IBTEX No. 38 of 2017 Feb 20, 2017

USD 67.02 | EUR 71.15 | GBP 83.22 | JPY 0.59

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
20103	42050	80.05

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
20530	42944	81.75

International Futures Price

NY ICE USD Cents/lb (March 2017)	73.48
ZCE Cotton: Yuan/MT (May 2017)	16,030
ZCE Cotton: USD Cents/lb	**87.19**
Cotlook A Index – Physical	**85.30**

Cotton & currency guide:

Cotton price traded mixed to sideways on Wednesday's trading session. This has been 11 consecutive trading sessions both spot and futures price of cotton in India has been trading in a very tight range.

The spot price of cotton traded at around Rs. 42,900 to Rs. 43000 per candy unchanged from the previous close. With Indian rupee appreciating tad against the USD to settle at 66.90 the equivalent price in USD quoted at 81.75 cents per pound. In the meanwhile, J34 variety traded at Rs. 4650 per maund. There has been no major change in the price. Therefore, the effect is clearly visible on the futures contract.

The most active February future ended the session at Rs. 20,760 per bale no change from the previous close. Market is trading steady while from the price front the Rs. 20,900 levels is failing to break on the higher side.

We still expect unless Rs. 20900 is breached the cotton price may either continue to trade steady or marginal profit booking in the trade could be witnessed. More on the physical front nationwide, daily seed cotton arrivals have been similar to previous day and were estimated at 192,000 lint equivalent bales (170 kgs), including 46,000 from Gujarat and 70,000 from Maharashtra.

Overall we believe cotton price may continue to remain sideways while likely correction from higher side is inevitable

Coming to global front the ICE March future corrected a tad from the benchmarked price of 76 cents and settled lower at 75.71 cents/lb. We believe the counter is also expected to correct down amid overbought nature of the price. From the data, light mill enquiries continue with some choosing to roll March on-call sales into May rather than fix prices. ICE estimated volume at 40,100 contracts, lower than yesterday's 53,578.

For the day we expect cotton price in India to remain sideways to lower. The trading range for the day would be Rs. 42,600 to Rs. 43100 per candy at the spot market. The February is expected to trade in the range of Rs. 20,500 to Rs. 20900 per bale. Lastly the future contract at ICE for March is expected to move in the range of 75.30 cents to 76.10 cents per pound.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

BCI Says These 10 Companies Are Doing the Best at Sourcing Better Cotton

The Better Cotton Initiative is looking to improve cotton production one acre at a time, and major retailers are helping drive the effort.

BCI, along with its upward of 1,000 members, since 2009 has been moving toward making cotton production better for the producers, better for the environment and better for the future of the sector.

The organization procured more than 461,000 metric tons of Better Cotton last year, and these 10 retailers are leading production in terms of volume: H&M, IKEA, Adidas, Nike, Levi's, C&A, Marks and Spencer, Jack & Jones/Bestseller, VF Corp, and Tommy Hilfiger.

In looking at Better Cotton consumption as a percentage of the company's total cotton buy, the top 10 retailers included: Stadium, IKEA, Adidas, BabyBjorn, Marks and Spencer, Nike, Marimekko, Asos, Hemtex, Kathmandu and Jack & Jones/Bestseller.

Most of the companies listed also use a "portfolio" approach to more sustainable cotton, sourcing certified organic, Fairtrade and Cotton Made in Africa, but BCI noted that its measurement only considers their use of Better Cotton.

"BCI Retail and Brand Members are setting their sights on doubling their 2016 performance this year to 1,000,000 metric tons sourced as Better Cotton lint," the company said in a statement.

Last month BCI secured funding to help with that goal of boosting sustainable cotton production. The organization got a $2.1 million grant from the Federal Ministry of Germany, to aid with global training for farmers and address environmental factors like water efficiency, pesticide use and labor rights.

Source: sourcingjournalonline.com– Feb 17, 2017

HOME

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Time for Growers to Start Pricing Their 2017 Crop

Textile mills chipped away at their on-call sales this week, disposing of nearly 50% of them. However, most of the trading was not outright selling, but spread trading (buying the March contract and selling the May contract).

Thus, the trading range continues, and the nearby March contract – now less than a week before first notice day – appears to be easing lower as suggested by last week's key price reversal signal. Price slippage has been slow, and that trend will continue at least until the March contract enters its delivery period next week.

The May contract becomes the nearby on February 22, and the same 72.50-78.50 cent trading range should easily hold for another month or more. As in recent weeks, most of the trading will center around 74 to 76 cents, with price probes both below and above that area. The bias will be to probe lower due to the very large level of certificated stocks – more than 300,000 bales – that have come to the market.

Exports continue to reflect excellent demand for U.S. cotton. World market basis levels continue to show that world textile mills want U.S. MOT (Eastern, Mid-South and Texas) cotton compared to most other types, given the basis differences.

Mills are simply prolonging their price fixing decision that must be made by early June.

Too, as noted in prior comments, mills will actually have to go through that dental office again – the one without Novocaine – in mid-April (based on the May contract) and then again in mid-June (based on the July contract) before they will finally fix the price they pay for cotton…cotton that has already been spun into yarn.

That is, the analogy used in prior weeks held true. Mills simply continue to kick the can down the road. They have emerged as huge price risk takers this year in record volume, and have paid dearly for the poor advice they followed in delaying the pricing decision. Sadly, they will pay more.

March on-calls sales were down this week for the first time in some five months. However, the decline in March was just little more than the increase noted for the May and July combined – another indication of kicking the can.

U.S. export sales reached a net of 234,900 RB, 222,200 in Upland and 12,700 in Pima. An additional 123,300 RB for delivery in 2017-18 sales were also recorded, bringing all sales for the week to 358,200 RB, another very impressive week of cotton export sales. Weekly shipments climbed to 363,300 RB, still on pace to exceed the current USDA estimate for 2016-17 of only 12.7 million bales.

I remain firm in my resolve that growers should price at least 50% of their anticipated 2017 crop at the current 74 cent-plus level currently being traded on the December 2017 ICE contract.

The National Cotton Council planting intentions survey reported 11.0 million acres would be planted, based on conditions as of mid-December 2016 to mid-January 2017. Cotton prices posted significant gains since that period. However, I am of the opinion that U.S. growers may well plant 11.4 million acres as price prospects in the near-to-intermediate term should hold near the mid-70s.

Growers, mills, and speculative fund managers are in the SAME BOAT. Mills weigh down the back end of the boat, but are about to sink with heavy on-call sales. Speculative funds have come in at record levels and are getting bigger and bigger shovels to unload their profits.

Growers, at the front end of the boat, have been lifted sky high, uplifted by the record mill shorts and the record fund longs that have added petrol to the fire.

Growers have the opportunity to profit with the funds or sink with the mills. I am very firm in my resolve that growers should price at least 50% of the anticipated 2017 crop now with the December ICE contract above 74 cents.

Source: cottongrower.com– Feb 18, 2017

HOME

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Pakistan: Textile and clothing sector in an upbeat mood

Industry and business leaders are generally optimistic about the future of trade relations with the US, especially because there are no such preferential trade arrangements in place that may go away in the wake of protectionist policies being framed by the Trump-led US.

Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Zubair Tufail categorically stated that since Pakistani products enter the country purely on the basis of market strength, therefore, there was no question of any negative development.

“Why would anyone like to shift or divert imports when they are getting quality goods at a competitive price from Pakistan,” he wondered.

“I feel Pakistani exports to US would actually increase in the coming days,” he maintained. Interestingly, he did apprehend that there could well be some problems related to travelling to the US.

Former chairman of All Pakistan Textile Mills Association (Aptma) Yasin Siddiqui said there could be negative or positive impact on Pakistan’s trade relation with US depending upon how the new administration frames trade policies. There may be a new era of liberalism or there would be chaotic conditions the world over, he added.

With Nafta and TPP on the rocks, and the future of World Trade Organisation being uncertain, imports and exports will be left totally at the mercy of market forces for which Pakistan is well placed as far as trade with US is concerned, argued Siddiqui.

In 2015-16, he continued, Pakistan’s total exports to US stood at $3.5bn which came to around 16.84pc of total Pakistani exports. The textile exports to US were at $2.9bn in the same year.

“If you look at these figures, 23.36pc of total textile exports worth $12.456bn go to the US. And this happens without any preferential treatment. There is nothing to fear,” concluded Siddiqui.

Source: dawn.com– Feb 19, 2017

HOME

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Bangladesh apparel sector has 95% local investors: BGMEA

Over 95 per cent of the total investors in the Bangladesh apparel industry are local. Moreover, Bangladesh also has a number of foreign investors in textile and apparel sectors. The country encourages foreign investments in the areas of high value added items, non-traditional apparel items and in the primary textile industry, especially woven textiles.

"Investors will invest in industries, which are more viable in the longer term," Md Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) told Fibre2Fashion.

Speaking about the concept of awarding special economic zones (SEZs) to countries like UK and China, Rahman said, "Garment industry in Bangladesh has a clear prospect to grow further. This indicates the need for planned industrial zones where factories can be set-up as we have scarce land. SEZs will be a vital force to flourish this industry further in a more organised way, resolving the issue of land availability to a significant extent."

Bangladesh is also working on decreasing its dependency on imports as there has been a significant capacity building in the area of yarn and fabrics manufacturing, especially for knitwear items.

"Around 80 per cent of the knitted fabrics are produced in Bangladesh. Denim production capacity has also got a significant boost in the last decade. Almost 50 per cent of the demand for denim fabric by our export oriented garment industry is being fulfilled by our local denim mills. Besides, Bangladesh produces almost 100 per cent of its accessories needed locally," added Rahman.

The country is dependent on external sources mostly for fibre, because it does not grow cotton or petrochemical products. It is lagging behind in woven fabric production, which has potentials for investment, noted the president of BGMEA.

Talking about the internal apparel market of Bangladesh, Rahman said, "The purchasing power and per capita income is growing in Bangladesh leading to increasing consumption and retail market size in the country."

Bangladesh progress on doing own labels/brands is still not mentionable, but it is producing for global brands.

"Our factories are now getting prepared for the next leap forward. In-house design development, presentation of collections to buyers, investments in high value added production capacity, etc. are happening in our apparel industry," said Rahman.

Source: fibre2fashion.com – Feb 18, 2017

HOME

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CCI to host COTTON USA event in Hong Kong

The Cotton Council International (CCI), the global marketing arm of the US cotton industry, promoting cotton fibre, fabric, and fashion, is set to host COTTON USA event, an industry gathering for the cotton textile supply chain as a platform to exchange business updates and views on global sourcing patterns, from March 7 to 10, 2017, in Hong Kong.

COTTON USA staff updated around 60 participants of the event on upcoming promotional activities and invited select sourcing offices to join sourcing events in Hong Kong. All guests expressed their appreciation to CCI for arranging a valuable opportunity to network with their textile industry peers.

Attendees include COTTON USA licensees and other important industry representatives, such as: American & Efird, Ascena Global Sourcing, Clothing Industry Training Authority, CBX Software, Cotton Incorporated, Datsun Weaving, Destination XL, DiCentral Ltd., Indigo Tank, Esquel, Fung Fat Knitting, Gap Inc., Goldfame Enterprises, Hong Kong Institution of Textile and Apparel, HK Wearing Apparel Industry, the HK Research Institute of Textiles and Apparels (HKRITA), ICC (Enfant), Inside Fashion, Kaufland Hong Kong, Lidl Hong Kong, Marks and Spencer, New Jersey, SunBliss Resources, Swarovski, VF Asia and WeSource.

CCI promotes COTTON USA as “The Cotton The World Trusts” in Latin America to reinforce US cotton as the preferred fibre and to connect with local mills, such as Coltejer.

Source: fibre2fashion.com– Feb 18, 2017

HOME

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US-China Trade Dispute Could Hurt S. Korea's Exports of Textile, Electronic Devices

A local trade organization says that a trade dispute between the United States and China could directly hurt South Korea’s electronic devices and textile industries.

The Korea International Trade Association (KITA) said in a report on Sunday that U.S. President Donald Trump has threatened to slap a 45 percent tariff on Chinese imports and if the United States pushes ahead with these trade sanctions, China will likely take steps in response.

The report said that such a trade dispute between the two nations would have a negative impact on South Korea’s exports through China. KITA projected significant damage to the industries of electronic devices, textile, clothing and leather, where the share of processing trade is significant in China.

According to the report, 65 percent of South Korean electronic device exports to China and 60 percent of South Korean textile and clothing exports to China are for re-export to the United States and other countries.

The report said that a China-U.S. trade dispute would lead to a decrease in China’s exports to the United States and thus China’s economic slowdown, ultimately reducing demand in China for South Korean exports.

Source: kbs.co.kr – Feb 19, 2017

HOME

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Ethiopia: Towards Making Ethiopia Investment Hub

Ethiopia has continued becoming investors' choice. It is attracting more Foreign Direct Investment (FDI) from time to time. Particularly, textile and garment manufacturing industries, as the sectors are labour intensive, they create millions of job opportunities,and help transfer technology. They have managed to attract both local and foreign big companies in the budget year. Thus, becoming Africa's light manufacturing industry hub is well in progress.

In fact, all success stories of the nation's economy; registering continuous double-digit economic growth can be attributed to many factors, well designed and articulated policies and strategies of the nation, among others. The strategy has put in a place national vision aiming at achieving middle-income status by 2025; implementing a climate resilient green economy.

Yes, all ambitious development plans of the country aim at propelling rapid industrialization. They have been eyeing at manufacturing industry expansions, accelerating economic transformation and attracting domestic and Foreign Direct Investment (FDI). Hence, the government has redoubled efforts to ensure the above mentioned underlying factors ; developing industrial and agro-industrial parks to facilitate the necessary services and accommodations for industries.

To this effect, the government has endorsed Industrial Parks Proclamation announcing that industrial parks can be established publicly and privately. In this case, the Industrial Parks Development Corporation (IPDC) is in charge of managing the development of large, medium and light industrial parks. But, Integrated Industrial parks, expansion are managed by the joint efforts of the Ministries of Industry and Agriculture, which have currently commenced laying a cornerstone to start construction.

Ethiopia has targeted a billion USD annual investment in industrial parks over the next decade to boost exports and becoming Africa's top manufacturer. The government has a strategic plan to invest in the sector and will make house textile, leather, agro-processing and allow others establish labour intensive factories in the parks.

Presently, following favourable conditions created, well-articulated policies and strategies existence , peace and security stabilization, incentives among others, foreign investors have continued eyeing Ethiopia investment choice. For instance, recently some Chinese Companies have visited the country and decided to invest in Ethiopia. Part of them, of course are licensed in textile and garment manufacturing industries. The decision made by the companies to invest in Ethiopia surely indicates that Ethiopia has proven becoming a favourable investment destination for large companies.

However, while prioritizing to attract investors, ways of licensing should be taken into considerations. Priority has to be given to those who have high profile. Focus must be placed on big and effective companies which can meet the targets of both the companies and the country's interest.

Because, sometimes it has been observed that some companies do not act as per their words. Often some pledge to export products so as to generate foreign currency. But they fail to rise up to their promises. Hence, the government has to encourage potential and experienced investors who prove globally competitive to contribute to the nation's economic development.

Above and beyond accommodating investors, the nation should stress on producing quality raw materials or inputs, like cotton in the required volume for emerging garment and textile industries. Yes, although the nation has untapped potential in this case, it imports cotton and spends its foreign currency.

Thereof, rigorous training for both commercial and smallholder farmers should be given so that they could supply much-needed cotton. Besides, creating market linkages and accessing current market price information would also be instrumental in fulfilling factories raw material demand and ensuring out growers become economically beneficiaries.

According to the investment commission, despite the recent unrest in the country, the nation has not failed to attracted Foreign Direct Investment (FDI) with a combined capital of 1.2 billion USD during the first half of the current fiscal year. But the nation has targeted to attract FDI with a combined capital of close to 3.5 billion USD during the budget year.

In sum, carrying out recurrent assessments on challenges and investment opportunities, intensifying promotional activities, facilitating further play grounds for investors would highly attract both local and foreign investors than ever. The dream of becoming Africa's light manufacturing hub will be realized if we facilitate investment horizons and support investors accordingly.

Source: allafrica.com– Feb 18, 2017

HOME

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Vietnamese businesses grapple with Brexit

Now, eight months after the vote to withdraw, Vietnamese companies with exposure to the country, primarily those in the clothing, textiles and agriculture segments, are bracing for the impact of the long-feared ‘hard Brexit’.

UK Prime Minister Theresa May said in a speech on January 17 that Britain will not attempt to remain in the EU single market but will start negotiations with the EU in March over its exit, and will be out in two years.

The impact of the Brexit vote has been felt most sharply on Vietnam in terms of lowering the country’s exports.

The pound has plummeted, at one point reaching 31-year lows, which has had the effect of making imports from Vietnam more expensive for British consumers and is causing a slowdown in imports of a wide range of goods.

Visa UK and Ireland managing director Kevin Jenkins told reporters recently that clothing and household goods retailers in Britain experienced a particularly difficult January.

Jenkins noted that sales in Britain for the first month of 2017 saw the biggest drop in nearly five years.

Le Tien Truong, general director of the Vietnam National Textile and Garment Group noted Brexit is having a significant impact on clothing exports and that orders dropped sharply in January.

It's difficult to quantify the impact but he fully expects sales to Britain to drop to record lows for 2017.

The UK has been the largest export market for clothing and textile exports over the past few years, accounting for one-fifth of the total consignments to the EU, said Truong.

Traders at one of the largest wholesale markets in Britain have said the prices for imports of fish are up by as much as 40% owing to the drop in the value of the pound, which has led to sluggish imports.

It means fresh fruit, vegetables, fish, meat and poultry are all much more expensive for traders to buy.

One trader in Britain reported that all our prices, for anything from outside of this country, have gone up. Our average profits have fallen by up to 15%. We cannot pass that on.

The cost of fish, meat and poultry in Britain has soared by up to 44% since the Brexit vote, according to the British newspaper the Mirror.

Matt Southam, of the UK Agriculture and Horticulture Development Board, warned of further currency- driven increases in meat prices.

Retailers have held off until Christmas was out of the way— but now we are seeing the first of maybe two or three price hikes of fish, meat and poultry price increases expected for 2017, he added.

In the short-term at least, it looks like Vietnamese exporters are in for a wild ride full of twists and turns over the next couple of years as Britain makes its hard Brexit from the EU.

Source: vietnamnet.vn– Feb 19, 2017

HOME

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Brazilian cotton prices oscillate in first week of Feb

In the first fortnight of February 2017, Brazilian cotton prices swung back and forth. In the first week of the month, cotton growers remained firm in asking prices, but purchasers did not relent. In the second week, sellers were more flexible regarding quotes and payment terms; however, purchasers were still unwilling to pay the asking prices.

The CEPEA/ESALQ Index, 8-day payment terms, for cotton type 41-4, delivered in São Paulo, closed at BRL 2.7301 or $0.8921 per pound on February 15, down 1 per cent as against on January 31.

According to a CEPEA report, cotton stakeholders expressed optimism regarding cotton production, due to the favourable weather.

The National Company for Food Supply (CONAB) estimates that the sown area for the Brazilian 2016/17 cotton crop, may drop 4.5 per cent when compared to the previous season and will total 911,700 hectares.

Despite this, domestic cotton production is expected to rise 10.3 per cent vis-à-vis the earlier season, and will touch 1.421 million tons, pushed by the 15.5 per cent increase in yield at 1,559 kilos per hectare.

Source: fibre2fashion.com– Feb 20, 2017

HOME

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South Korea's fashion industry to grow 3.3% in 2017

The South Korean fashion industry is expected to grow by 3.3 per cent over the previous year, in 2017.

The size of the South Korean fashion market is forecast to touch 39.3 trillion won or $34.3 billion in 2017 as against 38.3 trillion won in 2016. The optimism comes from many South Korean apparel manufacturers putting efforts to enlarge their footprint.

According to a report from the Samsung Fashion Institute, 2017 will be the fourth consecutive year of growth, although in single digits for the fashion industry, but which had expanded 11.8 per cent in 2011.

Quoting figures from the Korea International Trade Association, a South Korean news agency informed that exports of clothing from South Korea totalled $1.89 billion, while imports reached $8.33 billion, resulting in a wide trade deficit in the sector.

Source: fibre2fashion.com– Feb 20, 2017

HOME

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Bangladesh : Textile millers fear losing global competitiveness

Textile millers fear losing competitiveness in the global market as the government's move for using Liquefied Natural Gas (LNG) in the manufacturing sector will hike the production cost.

Bangladesh Textile Mills Association (BTMA) President Tapan Chowdhury made the remark while addressing a press conference on the upcoming Dhaka International Textile and Garment Machinery Exhibition (DTG)-2017 in the city on Sunday.

A four-day mega expo on textile machinery is set to kick off at Bangabandhu International Conference Center (BICC) in the city on Thursday.

Besides, the sector people claimed that scarcity of lands and insufficient gas and electricity connection are the key barriers to the private sector investment growth.

The government is going to establish a LNG terminal in Kutubdia Island to supply imported gas to the industry people as the country fears of finishing its natural gas stock in near future.

BTMA along with Yorkers Trade and Marketing Services, Chan Chao International will organise the show where a total of 1,000 machinery manufacturers from 33 countries will take part.

"It would be very difficult to remain competitive in the global markets after using LNG in the manufacturing units as it would increase the production cost," said Tapan in response to a question.

He continued as saying: “We are yet to get any clarification about the possible LNG pricing and other related process although we have heard that per unit gas may cost Tk14, which would hit hard the spinning industry.”

Despite political stability and comparatively low bank interest rates, the private sector investment growth is still not up to the expected level, said Tapan, also a former advisor to a caretaker government.

He explained that scarcity of land and insufficient gas and electricity connections are now being considered as the barriers to the private sector investment in the country.

As the sector people are not getting the connection for the expansion of their existing business, it would hurt the apparel industry as the textile industry is the source of raw materials for the sector, he added.

Currently, country’s textile industry has an investment of US$6 billion while RMG and textile sector contribute about 86% of total export and textile industry’s contribution to GDP is 13%.

Source: dhakatribune.com– Feb 20, 2017

HOME

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NATIONAL NEWS

'Textile, footwear sectors to be 2nd largest employers in Jharkhand'

Chief minister Raghubar Das on Friday urged the Centre to start a footwear design development institute in Jharkhand to train youths of the state.

Das, who was speaking at the valedictory session of the Global Investors' Summit, said Jharkhand has immense potential to grow in textile and footwear sectors.

Textile, apparel and footwear sectors are expected to be second largest employers in Jharkhand after agriculture, said the investors and experts participating in the second day session of GIS.

At the technical session on textile and footwear on Friday, Dr Ajit Kumar Sinha, director, Central Tassar Research and Training Institute, said merely tassar culture has employed 1.80 lakh farmers and 30,000 weavers in the state. "Jharkhand is progressing fast in tassar production. The state's tassar production increased to 3,238 metric tonnes in 2016-19 from 143 metric tonnes in 2007-08," Sinha said, adding that byproduct of it generally go waste.

"The byproduct of it could be used in making of various products such as cosmetic, biomedical items and fertiliser, which would not only fetch revenue but also generate large scale employment," he said.

Sudhir Dhingra, chairman and managing director of Orient Craft Limited, said the business captains on Thursday promised to invest lakhs of crore in Jharkhand. "We may not invest such amount but can promise to generate lakhs of jobs in the state," Dhingra said, adding, garment and footwear are most labour intensive sectors.

"We had started Orient Craft in 1972 with merely four people and investment of Rs 15,000. Now, over 32,000 people are working under the company," he said, adding, I see a great future of Jharkhand in garment and footwear sector, which will attract domestic as well as foreign buyers. Dhingra said that his company will invest Rs 3,000 crore and open six skill development centres.

Lauding the Jharkhand textile, apparel, footwear policy 2016, the investors said the state could contribute a lot in meeting the apparel and footwear demand of domestic as well as foreign markets.

Adesh Gupta, chief executive officer of Liberty Shoes Limited, said, “India currently produces 125 crores shoes. Additional capacity of 400 crores will require in next 10 years,” he said.

Jalandhar Giri, director of Shahi Exports Pvt Ltd, said the baby elephant-logo of Momentum Jharkhand would fly in Jharkhand. “We have opened our units in nine states and recently started one in Odisha. We will soon open a unit in Jharkhand as well,” he said.

Jharkhand minister Louis Marandi welcomed the investors to textile, apparel and footwear sectors. “We want to assure the investors that they will face no trouble in setting up industry here,” she said.

Source: hindustantimes.com- Feb 18, 2017

HOME

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Govt providing 10 pc addl incentive for employment generation in garment sector

Centre is providing additional production-linked incentive of 10 per cent under the Amended Technology Upgradation Scheme (ATUFS), for promoting employment in garment segment.

The Government has announced a special package of reforms for generation of around 1.11 crore jobs in apparel and made-ups sectors, and for a cumulative increase of 32.8 billion US dollars in exports and investment of Rs 80,630 crore over next three years.

The package includes a slew of measures which are labour-friendly and would promote employment generation, economies of scale and boost exports, an official data said.

The Government has designed Pradhan Mantri Paridhan Rojgar Protsahan Yojana (PMPRPY) to incentivise employers in the apparel sector for generation of new employment.

Under the PMPRPY, government provides additional 3.67 per cent of the employer's contribution, in addition to Government bearing 8.33 per cent of employer contribution of Provident Fund (EPF).

The special package has been extended to made-ups sector to provide additional impetus to employment generation. Apart from the above, the government has been implementing the Amended Technology Upgradation Scheme (ATUFS), the scheme for Integrated Textile Parks (SITP), the Integrated Skill Development Scheme (ISDS), the North Eastern Region Textile Promotion Scheme (NERTPS), etc, with a view to enhancing the growth of the textile sector and for increasing employment in the sector

Source: webindia123.com- Feb 18, 2017

HOME

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Fabindia Removing 'Khadi' Brand Name From Its Products: Report

Khadi & Village Industries Commission or KVIC had accused Fabindia of misleading and confusing the consumers by promoting its goods under its registered trade mark 'Khadi'. 20 February, 2017

New Delhi: Fabindia has started removing the brand name 'Khadi' it uses to promote its cotton products after a legal notice by Khadi India that the use of the word amounted to "unfair trade practice" and misusing its trade name.

Khadi & Village Industries Commission (KVIC) had sent a legal notice to Fabindia Overseas Pvt Ltd, a chain of ethnic wear retail outlet, asking it to immediately stop using the word Khadi from all its cotton products and remove display banners from its showrooms.

Sources said Fabindia CEO Viney Singh has responded to KVIC's notice, saying it was complying with all the directions of the KVIC. Fabindia has stated that "as per the direction issued" by KVIC, it has complied with them, they said.

Fabindia, in its reply, has also sought a meeting with KVIC officials to explain its position in order to resolve the matter to the satisfaction of Khadi India.

KVIC chairman V K Saxena, who justified the legal notice, referred to the earlier communications with Fabindia by which the private firm's application for Khadi mark was treated as closed.

He cited a September 29, 2016 letter which stated that "upon the request of Fabindia, several meetings were held with KVIC and the last meeting was held on August 2, 2016, with Chairman of KVIC at New Delhi. During the meeting, it was assured that Fabindia will communicate their consent shortly".

"Since two months have passed and KVIC has not yet received any response from your end, it is presumed that you are not interested to obtain 'Khadi' mark certificate for sales and promotion of Khadi products."

"Hence in the present circumstances, your application for Khadi mark certificate may please be treated as closed. Henceforth, no correspondence on this subject will be entertained," the communication said.

Mr Saxena also drew attention to a February 16 letter of KVIC in which it was decided to issue Khadi mark certificate in favour of Fabindia to carry out trading/selling of genuine Khadi and Khadi products attaching Khadi mark tags/labels, subject to several conditions which were also mentioned.

KVIC, which is an autonomous body under the Ministry of Micro, Small & Medium Enterprises, had accused Fabindia of misleading and confusing the consumers by promoting its goods under its registered trade mark 'Khadi'.

In the February 8 legal notice addressed to Fabindia's New Delhi-based CEO, KVIC had said: "You are called upon to explain your position in the above matter within 15 days from the date of receipt of this notice, failing which the KVIC will be constrained to proceed against your company as per law for the violation of Khadi Mark Regulation and payment or incidental damages for the losses caused to KVIC by Fabindia."

It also said Fabindia was denied the certificate to use the brand name as it did not adhere to the procedural formalities for Khadi mark certification which was discussed with its representatives.

The notice to Fabindia said that as per the Khadi Mark Regulations, 2003 and Khadi & Village Industries Commission Act, 1956 in order to regulate the production, sale or trading of Khadi and Khadi products in India, "no textile shall be sold or otherwise trade by any person or certified Khadi institution as 'Khadr' or 'Khadi products', in any form or manner without it bearing a 'Khadi Mark' tag or label issued by KVIC".

Source: cottonyarnmarket.net- Feb 18, 2017

HOME

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Haryana government would soon frame a textile policy

Haryana government would soon frame a textile policy to explore the abundant possibilities of textile industry in the state, Chief Minister Manohar Lal Khattar said today.

"A textile policy will be framed soon...," Khattar, who was speaking at a cultural programme of Uttarakhand - Uttaraini Kautik 2017 - said.

The Chief Minister also announced to start bus service from Gurugram to Haldwani in Uttarakhand.

He also urged Union Minister of State for Textiles Ajay Tamta, who was also present on the occasion, to approve more textile projects for Haryana, which has abundant potential for investment in the sector.

"Work on the Kundli-Manesar-Palwal (KMP) Expressway is progressing on a war footing and several projects would be established along the both sides of the Expressway. These could include textile projects, which would generate employment opportunities for the youth of the state, besides people belonging to other states but residing in Haryana," he said.

Khattar said the people from other countries and states, including Uttarakhand, had contributed significantly towards developing Gurugram as a 'Millennium City'.

The Lakhwar and Kisau hydel-power projects, which are presently under construction, would provide electricity to Uttarakhand and water to Haryana, he added.

Source: business-standard.com- Feb 19, 2017

HOME

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Young designers go 'desi' with inspirations (Lifestyle Feature)

The continued efforts of veteran designers like Ritu Kumar, Sabyasachi Mukherjee and Wendell Rodricks to bring Indian textiles to the fashion forefront is motivating younger talent to value the country's rich handloom heritage instead of looking abroad for inspiration.

Also, the growing interest of international markets in India's handloom and craft traditions, has also opened business avenues on this front.

As ace designer Deepika Govind, who has worked tirelessly with fabrics like khadi silk and khadi cotton, puts it: "Frankly, seniors reaped rich rewards from a design perspective that is rooted to its land and its culture."

"Besides that, there is appreciation of foreign guests and NRIs who are visiting the country (towards handlooms). Also, seeing the usage of our craft and textiles by numerous international designers on the ramps is motivating many.

"Innumerable schemes by the Indian government and varied endeavours by NGOs as well is also said to be the reason behind this change," she added.

At the recently concluded edition of Lakme Fashion Week (LFW), five budding designers showcased collections inspired from different parts and cultures of India. The gala dedicates an entire day to Indian textiles and sustainable fashion in all its editions where some of young and emerging names, along with old faces, showcase their designs.

Here, the use of desi handloom and textile turns out to be a common factor for the majority.

From being inspired by the traditional Bengali "Laal paar saada sari" (red bordered white sari) to the use of Kantha embroidery, there was a strong India connect at the LFW Summer-Resort 2017.

Even the first two days of the Amazon India Fashion Week (AIFW) Spring Summer 2017 was dedicated to Indian handlooms and textiles with young and creative names like Divyam Mehta and Paromita Banerjee expressing their love for organic fabrics via clothes.

For young designer Aditi Somani, India's rich cultural settings and traditions have served as a muse for many.

"The thought that many young designers are getting drawn to our roots is ironical because the west too is taking inspiration from what India has to offer. The western attention is making us appreciate and value our own art. Also, young designers have discovered the lucrativeness of capitalising on their own histories and traditions," Somani told IANS.

Handloom has turned out to be a huge trend for brands too.

Meesha Scarves, a brand by Trisha and Meesha Khanna that has been a part of Paris Fashion Week, is a case in point.

"We have always been keen to explore the heritage and craft the various regions in India. For Spring Summer 2017, we travelled to West Bengal and worked closely with Jamdani weavers for a cotton handloom capsule. Increasingly, we feel the new stems from the old and it would be such a loss if we didn't look to our history for inspiration," Trisha told IANS.

Meesha, however, said that there will be some designers who will continue to find inspiration from the West, but she feels looking at India will bring some change.

"We don't think the West is no longer impressive. They have mastered their skill and craft in amazing ways that are a constant learning to our industry which is still relatively nascent. Having said that, we are different and can bring a new perspective to the forefront," she said.

Young designer Hardika Gulati said: "India's dressing sense has witnessed some sort of paradigm shift, which has led to the emergence of the fusion genre of fashion.

"Jeans complemented with kurtis and adorning spaghettis with saris are a few of the instances one can name in this space. Having said that, ...Indian design creations... stands distinctly recognised the world over and, as a matter of fact, Western houses of fashion are participating in Indian fashion weeks," Gulati told IANS.

Source: business-standard.com- Feb 19, 2017

HOME

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Cotton production gets boost, yield crosses last year's figure

After a year of despair and heavy financial losses, the cotton yield has received a boost as the production has surpassed last year's figures.

At least 6.6 lakh bales (each weighing 140kg) of cotton have been procured so far as against the total production of 6.5 lakh bales last year.

Last year, whitefly destroyed more than 60% of the cotton crop in the Malwa belt. Despite the steep fall in the area covered under cotton production, the Cotton Corporation of India (CCI) is expecting production of 8.75 lakh bales this year.

Moreover, higher prices of the "white gold" came as an icing on the cake for growers as they are getting an average of Rs 5,900 per quintal for their crop. Last year, the farmers got Rs 3,800 to Rs 4,200 per quintal after the whitefly attack. The cotton growing area in the Malwa belt reduced to 2.48 lakh hectares in 2016-17 from 4.5 lakh hectare in 2015-16 as growers feared a possibility of pest attack.

Commissioner (agriculture) Balwinder Singh Sidhu, who has been given additional charge of director agriculture, said the quality and yield of cotton crop has improved this year and farmers are getting lucrative prices for their produce.

"More than 60% of the total yield was sold for more than Rs 5,000 per quintal. Due to low production last year, the demand for cotton in India and abroad shot up this year, which is another for farmers getting higher prices," said Sidhu.

Punjab has an advantage over Maharashtra and Gujarat as the produce comes much earlier in the market here as compared to both the states and it attracts private players to the state.

Meanwhile, CCI general manager Brijesh Kumar said lucrative prices and increased production is a good indication for farmers and the cotton industry.

“With positive results this season, more farmers will opt for cotton crop the fibre crop,” he said. The CCI is expecting a production of 8.75 lakh bales and private players are offering best prices to meet the domestic and commercial consumption.

Source: hindustantimes.com- Feb 18, 2017

HOME

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Surat to host SITEX 2017 buyer-seller meet this month

Surat International Textile Expo (SITEX) 2017, a buyer-seller meet, is being organised with an aim to bring together powerloom manufactures, entrepreneurs, retailers and dealers under one roof.

The event to be held from February 25-27 is a platform to share latest developments of fibres, fabrics, fashion, apparel, home and technical textiles and more.

Regional office of the textile commissioner, Ahmedabad and the Southern Gujarat Chamber of Commerce (SGCCI), Surat are jointly organising this buyer-seller meet.

SITEX 2017 aims to encourage the trade and industry of the South Gujarat region and promote the brand 'Surat' by highlighting the strength of the city's textile Sector.

SSI registered small scale entrepreneurs from various parts of India are expected to participate in the event. About 30 stalls will be set up by various powerloom unit owners, according to the organisers.

The event will provide an excellent opportunity to the manufacturers, dealers, wholesalers and retailers of the textile industry to showcase their wide range of products and services and industry experts to discuss about the latest market innovations.

Business leaders, corporate, manufacturers, entrepreneurs, buyers and sellers can expect lucrative business opportunities that will expand their business.

Participants will also get a chance to capitalise on their expertise and diversify or expand their operations in the existing market.

Source: fibre2fashion.com- Feb 18, 2017

HOME

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