The Southern India Mills' Association
Post Box No. 3783, 41 Race Course, Coimbatore - 641 018
Phone: 0422 4225333 | Fax: 0422 4225366
E-mail: info@simamills.org | Web: www.simamills.org

NEWS CLIPPINGS –18-12-2017

Goalless draw at WTO	Business Line http://www.thehindubusinessline.com/opinion/editorial/wto-india-argentina-talks-victory-china-america/article9995628.ece

The "collapse" of talks at last week's trade ministerial may have raised questions about WTO's future, but they did not go off too badly for India. Unlike the ministerials at Bali (2013) and Nairobi (2015), India did not concede any ground. At Bali, India agreed to trade facilitation rules in exchange for virtually nothing — a 'peace clause' till 2017 on its food procurement subsidies. At Nairobi, India unconditionally agreed to phase out export subsidies by 2023. Perhaps, India fielded a better prepared negotiation team this time.

The focus of the Buenos Aires meet was public stockholding and e-commerce. India, backed by China, managed to get the developing countries, including LDCs, to push for a permanent solution to public stockholding. To the credit of the Modi government, it managed to prolong the 'peace clause' soon after the Bali meet, till a permanent solution was arrived at — a view reiterated in Argentina. India's joint paper with China on how the US and EU are chiefly responsible for trade-distorting farm subsidies has helped in pushing for a solution where the existing method of evaluating subsidies is dismantled. The WTO allows price subsidies to the extent of 10 per cent of the gross value added of the product concerned; the controversy over the years has been over which subsidies should come under scrutiny and manner of arriving at the market price, or fixed reference price, against which the amount of subsidy was calculated. With these wranglings not getting anywhere, and the rich countries managing to mask their subsidies while blaming the rest, there has now been a change of tack. That said, India should reconsider allowing exports out of its PDS pool (it is the world's largest rice exporter) if it is to push towards a new regulatory order. A food security arrangement does not sit well with one that confers export advantage. By presenting a joint front with the LDCs on e-commerce and stalling efforts by the developed world to fast-track rules, India managed to buy time for its MSME-dominated brick and mortar trading sector. Efforts by the rich countries to introduce Singapore Round issues, such as investment rules did not gain traction. The Doha Round (2001) principles of according differential treatment to developing countries and not piling on issues extraneous to trade were implicitly underscored here.

But the question is what happens to WTO if there is no broad consensus on trade rules. It does not seem to matter much if the US plays spoiler in multilateral forums, as the progress on TPP and even climate talks seem to indicate. India cannot set store by FTAs, given its experience over the last decade. It needs to play a leadership role in working out a new multilateral trade paradigm, because that's its best bet in an increasingly chaotic world. Inconsistencies between its positions at WTO and other forums such as RCEP need to be avoided.

Ban BT cotton: farmers	**The Hindu** http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/ban-bt-cotton-farmers/article21825313.ece

Members of various farmers organisations and political parties staged a demonstration in the Perambalur on Saturday demanding a ban on BT cotton and condemning the State government's failure to provide compensation to families of farmers who were killed due to pesticide poisoning in Perambalur district and other parts of the State. They also demanded a ban on harmful pesticides. A committee should be formed to study the issue, the agitators said.

Telangana: Failure of cotton crop takes another life	**Deccan Chronicle** https://www.deccanchronicle.com/nation/crime/171217/telangana-failure-of-cotton-crop-takes-another-life.html

Depressed due to crop loss and increasing burden of debts, a cotton farmer committed suicide in Siddipet district on Saturday. Mulugu Karunakar, 34, consumed pesticide at his field and succumbed while undergoing treatment. Karunaker is survived by his wife and three children.

Mulugu Karunakar, a resident of Singatam village in Gajwel mandal, owns two acres of agricultural land. Due to scant rainfall, there was no growth in his cotton crops. Meanwhile, he had borrowed around Rs 4 lakh from different persons in the village for a very high interest rate.

As the crop failed, he was not able to repay his debts and they kept mounted. Depressed, he consumed pesticide at his field on Saturday morning. Farmers from neighbouring fields noticed him and rushed him to Gajwel government hospital, where he died during treatment. Based on a complaint from his wife Anitha, a case is registered at the Gajwel police station.

VN textile-garment trade surplus likely to hit US$15.5 bn this year	Yarns and Fibres http://www.yarnsandfibers.com/news/textile-news/vn-textile-garment-trade-surplus-likely-hit-us155-bn-year#.WjdH0VWWbIU

Vietnam textile and garment sector has faced multiple challenges early this year, but the situation has changed for the better since the second quarter of this year. Of the total export revenue of this year estimated at US$31 billion, textiles and garments contribute an estimated US$25.91 billion, fabrics US$1.07 billion and cotton US$3.51 billion.

At a press conference in HCMC on December 11, Giang said that the sector has gained strong export growth this year, at 10.23% versus 2016, and the momentum is to continue into next year with export earnings expected at US$33.5-34 billion. Giang added that the local enterprises have tapped new markets including China, Russia and Cambodia while maintaining traditional markets such as the U.S., the EU, Japan and South Korea. It is noteworthy that local firms have managed to switch production, from processing exports for foreign firms to FOB (free on board) and ODM (original design manufacturing).

Commenting on next year's business, Giang said that many textile and garment firms have signed big export contracts enough for production in the first haft of next year and buyers of these products have shown their confidence in product quality and delivery time of Vietnamese firms.

To achieve the target for next year, VISTA advised textile and garment enterprises to change their production methods meeting requirements of import markets, enhance competitiveness, invest in new techniques and technologies, diversify products and build links among enterprises.

However, the price competition will be tough as many other countries have also sought to undercut Vietnam, especially apparel manufacturers from China, Bangladesh, Sri Lanka, Myanmar and Cambodia. Therefore, local enterprises have to ensure the supply and have high-skilled workers, invest in modern equipment and step up automation. According to VISTA, domestic firms have to import 86% of fabrics for garment production as locally-produced fabrics have not met standards of major import markets, while locally-produced fabrics are subject to taxes while imported fabrics used for export processing are tax-free.

The textile and garment sector is also experiencing difficulties due to rising production and labor costs. For example, expenditures on social and health insurance in Vietnam are 2.5 times higher than in other regional countries.

To help textile and garment enterprises overcome difficulties, the Government has been proposed to adjust policies on salary, insurance, administrative procedures and inspections.

Demand for better lint grades keep sellers on driving seats	Yarns and Fibres http://www.yarnsandfibers.com/news/textile-news/demand-better-lint-grades-keep-sellers-driving-seats#.WjdH6lWWbIU

Demand for better grades of lint from buyer likely to keep sellers on driving seats as import price has been escalated due to increase in dollar value. Buyers made deals for better and second grade of cotton on higher prices on account of depleting better grades of lint. Better and second grade of lint fetched price of Rs 6,925 per maund and Rs 6,875 per maund respectively.

The leading ginning units slowed down supply of better grades in order to get premium prices for in next coming trading sessions sensing on increasing demand from buyers.

Majority of mills and spinners bought better grades of cotton and also made forward deals for a month delivery period at around Rs 6,750 per maund and Rs 6,825 per maund respectively.

Physical prices would remain firm on demand for all grades of cotton that would keep market's sentiments in positive while bottom line prices likely to stand in firm frame. Private sector commercial exporters made deals at Rs 6,400 per maund to Rs 6,425 per maund. Raw grades of lint changed hands at Rs 5,975 per maund depending on trash level during trading session.

More than 1,200 cotton bales changed hands while ex-gin price per maund remained firm at Rs 6,850 per maund. In Kerb market trading took place in a range of Rs 6,575 per maund to Rs 6,650 per maund.

Active trading was recorded at the Karachi Cotton Exchange on Friday, while spot rates increased Rs100/maund. The spot rates increased to Rs6,950/maund (37.324kg) and Rs7,448/40kg. Ex-Karachi rates also rose to Rs7,095/maund and Rs7,603/40kg after an addition of Rs145 and Rs155 as upcountry expenses, respectively.

A total of 27 transactions were recorded of around 32,000 bales at a price of Rs6,400 to Rs7,500/maund. Notable deals were recorded from Daharki, Saleh Pat, Rohri, Khanpur Maher, Khairpur, Kot Sabzal, Khanpur, Liaquatpur, Rahimyar Khan, Shujabad, Bahawalpur, Ahmedpur East, Yazman Mandi, Chistian and Mianwali.