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IBTEX No. 78 of 2017 Apr 19, 2017

USD 64.56 | EUR 69.20 | GBP 82.80 | JPY 0.59

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20127	42100	**83.18**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
20970	43864	**86.66**

International Futures Price

NY ICE USD Cents/lb (May 2017)	76.82
ZCE Cotton: Yuan/MT (July 2017)	15, 835
ZCE Cotton: USD Cents/lb	**85.67**
Cotlook A Index – Physical	**87.80**

Cotton guide:

Cotton Market was quite on Tuesday's trading session while marginal downward movement noticed. The May future ended the session at ICE 76.82 cents down by 21 points from the previous close. However, July ended at 78.16 no significant change in the price. Earlier in the week cotton price had reversed sharply higher amid roll over of positions hence market has taken a bit of rest in the price. We believe going forward July contract is to be tracked critically because most of the positions are being carried over from May contract.

The domestic cotton market traded positive during early session of the day due to adjustment in the ICE contract price movement. However, eventually the April future ended the session a tad down at Rs. 20,740 from its intraday high of Rs. 20850 per bale. The spot price continued to trade steady while fell marginally lower near Rs. 43,300-43,600 per candy for S-6 variety.

The ex-gin price quoted at 85.65 cents/lb at the prevailing exchange rate. While, Punjab J-34 ended higher to Rs. 4740 per maund. Nationwide, daily seed cotton arrivals estimated at 77,000 lint equivalent bales, including 22,000 from Gujarat and 30,000 from Maharashtra.

In the meanwhile, The Indian Meteorological Department (IMD) has issued its first long-range forecast for the 2017 Southwest monsoon. Seasonal rainfall for the country is likely to be ‘normal’, at 96 percent of the Long Period Average (‘normal’ rainfall is usually characterized as 96/104 percent of the LPA), with a model error of 5 percent.

The probability of this is calculated as 38 percent. However, a press release from IMD noted that positive ‘Indian Ocean Dipole’ (IOD) conditions are expected to materialize during the monsoon season and persist for several months. A positive IOD is traditionally associated with a ‘normal’ or ‘above normal’ monsoon. The second long-range forecast will be issued in June.

This morning ICE cotton is seen trading steady at 78.24 cents per pound for July contract. We believe market is expected to trade steady however, since it is moving in a positive trajectory and holding above 50-day moving average the view may remain slightly upbeat. However, the immediate cap that is being noticed at 78.70 cents. We believe on today’s trading session cotton price may move in the range of 77.85 to 78.70 cents per pound.

The domestic cotton future may move sideways having strict resistance for April at Rs. 20900 levels. Likewise, the support can be seen at Rs. 20600 levels.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

U.S. Launches Economic Dialogue with Japan, Pledges Review of Korea FTA

Vice President Mike Pence said this week that the U.S. will review its bilateral free trade agreement with Korea and is open to an FTA with Japan. The U.S. trade deficit with Korea has more than doubled since the KORUS agreement took effect in 2012 and President Trump has made reducing trade deficits a top economic priority.

Trump has also expressed interest in a bilateral deal with Japan after withdrawing in January from the Trans-Pacific Partnership both countries had negotiated with ten others.

Japan. In Tokyo, Pence and Japanese Deputy Prime Minister Taro Aso launched the U.S.-Japan Economic Dialogue and agreed to structure it along three policy pillars.

- Common strategy on trade and investment rules and issues: This pillar will cover a bilateral framework for setting high trade and investment standards, trade and investment initiatives in the regional and global trading environments, and third-country concerns. Pence said the U.S. will focus on “breaking down barriers” to the Japanese market for U.S. exporters.

- Cooperation in economic and structural policies: This pillar will cover active use of the G7’s three-pronged approach (mutually-reinforcing fiscal, monetary, and structural policies), cooperation on global economic and financial developments and challenges, and cooperation on regional macroeconomic and financial issues.

- Sectoral cooperation: This pillar will cover specific sectors where improved commercial relations will promote mutual economic benefits and job creation. Aso cited high-speed rail and energy as examples.

The two leaders said the dialogue should generate concrete results in the near term and plan to hold a second meeting before the end of the year.

Pence said the Department of Commerce, the Treasury Department, and the Office of the U.S. Trade Representative "will lead discussions for each of these three pillars" and are expected to provide input on their "progress and accomplishment … over the coming months." Pence added that "at some point in the future, there may be a decision made between our nations to take what we have learned in this dialogue and commence formal negotiations for a [bilateral] free trade agreement."

Korea. In remarks to the Korean business community in Seoul, Pence noted that since KORUS took effect two-way trade in goods and services has grown by nearly $20 billion and U.S. exports have increased by more than six percent. On the other hand, he said, "we have to be honest about where our trade relationship is falling short."

The U.S. trade deficit with Korea has more than doubled, and U.S. businesses "continue to face too many barriers to entry." Pence said the Trump administration will therefore work to "reform KORUS in the days ahead" but pledged to work with businesses in that effort.

Source: strtrade.com- Apr 19, 2017

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Brazilian export of textiles to Arab region up 87pc

Brazilian exports of textiles and clothing to the Arab region surged during the first two months of 2017, increasing by 87.5 per cent compared to its performance during the same period in 2016, according to the Arab Brazilian Chamber of Commerce (ABCC).

The huge demand for synthetic fabric and sisal rope used in ships and rigs led the increase in total sales reaching $3 million up from $1.6 million in January and February 2016, said a statement from ABCC.

The Brazilian Textile and Apparel Industry Association (ABIT) reported that sales from rope exports accounted for $1 million, while beachwear, textile yarns and inner garments also rose during the two months, it said.

ABIT's survey of exports include various parts in the production chain including raw materials such as fibres, yarns and filaments as well as technical and non-fabric industrial textiles, and clothing, it added.

Arab countries continue to be one of Brazil's largest market for clothing, particularly for segments such as party wears, children's and beach wears. Based on ABIT's latest data, the UAE has the highest imports of Brazilian textiles and clothing during this period, followed by Algeria, Egypt, Morocco, and Lebanon, said a statement.

To boost the Brazilian textile and apparel industry exports, ABIT and the Brazilian Trade and Investment Agency (Apex-Brazil) have launched the Texbrasil programme which serves to benefit affiliated exporters, it said.

Statistics showed that companies which have participated in the program expanded their export markets to Arab countries by 40 per cent in 2016, valued at $2.9 million in 2015 to $4.1 million in 2016.

Michel Alaby, secretary general and CEO, ABCC, said: "Brazil's textile exports performance during the first two months of the year signify the steady growth of the country's market share in the sector as the Arab World continues to look for quality materials, not only in raw materials but also with finished goods."

"The Arab consumer base has a discerning taste for luxury and exclusivity in clothing and apparel and this segment remains promising for the Brazilian export sector," he said.

"It is worth noting that the continued support of industry groups coupled with innovative business strategies, have played an important role for the growth of the Brazilian textile in the Arab region," he added

Source: tradearabia.com- Apr 18, 2017

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Pakistan to enhance economic, trade ties with US

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Ms laurel miller appreciated the macroeconomic stability in Pakistan. Pakistan greatly values its relations with the United States and looks forward to further enhance these ties in different spheres particularly economy and trade.

WB projects macro-economic indicators to grow in future

The World Bank has projected the growth of Pakistan's industrial sector at 7.7 per cent by 2019. According to the twice-a-year south asia economic focus report, the growth of industrial sector by the end of current fiscal year is estimated to remain at 6.1 per cent in fiscal year 2017 while in 2018 it would grow at 7.0 per cent.

Cotton yarn, cloth production grow by 0.67pc, 0.43pc in 8 months

Domestic production of cotton yarn and cotton cloth during first eight months of current financial year grew by 0.67 percent and 0.43 percent respectively as compared the production of the corresponding period of last year.

China leads the pack as FDI increases 39%

Foreign direct investment in Pakistan increased to $297 million in March, up 39% from $213 million compared to the same month of the previous year.

Cumulatively, FDI increased 12% to $1.6 billion in the first nine months (Jul-Mar) of the ongoing fiscal year 2016-17, compared with $1.43 billion in the same period of the previous year, according to data released by the state bank of Pakistan.

Source: radio.gov.pk- Apr 18, 2017

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Pakistan: Cotton production edges higher

For the second consecutive season, the country produced more than 10 million cotton bales, with the current output of 10.727m bales showing a slight increase of 9.81 per cent from last season's 9.766m bales.

Overall, around 958,739 more cotton bales have been produced so far.

With lesser area coming under cotton cultivation, the crop size has been shrinking — from 15m bales recorded in cotton season 2013-14 to round 10m bales for the last two seasons.

The fortnightly (April 1-15) phutti (seed cotton) arrivals data of the Pakistan Cotton Ginners Association show improvement in cotton production in Punjab.

During the period under review, Punjab produced around 937,665 more bales or 15.62pc higher over the corresponding period of last season. In total, Punjab produced 6.940m bales as against 6.022m bales produced in the same period last year.

Improved cotton production in Punjab helped the overall production by 9.81pc at 10.727m bales.

Sindh also recorded nominal growth of 0.56pc in cotton production at 3.787m bales as against 3.766m bales recorded in the same period last season.

It was encouraging to note that the textile industry substantially purchased higher quantity of cotton at 10.259m bales compared to 9.058m bales lifted in the corresponding period last season.

However, exporters managed to lift around 202,356 bales as against 362,141 bales in the previous season.

The fortnightly flow of phutti from cotton fields into ginneries also remained slow and only 1,445 bales were recorded to have reached the ginning units compared to 6,299 bales in the same period last season.

Thus a shortage of 4,854 bales was recorded.

The ginners are currently holding around 262,597 bales of unsold stocks which are less than 349,776 bales held by them in the same period last year.

Three ginning units are operational in Sindh while another four units are working in Punjab.

Source: dawn.com - Apr 19, 2017

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First fortnight of April sees few cotton trades in Brazil

In the first fortnight of April, only a few trades were registered in the Brazilian cotton market and that too mainly for short term deliveries.

Growers remained firm were firm in terms of asking prices, although quality of cotton was low, while cotton processors were cautious regarding new purchases, all of which slowed down trade in the fortnight.

In order to meet demand, the user textile industry resorted to purchases from trading companies and traders.

The CEPEA/ESALQ Index for cotton type 41-4 in 8-day payment terms and delivered in São Paulo, declined 0.8 per cent between March 31 and April 13, closing at BRL 2.7429 per pound on April 13.

Data released by CONAB on April 11 informed that despite the 2.6 per cent reduction in the cotton planted area in the 2016/17 season in Brazil, production may increase by 14.3 per cent compared to the previous season, as productivity is expected to increase 17.3 per cent, resulting in yield of 1,583 kilos per hectare.

Source: fibre2fashion.com - Apr 19, 2017

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US retail fashion experiences consistent growth

The apparel industry, which represents 65 per cent of total US retail fashion dollar sales and spans everything from basics to jeans, continues to enjoy the consistent growth experienced over the past few years, according to a recent report.

Conversely, the more trend-driven footwear and fashion accessories industries are now experiencing sales declines.

Footwear and fashion accessories industries have kept overall retail fashion sales in the 12 months ending February 2017 even with results from the prior year, said the leading global information company The NPD Group.

While the footwear and fashion accessories industries experienced dollar sales growth in the 12 months ending February 2016, both have taken a turn in the past year.

The US footwear industry declined 1 per cent to $65 billion in the 12 months ending February 2017, driven by in-store losses. Fashion accessories sales dropped 7 per cent, to $51 billion during this period, with declines occurring both online and in-store.

Not only are consumers spending less, they are purchasing fewer items as well. These declines occurred while segments of the millennial generation increased their spending on footwear, fashion accessories, and apparel.

"The losses happening within footwear and fashion accessories are leading indicators of the fundamental changes occurring within the whole of fashion at retail.

Consumers tend to build their wardrobes through accessories and footwear, giving their outfit a fresh look, so when sales of either of these industries slow or decline it signals a decline in fashion as a priority," said Marshal Cohen, chief industry analyst, The NPD Group, Inc.

As activewear has been in apparel, the sport leisure category has been the recent bright spot in footwear.

But the fashion segment, representing more than 40 per cent of annual footwear dollar sales, has been challenged in the past year – down 6 per cent in the 12 months ending February 2017.

One of the biggest struggles for the fashion accessories industry has been the now $7.3 billion handbag category, which lost more than $1 billion in sales between March 2016 and February 2017.

"The active influences that drove apparel did not impact the total accessories and footwear businesses in the same way – while fashion athletic and retro sneakers worked well, consumers continued to be presented with the same non-athletic inspired fashion footwear and bags," said Cohen.

"The overall scope of today's fashion innovation needs to reach beyond one audience or one set of consumer demands, but also be prepared to move with new influences as they take shape."

Source: fibre2fashion.com– Apr 18, 2017

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Iran initiates measures to regulate garment imports

Iran has introduced measures to systemise import of foreign clothing brands. The measures which require “customs post-clearance audit” for several foreign clothing brands are designed to support domestic garment industry and prevent smuggling.

Clothes had the largest share of the commodities smuggled into Iran during the fiscal March 2015-16.

The measures by the Islamic Republic of Iran Customs Administration were unveiled during a meeting attended by representatives of the Ministry of Industries, Mining and Trade, the Association of Textile Industry Producers, Iran’s Apparel Union and customs officials, according to a report in Iranian media.

The report said that “customs post-clearance audit” would now be carried out for several foreign clothing brands.

Customs post-clearance audit refers to controls undertaken after the clearance of the goods and is designed to verify the accuracy of the data declared and confirm the proper implementation of customs and other legislation, the precise payment of duties, taxes and other charges.

It said the order registration of clothes would be carried out by the Ministry of Industries, Mining and Trade only after the license holders register the imported brand.

Brand registration is only possible through collaboration with the parent company. Likewise, order registration certificates will only be issued for the official license holders.

Authorities would also prevent installation of billboards advertising clothing trademarks or brand-names that do not have a license holder retailer in Iran.

Importers are also required to record the global trade item number for branded items of clothing and their official prices as set by the parent company. GTIN is an identifier for trade items used to find out product information in a database

The uniqueness and universality of the identifier are useful in establishing which product in one database corresponds to which product in another database, especially across organisational boundaries, the report said.

The measures also say that order registration procedures must be conducted in the name of license holder retailer and the value of all brand-name garments must be announced in the database of IRICA’s Single Window System.

The importers of trademarked clothing must register by September 22 their orders. IRICA has already banned the import of clothes through land and water borders in separate guidelines.

Recently, the customs administration announced that customs controls will be exercised and customs duties will be collected at the ports of entry of free trade zones. Customs and border protection equipment were only installed at FTZs’ ports of exit up until now.

According to the Headquarters to Combat Smuggling of Goods and Foreign Exchange, clothes had the largest share among all the commodities smuggled into Iran during the fiscal March 2015-16, accounting for $2.36 billion or 41 per cent of all the smuggled goods.

Over 8.5 million items of clothing were seized during March 2016-17 compared to 9.9 million confiscated a year before.

Source: fibre2fashion.com - Apr 19, 2017

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USA: Shankar-6 cotton's value rises in international market

Values for the Indian Shankar-6 variety increased in international terms over the past month, rising from 83 cents/lb to 85 cents/lb, due to a strengthening rupee.

In domestic terms, values were flat to lower, holding to levels between Rs 43,000 and Rs 44,000 per candy of 356 kg. The May New York futures contract declined to 75 cents/lb recently.

As the May NY contract has approached expiration, the July contract has picked up a larger share of open interest.

Prices for the July contract have been consistently trading at a higher level than those for May, but July futures also lost ground over the past month, falling from levels near 80 cents/lb to those around 76 cent/lb, according to the latest monthly economic letter by Cotton Incorporated.

As the May NY contract has approached expiration, the July contract has picked up a larger share of open interest.

Prices for the July contract have been consistently trading at a higher level than those for May, but July futures also lost ground over the past month, falling from levels near 80 cents/lb to those around 76 cent/lb.

The Cotlook A Index also declined several cents over the past month, dropping from levels over 88 cents/lb to those below 85 cents/lb.

The China Cotton (CC) Index has remained comparatively stable, holding to levels around 104 cents/lb in international terms or around 15,900 RMB/ton in domestic terms.

After declining throughout much of March, Chinese futures have been flat to slightly higher in early April.

Values for the most actively traded September ZCE futures contract have been near 15,500 RMB/ton recently, after falling from levels over 16,600 RMB/ton in early March.

Pakistani prices were stable. In international terms, values held near 78 cents/lb.

In domestic terms, values held near 6,750 PKR/maund (approximately 37 kg).

Source: fibre2fashion.com - Apr 18, 2017

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Textile Industry Making a Comeback in the U.S. Southeast

Changes in global economic, social, and political environments are having major impacts on the textile industry. Manufacturing technology is changing. Consumer trends are changing. There is a rapidly growing middle class and an increasing cost of doing business in China — once the world's cheapest country in which to manufacture textiles and apparel. The speed-to-market of products has never been more important.

Proposed policy changes and U.S. border tariffs are making companies consider shifting production capacity to the United States. For these reasons, the United States is finally seeing a resurgence in the textile industry.

The Big Comeback

Fast-forward to 2017. The pendulum is swinging back and textiles are returning as lean, highly automated, environmentally conscious production facilities.

Within the last five years, there have been significant announcements by foreign-owned textile companies investing in the United States, with site selection choices clustered in the Southeast once again.

These location decisions are driven by port proximity, low utility costs, a quality affordable labor pool, and access to training. As consumers become more socially aware, many retailers are strongly encouraging their suppliers to build an environmentally safe U.S. presence to capture the PR benefits of being “Made in America.”

Companies are also placing an extreme amount of importance on speed-to-market, both from a construction perspective and proximity to market perspective. The need to be up and running in a short timeframe and with limited capital expense has driven investment back to the Southeast.

Because the southeastern United States was once inundated with textile facilities, the infrastructure necessary for industry success is already in place. Wastewater treatment plants are already designed to accommodate the fabric dyeing process and have the ability to treat this kind of effluent without much capital investment or new permitting.

The Cotton Belt in the Southeast provides close proximity to one of the industry’s major raw materials. A history of textile manufacturing has left behind a legacy workforce with the technical know-how and work ethic to support industry newcomers.

Training programs are in place to prepare workers to operate highly automated facilities, and universities have thriving textile engineering programs.

The U.S. textile industry saw $2 billion in capital investments in 2015. In addition to new greenfield investment, existing textile companies that weathered the downturn are retooling their businesses and automating the work process.

The United States is currently the world’s third-largest exporter of textiles, and saw a swift 39 percent increase in exports from 2009–2015.

Some of the factors causing companies abroad to invest in the United States include:

- Increasing wage rates abroad without comparable increasing productivity;
- High energy rates abroad;
- Speed-to-market issues;
- Policy changes in the U.S.; and
- Technology changes in the manufacturing process.

Wages and Productivity

China, the world's largest exporter of textiles, is growing an emerging middle class with rapid wage increases averaging up to 15 percent a year. While a Chinese production worker sees a large raise each year, that same laborer is not increasing production capacity.

This unbalanced wage growth is biting into what was once China's true competitive advantage.

Strikes in manufacturing operations in China have also increased drastically and have created a sense of tension and instability for Chinese manufacturers. According to The Washington Post, there were 503 reported strikes across China in January 2016 compared to eight strikes in January 2011.

A survey by Hong Kong University of Science and Technology states that strikes are on the rise because companies have laid off approximately 3.7 percent of their workforce due to rising wages. Uncertainty and lost productivity due to strikes give CEOs another reason to consider the more stable right-to-work states in the southeastern United States.

Energy Rates

The shale-oil boom has presented a significant competitive advantage for the United States. Industrial users are seeing natural gas prices average about one-third of those in most other industrial economies. Lower natural gas prices are driving U.S. industrial electricity rates lower. U.S. rates are on average 30 percent to 50 percent lower than for other major exporters. Michael Porter with Harvard Business School suggests that the United States has a 10–15-year head start on capturing the benefits of these unconventional resources.

Speed-to-Market Issues

Consumer preferences are changing, and textile firms are changing with them. For example, fast fashion trends have forced apparel companies to make smaller batches of clothes more frequently, and speed-to-market is crucial.

Textile Firms Locating in the U.S. Southeast

Year	Company	Product(s)	Capital Investment	Jobs	State
2013	JN Fibers	Recycled polyester staple fiber	$45 million	318	SC
2013	Keer Group	Industrial yarn	$218 million	500	SC
2014	Beaulieu International Group	Carpet, vinyl, and wood flooring products	$200 million	350	SC
2014	PolyTech Fibers, LLC	Polyester staple fibers	$12 million	114	GA
2014	Gildan Activewear	High-tech yarn spinning	$250 million	500	NC
2015	Sandler AG	Non-woven textiles	$30 million	140	GA
2016	Everest Textiles	High-performance sports apparel	$18.5 million	610	NC
2016	King Charles Industries (JV with Taiwan Kingwhale Corp.)	Finished fabrics	$12.5 million	100	NC
2016	Jushi	Fiberglass reinforcements and fabrics	$300 million	400	SC
2016	B&W Fiberglass	High-performance textiles	$5 million	46	SC
2016	Labon	Fiber and textiles	$3.1 million	23	SC

Where manufacturers used to have to design four seasons of clothes, companies are now going through the redesign process 24–26 times a year, forcing manufacturers to be more flexible and deliver products to market quicker.

Zara, a Spanish-owned retailer, is delivering new products worldwide to their stores just 15 days after design is started. When every day matters to bring products to market, it is no surprise that companies want to be close to the United States, the world's second-largest textile consumer market.

Customization is also an emerging trend. Adidas Pursues Rival Nike with In-store Personalization and Manufacturing, The Drum NewsAdidas is implementing new stores that manufacture and personalize products within four hours; previously it took 12–18 months to put new products on the shelf. By creating shorter product life cycles, textile firms are taking the guessing game out of product demand and allowing their manufacturing process to respond in real time to customer preferences.

These changes in the fashion industry are compounded by shipping logistics issues in China. Unlike in the United States, where major carriers (FedEx and UPS) dominate the market, shipping companies in China are fragmented due to government regulation.

Highway and port infrastructure are improving, but still not sufficient for effective logistics and are often delaying shipments abroad.

Proposed Policy Changes in the U.S.

On January 23, 2017, President Trump signed an executive order to end the possibility of a Trans-Pacific Partnership (TPP), which aimed to create an export-led growth model supporting free trade with 11 countries in the Pacific, excluding China.

The agreement would have phased out approximately 18,000 tariffs among the participating countries and helped smaller companies navigate export rules, trade barriers, and red tape. Trump argued that by ending the TPP, companies would be more likely to send FDI to the United States to avoid import tariffs and sluggish logistics.

Trump has proposed a 20 percent tariff on incoming goods from Mexico and up to 35 percent from China.

In a low margin business, these tariffs would create a significant impact on the textile industry's bottom line.

While there is no way to predict what these policy changes will have on the textile market, companies are at least devoting time and resources to explore adding capacity in the United States.

Technology Changes in the Manufacturing Process

Although the United States has made strides toward becoming more competitive on production cost, it is still not the cheapest option for manufacturing. Until the apparel (cutting and sewing) portion of the industry can be automated, these jobs will remain in countries such as Vietnam, Mexico, and Honduras, where low wages attract labor-intensive operations.

However, the United States has created a niche and competitive advantage in highly technical material manufacturing. Capital investment in yarn, fabric, and non-apparel textile product manufacturing has risen from $960 million to $1.7 billion from 2009 to 2015 — a 75 percent increase.

The United States is especially poised for growth in a subsector of the textile market called "smart textiles," or nanomaterials. Smart textiles are fabrics that have been developed with new technologies that provide an added value to the wearer. While the global smart textiles sector grew at an annual growth rate of 18 percent from 2004 to 2014, smart textiles grew more than 27 percent in the United States.

Source: areadevelopment.com - Apr 18, 2017

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NATIONAL NEWS

PM to inaugurate 'Textiles India 2017' on June 30

Prime Minister Narendra Modi will inaugurate Textiles India -- a mega event showcasing the country as a global sourcing hub -- here on June 30.

The three-day conference will be attended by several Union Ministers including Finance Minister Arun Jaitley and Textiles Minister Smriti Irani and provide a platform to connect and collaborate with global manufacturers, investors and buyers in the textiles sector.

The conference will be based on themes like: India as a global sourcing hub and an investment destination; exploring growth potential of technical textiles; and carving a niche market globally for handcrafted goods, official sources told PTI.

It will also explore productivity and product diversification challenges for natural fibres; skilling requirements in high value chain in the textiles sector and the potential for growth of man-made fibre in India.

Around 2,500 international buyers and over 1,000 international and domestic exhibitors are expected to take part in the event.

Source: business-standard.com- Apr 18, 2017

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Good supply, strong rupee keep domestic cotton prices stable

Healthy supplies with a strong rupee boosting imports and a fall in New York futures have kept cotton prices stable in India at a time of the year when they usually increase.

Trade executives expect the market to remain range bound in the next few weeks.

Normally, cotton prices tend to increase once arrivals from farmers begin to dwindle.

This year, though, arrivals are still strong as farmers, who couldn't sell all their produce during November-December due to post-demonetisation cash crunch, are offloading the stock.

A recent release from the Cotton Association of India (CAI) confirmed the trend of higher arrivals in the market.

“Arrivals of cotton have accelerated their pace during March 2017. The arrivals during March 2017 are higher than that of the corresponding month during last year and the gap of arrivals as compared to last year has nar rowed down further,“ it said.

“There is a downtrend in international prices. Also, appreciation of the rupee has given a boost to cotton imports. These two factors have kept cotton prices under control,“ said BS Rajpal, a cotton exporter from Maharashtra. A stronger local currency makes imports cheap er.

According to the US Depart ment of Agriculture's global cot ton outlook for April, 2016-17 cotton production is forecast at 106.3 million bales, 10% above last season, as yields rose in most major producing countries. The report forecast India's consumption to be 2% lower than a year earlier.
Source: newsintrends.com- Apr 17, 2017

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Uttar Pradesh Group of Ministers meet to draft new industrial policy

In order to attract investments, the Uttar Pradesh government today promised uninterrupted power supply and security to mega industry houses, if they wanted to open their units in the state. “We will provide a conducive environment,”

Deputy Chief Minister Dinesh Sharma told representatives from various industrial units at a meeting here.

Sharma, who heads Group of Ministers on industries, has been entrusted with the task of drafting a new industrial policy for the state by Chief Minister Yogi Adityanath.

Other members of the GoM who attended the meeting were Satish Mahana (Industry Minister), Rajesh Agarwal (Finance Minister), Shrikant Sharma (Energy Minister), Nand Gopal Gupta (Stamp Registration Minister) and MoS Industrial Development Suresh Rana.

"The UP government will put in place the single-window system, which will help the industrialists to get all the permissions from a single point itself.

This will create an atmosphere of trust among the industrialists," the Deputy CM said. "Similarly, all the grievances of the investors will be redressed in a time-bound manner and for this an online grievance redressal system is being ensured," he said.

Endorsing the concerns of the industrialists, he assured that the UP government will tackle these issues, while framing the new policy.

"The UP government is committed to take positive steps for industrialists and people. This will result in investments in the state and creation of jobs, which will eventually lead to development of the state," he said. Mahana said, "If needed, the state government will also mull enacting a law for overall encouragement and protection of industrialists".

He added that industrialists should have a positive frame of mind as a good environment is being created in the state for establishing industries. Shrikant Sharma explained the discounts for industrialists under the open access power purchase.

Open access allows large users of power to buy cheaper power from the open market.

The idea is that customers should be able to choose among a large number of competing power companies instead of being forced to buy electricity from their existing electric utility monopoly.

It helps large consumers particularly sick textile, cement and steel industrial units by ensuring regular supply of electricity at competitive rates, he added

Source: financialexpress.com- Apr 18, 2017

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ICAR tasked with evaluation of genetically modified Bt cotton

The countrys biotech regulator GEAC has decided to transfer the responsibility of conduting evaluation and giving approval to genetically modified Bt cotton to Indian Council of Agricultural Research (ICAR).

The decision to transfer the responsibility to ICAR was taken during a meeting of the Genetic Engineering Appraisal Committee (GEAC) under the Environment Ministry which met here last week.

This responsibility was till now with a Standing Committee in Department of Biotechnology (DBT).

"It was decided that the entire responsibility related to evaluation, approval and monitoring of Bt Cotton hybrids including confirmation of presence of approved gene or event, would be transferred to ICAR for which ICAR has also given its consent," an Environment Ministry source said.

According to sources, after 2005, the number of applications for release of hybrids increased in GEAC.

Following this, a sub-committee to review the Bt cotton and related issues was set up under the Chairmanship of C D Mayee.

Under that an Event-based Approval Mechanism (EBAM) for release of the Bt Cotton hybrids was recommended. This Committee was serviced from then onwards by a Standing Committee in Department of Biotechnology (DBT).

Senior Environment Ministry officials, however said that the contentious issue of commercial release of GM mustard did not figure in the agenda during this particular meeting of GEAC.

Bt cotton is the only GM crop approved for commercial cultivation in India. The approval was first accorded in April 2002 following an extensive review of biosafety testing and field trials data evaluation.

Source: indiatoday.in - Apr 17, 2017

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Skill training programmes elusive in state's textile industry

In 2014, Dolly Kumari, an outspoken Class XII passout, left her home in Jharkhand, journeying about 2,000 km south to a new job as a tailor at a garment factory in Bengaluru. Like most workers in this sector, when she first came, she did not think of staying beyond a few months.

Today, over two years later, at 21, Kumari is one of two assistant line supervisors on the factory floor of Shahi Exports Pvt. Ltd., overseeing the work of 119 tailors. Her salary has risen 66 per cent, from Rs 5,000 to Rs 8,300 per month. She talks easily of time management and effective communication, and hopes one day to become a floor-in-charge.

Much of her success, she says, can be attributed to a life-skills training programme called Personal Advancement and Career Enhancement, or PACE, designed by Gap Inc., a clothing multinational.

Through two-hour sessions every week for 11 months, conducted by qualified PACE trainers, the programme taught Kumari how to, among other things, manage her time productively and communicate effectively.

In 2011, three US-based economists — Achyuta Adhvaryu, Namrata Kala, and Anant Nyshadham — conducted a randomised controlled trial (RCT) at a few Shahi factories in Bengaluru to ascertain the impact of PACE. The research found that nine months after programme completion, the net rate of return to her company's investment in her job and life skills was more than 250 per cent.

Cited by former US President Bill Clinton as an idea that is changing the world, in a 2012 TIME magazine article, the programme has trained 45,000 garment workers worldwide (including 26,600 in India, where it first began in 2007).

It contributes uniquely to the Indian government's Skill India initiative and indicates how workers can achieve new skills and companies can increase profits in a sector that can be critical to India's economic growth.

In recent times, this sector, as IndiaSpend reported on July 30, 2016, has been witnessing plateauing job growth and wilting export volumes.

However, with rising labour costs in China ($3.52 per hour in manufacturing compared to India's $0.92 per hour in 2014), as Bloomberg reported in November 2014, India stands to gain from this competitive advantage. In this context, the PACE programme has the potential to change how the garment industry recruits, skills and retains female workers.— IANS

Garments generate 13 times more jobs than IT sector

India's textiles and apparel sector is the country's second-largest employment provider, after agriculture. In 2015-16, textiles and apparel directly employed 105 million people - 13 times more than the information technology sector or equivalent to the population of South Korea - and constituted 15 per cent of India's export earnings.

Every investment of $0.15 million in the apparel sector generates between 56 and 84 jobs, compared with an average of six jobs across all industrial sectors, according to government statistics.

Textile and apparel factories also play a crucial role in skilling and employing women

While female labour-force participation in India has fallen over the decade ending 2015, as IndiaSpend reported on March 8, 2016, this sector has consistently generated more jobs for women than any other sector

The organised apparel segment is expected to grow at a compounded annual growth rate of more than 13 per cent over the next 10 years, according to a 2016 report from the India Brand Equity Foundation, a government-run trust.

In view of these statistics, and the potential for the garments sector to absorb even larger numbers of female workers, the researchers asked: How can garment firms be better incentivised to promote the wellbeing of their workers?

Source: tribuneindia.com- Apr 19, 2017

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