first ever Investors Summit exclusively for North Eastern Region (NER) here tomorrow, officials said.

The textiles minister will then fly to the Chief Ministers constituency in South West Garo Hills district to inaugurate Apparel and Garment Making Centre the following day, the officials added.

The two day event will have the attendance of DoNER Minister Dr Jitendra Singh, Union Minister of State for Home Affairs Kiren Rijiju and Minister of State for Textiles Ajay Tamta, along with participation by industries from the region and leading investors across the country, an official told PTI.

With the summit organisers, the Textile Ministry and DoNER aim to unveil the huge potential of the NER in textile manufacturing and generate new avenues for employment in the region.

Various MoUs between industry bodies and state governments will also be signed during the summit, the official said, adding that the cooperation is expected to promote investment and boost manufacturing in the region.

Buyer-seller meets and exhibitions will also be held on both days of the summit.

Source: indiatoday.in- Jan 28, 2017

HOME

****

Textile industry takes a big hit due to Chinese devaluation

Due to Chinese devaluation, spinning mills in the northern and southern states of India may have to shut down and lay off their employees on a large scale.

R K Dalmia, chairman of Textile Export Promotion Council, while talking about the Chinese devaluation shared his views that this sudden move from China may have adverse impact on India's textile exports, which are already seeing very slow growth due to recessionary conditions around the global markets.

He also mentioned about the interest rate subvention of 3% by the Indian government, which has already been announced, despite the sanction of funds by the Finance Ministry.

Gradually the situation is getting bad to worse in Textile industry.

There are spinning mills in some of the northern and southern parts of India, which are almost on the verge of shutting down their production which, causing layoffs eventually.

The Council chairperson appealed to the government to clear the pending funds for the industry and also release some additional funds to help the industry fight against this crisis situation.

Source: indiainfoline.com– Jan 29, 2017

HOME

****

GST in Budget 2017 may make branded apparels expensive

If you have been thinking of revamping your wardrobe this Spring Summer, you ought to check upon your wallet because the introduction of GST (Goods and Service Tax) may bump up the price of branded apparels.

If the industry veterans are to be believed, there would be a 3-4% rise in the prices readymade apparels and other finished textile products. As of now, textile industry pays 8-9% of tax. However introduction of GST may make this tax almost 12%, if not the government starts following the 18% tax rate, which will make the prices dearer further.

Industry experts, who spoke on condition of anonymity said, they are expecting a tax of 12% GST. But the duties they would now be paying at the manufacturers' end will be quite high. For worse, the textile industry may witness inflation till third quarter of the financial year in 2017-18.

The textile industry is making sure the tax slab remains limited within a neutral rate as they fear a little above will hit this market like anything.

Garments industry as luxury

There is a talk going on in the industry that textile is being seen as a luxury and is being planned to taxed accordingly. Putting a luxury tag will mean a t-shirt worth Rs 500 or a dress of Rs 5000 will have a higher tax slab because of the 'branded' label.

And if that actually happens, the middle class buyers that form the major chunk of consumer would be affected the most.

Breathing relief

Well, tax experts say, in the long run GST would be beneficial for the industry. Currently as a value chain, in textile, too many inter-state transactions happen. This anyways bump ups the price. With GST the small and medium players would require to pay one tax and things may fell in place.

Source: businessinsider.in - Jan 27, 2017

HOME

****

MP to soon bring special policy for garment industry

The state government of Madhya Pradesh will soon bring out a special policy to encourage garment industry in the state.

In the last one decade, the state has emerged as one of the hubs of textile industry in India owing to industry-friendly policy of the state government. The state has also made long term planning to increase electricity production.

“A special policy is being brought soon to encourage garment industry in the state,” Madhya Pradesh minister for commerce, industry, employment, mineral resources and overseas Indians Rajendra Shukla said at the 14th International and 72nd All India Textile Conference.

Over 300 representatives of the textile industry participated in the conference organised by The Textile Association (India) – MP Unit, in Bhopal. With the theme ‘Shape India – Shape Textile’, the conference covered whole gamut of cotton, textiles and apparel industry.

Madhya Pradesh has all facilities needed to set up industries, said Shukla. He said that the state has around 1,000 acre land bank in all the districts to establish industries.

He added that electricity, water, transport and other facilities like good roads are also available.

He said the state is registering an increase of 1,000 megawatt capacity in electricity production as a result of long term planning.

Well known textile groups like Trident, Raymond, Vardhman, Nahar, SEL Group and Grasim are successfully operating in the state. In the last six years, nearly 40,000 people have got employment in the textile sector in the state.

Source: fibre2fashion.com- Jan 28, 2017

HOME

****

Incentivising exports a key textile industry demand

The textile sector nearly hit a standstill during the first few weeks after Prime Minister Narendra Modi announced demonetisation. Many small garment units were unable to pay wages to workers and production, according to industry players, was affected by as much as half in some areas.

However, with the situation improving steadily and the Union Budget coming up, the industry is optimistic about the year ahead. What Arun Jaitley announces on February 1 will determine whether the industry's optimism is warranted.

According to A Sakthivel, chairman, Federation of Indian Export Organisations and textile industry veteran, the industry does not expect too many sops from the Union Budget. "There was a big `6,006 crore special package that was announced for the textiles sector in June last year. So we do not expect any major sops from the budget. The two key demands from the industry, submitted to the government, concerns the Goods and Services Tax (GST)," he pointed out.

The industry is lobbying hard, say analysts, to get the government to exempt exporters from the tax. "Another issue is that we transport a lot of products right through production. Something goes for printing outside of the primary factory, then comes back. We want this movement of goods to be exempt from the tax as well," pointed out Sakthivel.

Others however, have more specific suggestions on what the government's, and the budget's, thrust should be on. V D Zope, chairman of The Textile Association (India), stressed that more focus needs to be put on the garments segment in particular, to boost exports. "The thrust should be on garments and we should also push for more polyester cotton consumption," he said.

But more important is what Jaitley is expected to give to exporters. According to Vope, it is the export section of the industry that focus needs to be on. "We need to incentivise exports more. Our industry is primarily export driven and not on domestic consumption. We already have enough inventory here," he said.

Manickam Ramaswamy, chairman and managing director of Loyal Textiles, also pointed out that the sector needs the government to even out the playing field as far as exporters are concerned. “This is not something that the Budget can address. But it is a pressing issue.

The Indian textile industry is burdened by customs duties we have to pay while exporting to most European markets. But our competitors, from everywhere in South and South East Asia, have negotiated for and got zero duty. The Commerce Ministry needs to address this issue. One or two sops from the budget will not help,” he pointed out.

The FIEO, which has a significant percentage of textile industry representatives, has also submitted a wishlist to the government that includes a demand to increase the limit under Credit Linked Capital Subsidy Scheme (CLCSS). “CLCSS has helped the small scale sector to modernize and expand their production. The CLCSS limit was fixed at `1 Cr about a decade back and therefore, the limit under CLCSS may be enhanced from `1 crore to `5 rore,” suggested the organisation.

The increase in the CLCSS limit would have a direct, positive impact on the sector, according to experts, since many textile units are small firms who are already beneficiaries. FIEO has also pointed out that countries across the world are supporting aggressive marketing to get limited orders available globally with the slowdown in global trade.

“The Government,” said the body, “should create an Export Development Fund for aggressive marketing particularly for MSME by providing a corpus of about 0.5 per cent of previous year exports as the present support through marketing scheme is inadequate.”

Source: newindianexpress.com- Jan 29, 2017

HOME

****

NE Investors' Summit to focus on textile manufacturing

The North East Investors' Summit, the first ever 'Investors Summit' exclusively for North Eastern Region (NER), will showcase the unique opportunities in textile manufacturing that the NER offers to the business world. Union textiles minister Smriti Irani will inaugurate the summit themed 'Exploring Opportunities in North East Region', on January 29.

Being organised jointly by the ministry of textiles and the ministry of DoNER, in collaboration with industry associations FICCI and CII, the two-day summit in Shillong will focus on manufacturing in textiles and allied sectors. The summit aims to showcase the NER as a global destination for investment, and to explore the possibility of bringing in convergence of efforts of various Central ministries and north eastern states to attract investment in NER.

The event is expected to usher in a new era of collaboration, not only for investments but also for new skills and advanced production technology. The states of the NER would put up exclusive stalls and make presentations on investment opportunities in textile manufacturing in these states.

The summit will have focused sessions on Showcasing Opportunities in Textiles in North East, Entrepreneurship Development and Start-ups, Enhancing Reach of North East Textiles through Textile Design and Marketing, Ease of Financing of Textiles Industry in North East and Improving Infrastructure in NER.

Various MoUs between industry bodies and state governments are expected to be signed during the summit, which would promote investment and boost manufacturing in the region. Buyer-seller meets and exhibitions would also be held on both days of the summit.

NER has huge potential for investments, particularly in the field of textiles and handicrafts, due to its inherent strength for skilled workforce and locally available raw materials. The ministry of textiles is implementing projects worth Rs 1,050 crore for handlooms, handicrafts, sericulture, apparel and garmenting, technical textiles etc. in the eight states of NER, in line with the 'Act East' policy of the Indian government. These projects have created a foundation for further growth of manufacturing in textile sector.

Source: fibre2fashion.com- Jan 28, 2017

HOME

****

Textile growth may generate 50 mn jobs by 2025: Report

The textile industry of India could generate 50 million jobs by 2025, a large majority of them for women, if it achieves the breakout growth as per its potential, says a recent report. It also adds that the potential economic benefits from the industry are identified as revenue of $300 billion by 2025, a multiple of three from the current position.

The joint report ‘Weaving the Way: Breakout Growth Agenda for the Indian Apparel, Made-ups and Textile Industry’ by the Confederation of Indian Industry (CII) and Boston Consulting Group (BCG) outlines challenges and develops solutions in the Indian apparel, made-ups and textile industry.

It says that the domestic market could account for a 2.5 times jump to $150 billion and even the foreign exchange earnings could go up to a similar size by the year 2025.

Challenges to meet this potential include small scale, fragmented clusters, restrictive labour laws and unpredictable wage movements, high operating costs due to taxation and subsidy structures, market access barriers in key markets such as the EU and the US, poor infrastructure, logistics delays, and lack of product development and process improvement.

The report also calls for a Free Trade Agreement (FTA) with the EU. An added provision could be to treat the poor states of India on a similar basis as least developed countries. (LDC). An incentive for innovation and technology is also recommended.

The new apparel package has taken many steps in the right direction. A landmark provision in the policy is to allow more flexible work hours and fixed term employment, as per industry concerns.

The government has devised innovative means for direct benefit transfer to new workers, and has promised to contribute 12 per cent of the salary directly into new workers’ accounts.

Export drawbacks for the first time include state taxes and cesses, which are expected to further be extended with the roll-out of the goods and services tax.

Job-linked scale through a 'Make in India' scheme could provide a slab-based incentive linked to the number of additional jobs created, to be availed of by entrepreneurs or industrial parks, it says.

The report suggests that state governments should promote infrastructure with plug and play facilities. Also, different operating models can be built, such as the hub and spoke model, or notified apparel parks.

Duties and taxes must be rationalised to avoid inefficiencies and high energy and overall costs. A power subsidy, inclusion of power charges under GST, and similar rates for both cotton and synthetic products are recommended.

The report suggests the China model of VAT rebates, and the exempt-credit-offset method of carrying forward unadjusted rebates to encourage hybrid domestic-export models.

Logistics support is a key recommendation, especially integration with Bangladesh through single-day transit. Shipping turnaround times must be improved and adequate hinterland connectivity built with key textile parks.

Source: fibre2fashion.com- Jan 28, 2017

HOME

****

Government looking at PPP model for reviving AFT and two other mills

The Government is keen on the rehabilitation of the Anglo French Textiles (AFT) mill and two other textile mills in Puducherry through the Public Private Partnership (PPP) mode, Chief Minister V. Narayanasamy has said. He told presspersons that a committee headed by a retired IAS officer and those in the textile industry had been constituted to go into the proposal. Once a report was available, the government would take steps to rehabilitate the AFT, Swadeshi, and Bharathi mills.

The century old AFT mill had remained closed since 2015 following mounting losses, rapid erosion of net worth of the company, and prevailing labour unrest because of non-payment of statutory dues to employees. The company had been facing financial crisis, short of cash even to meet on its day-to-day operations.

The Chief Minister said the new industrial policy of the government had started attracting entrepreneurs to the Union Territory. Twenty two enterprises from Tamil Nadu and Puducherry had shown interest in setting up industries in Puducherry and Karaikal regions with a total investment of ₹500 crore. These industries would generate 1,000 jobs.

The government-owned Pondicherry Industrial Promotion Development and Investment Corporation (PIPDIC) was providing land at low rent and industrial sheds to entrepreneurs to start their units. The industrial zone in Polagam in Karaikal would be used for promoting industries in the private sector.

Monsoon failure

Mr. Narayanasamy said that Puducherry and Karaikal regions had been severely hit by monsoon failure causing heavy crop loss.

He said that he had urged Prime Minister Narendra Modi and Union Home Minister Rajnath Singh to depute a team to assess the impact of drought in Puducherry and Karaikal and release sufficient funds for giving relief to farmers.

A resolution in this regard had been adopted on the floor of the Legislative Assembly. "I will meet Union Agriculture Minister Radha Mohan Singh during my visit to Delhi next week and persuade him to depute a team and release funds to tackle the drought situation," he added.

NEET issue

The Government had urged the Centre to exempt the Union Territory from conducting the National Eligibility-cum-Entrance Test (NEET) for the next five years. He said that NEET had been adopting CBSE-based syllabus. But Puducherry was still in its formative stages.

There were not many CBSE schools in the Union Territory and steps were being taken to bring more schools under the ambit of CBSE syllabus, he added.

Source: thehindu.com- Jan 28, 2017

HOME

****

Weavers and craftsmen gather in Shillong to explore business avenues

Weavers and craftsmen from all eight northeastern states on Sunday gathered here for the 1st North East Business Summit to explore the region as a "global destination" for investment.

The two-day summit dubbed as "Exploring Opportunities in North East Region" is organised by the Union Textiles Ministry, in association with the Development of North East Region (DoNER) Ministry and the industry Associations FICCI and CII.

Nearly 60 textile export houses from across India are participating in the summit.

Union Textile Minister Smriti Irani said that there has been around 715 various development projects in the northeastern states including tie ups with countries like Bangladesh, Myanmar and China through economic corridors to ensure that "the 'Act East Policy' under the leadership of Narendra Modi is something that fructifies in front of our very eyes".

She said her ministry has sanctioned projects of more than Rs 1,040 crore for the region through textiles promotion schemes of handloom, handicrafts, sericulture and garmenting so that the central government can add to the efforts of the state governments to create more employment opportunities.

"The region itself has huge potential for investments, particularly in the field of textiles industry due to its strong traditional skill base and a variety of unique designs and eco friendly products," Irani said.

"We are in a position for infusion of Rs 820 crore for support to sericulture in the northeastern states and is estimated that it will impact around 3.95 lakh families of which 70 per cent are women," she said.

Further, she also informed that her ministry had launched the "Bunkar Mitra-Handloom Helpline Centre" where professional queries of weavers will be answered by the experts and a mobile app, 'E-Dhaga', developed to address the concerns of individual weavers relating to the availability of raw material, delays in supplies and ensuring stocks in depots.

"The mobile app will be a boon for handloom weavers to transact business anytime, anywhere and they can send their indents and payments online through this app," she said.

Meghalaya Chief Minister Mukul Sangma said that the two day summit would provide an opportunity to showcase the talents of the weavers, to inculcate upon themselves the job avenues which ultimately becomes self-sustainable.

Stating that the central government was concerned on the exodus of youth from the region in search of quality education and jobs, DoNER Minister Jitendra Singh said the business summit will surely open the region to investments in textile industry, adding that his ministry will provide initial venture capital fund for startups in the region.

Minister of State for Home, Kiren Rijiju urged the central government to ensure that the northeastern people should be made to feel that the central government is funding the states not for charity but for its commitment towards developing the region.

Stating that India's biggest challenge is "job creation", NITI Aayog Vice Chairma, Arvind Panagariya said that the textile industry is the best sector for providing jobs to unemployed youth.

Source: business-standard.com- Jan 29, 2017

HOME

****

Talking trade in the time of Trump

How should India respond to Trump's pronouncements on trade or the growing protectionism that threatens to undo the world trade order of the past 70 years? The short answer is: We should use this time to set our house in order and keep quiet unless there is specific provocation.

Is Trump saying anything new? The US has always been hawkish in trade matters and pursued hundreds of trade disputes with Europe, China, Canada, India and many others. Accusing China of malpractices is also nothing new. Consider what Obama said in September 2015: “You (China) can't act as if you are a third-world country and pursue protectionist policies, or engage in dumping, or not protect intellectual property.”

But Trump introduced one radical shift in the US trade policy. While so far the US fought trade battles within the ambit of WTO law, implementing Trump's agenda, which includes imposing steep import duties, would require breaching the existing laws. How far Trump will succeed is anybody's guess, but the next four years will see a more inward-looking world.

WTO and beyond

But the US is not alone in this game. The world Trump inherited was already inward-looking. Since the economic crisis of 2008, the US, India, Russia and China together have imposed more than 2,000 trade restriction measures in order to save domestic jobs and industries.

This was done through increasing customs duties, imposing anti-dumping and safeguard duties, favouring local firms in state contracts, subsidising export finance and providing export subsidies. Steel is a prominent example where import was restricted by all major steel-producing countries.

According to WTO director-general Roberto Azevêdo, such "trade restrictive measures can have a chilling effect on trade flows, with knock-on effects for economic growth and job creation".

A weakened WTO also contributed to growing protectionism. Reduction in average global tariffs from over 100per cent to 15 per cent during 1947-1994 benefited most countries. But since then, the WTO trade agenda has steadily been pushed to deal with non-trade issues such as intellectual property rights and investor protection, of interest to few developed countries.

This nearly paralysed the WTO, which could not make any noteworthy trade rules in the past 15 years due to crowding of the trade agenda. Soon, countries such as the US started ignoring rulings of WTO's disputes panel whenever it was against their interests.

Lack of decision-making at WTO also pushed countries into negotiating mega FTAs such as the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). But here also non-trade issues dominated, making negotiations complex and almost always requiring political support to conclude. For example, many countries feel that the provisions relating to resolution of investor-state disputes that bypass the national judicial system in favour of some tribunals will undermine national sovereignty.

How should India respond?

I recommend just one action. And it is long overdue. We must invest in a team of trade professionals to deal with all trade-related issues. Trade is dealt with by experts in all important countries. Consider Trump's trade team with Peter Navarro as head of the White House National Trade Council, Wilbur Ross as the Secretary of Commerce and Robert Lighthizer as the US Trade Representative.

All three are seasoned professionals with expertise in trade issues. They will work to implement the "Trump Trade Doctrine" that would lead to "decrease in the trade deficit through the imposition of import tariffs and renegotiation of bad trade deals". We may not agree with the agenda but cannot disagree with the fact that only top experts can sail against the stream.

Trade professionals can be used for developing capacities in all aspects of trade: developing product and markets, standards, non-tariff regimes for important products, manning trade missions and leading trade negotiations. Good outcomes require deep understanding which cannot be developed in one or two years. For example, a good trade professional alone can see if the trade agenda on the table is good for the country. And this is so important.

The number game

Two examples will illustrate this:
One: The international trade agenda is set by officials, researchers and institutions paid to look in a certain direction. They regularly make tall claims to sell an agreement.

Let us see how they exaggerated the supposed benefits of the Trade Facilitation Agreement (TFA). Initial modest numbers were quickly inflated when many countries, including India, opposed a mandatory TFA in favour of voluntary trade facilitation efforts guided by the needs of a country.

The Economist, in November 2013, said the trade facilitation measures would add $68 billion a year to global output. This figure was revised within a month to $400 billion.

The Peterson Institute raised this figure to $1 trillion. WTO soon lapped up this $1-trillion figure but changed it from global output to increase in exports. WTO did this without realising that an increase in $1 trillion exports would require at least $3 trillion in output. A similar pattern played out at the launch of the Doha round, the TPP or the RCEP negotiations when benefits were exaggerated to secure the support of developing countries.

The sad part is that most developing countries, including India, believe and use these figures in deciding their course of action.

Two: Trade liberalisation has both good and bad effects. For example, shifting jobs from a high wage to a low wage country for sectors such as garments where wage is the major component of production, is an inevitable result of trade liberalisation. But such 'bad' effects were never highlighted by mainstream experts.

One needs country experts to do this.

Finally, how should we respond to the US pronouncements such as possible curtailing of visas for IT professionals? We may let the US fight its trade wars with China or Mexico or anyone. Why direct their attention to us unless the action is targeted only against us and also has enormous cost?

Source: thehindubusinessline.com- Jan 30, 2017

HOME

****