



## The Southern India Mills' Association

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### NEWS CLIPPINGS –10-08-2018

#### Textiles Secretary Anant Kumar Singh moved to Land Resources Dept

The Hindu

<https://www.thehindu.com/news/national/textiles-secretary-anant-kumar-singh-moved-to-dept-land-resources/article24640991.ece>

Culture secretary Raghvendra Singh has been appointed in his place

Anant Kumar Singh, Secretary Textiles, has been shunted out in an unusual transfer order and posted as Secretary, Department of Land Resources.

The post of Secretary, Land Resources, was lying vacant after superannuation of Dinesh Singh in June this year.

Culture secretary Raghvendra Singh has been appointed new Secretary of Textiles. He is 1983 batch IAS of West Bengal cadre.

According to top sources in the government, Mr Singh's sudden transfer was necessitated as he and Textiles Minister Smriti Irani "did not get along."

Interestingly, this is second time Textiles Secretary has been moved out after Smriti Irani was shifted to the Ministry from high profile Human Resources Development (HRD). Earlier, Rashmi Verma was transferred as Textiles Secretary.

In Mr. Raghvendra Singh's place, Arun Goel, Special Secretary, Ministry of Culture, has been made full fledged Secretary in the Ministry. Mr Goel, a Punjab cadre IAS office of 1985 batch.

#### Power tariff concessions to textile industry in Maharashtra

Business Standard

[https://www.business-standard.com/article/pti-stories/power-tariff-concessions-to-textile-industry-in-maharashtra-118080901028\\_1.html](https://www.business-standard.com/article/pti-stories/power-tariff-concessions-to-textile-industry-in-maharashtra-118080901028_1.html)

Maharashtra Chief Minister Devendra Fadnavis today announced concessions of Rs 370 crore in power tariff to the textile industry in the state.

It will help revive sick textile mills and generate jobs, the chief minister said at a review meeting of textile department officials here.

He also directed officials to provide interest and capital grants to the industry, the chief minister tweeted.

The land belonging to the Maharashtra State Textile Corporation, which is struggling financially, should be sold and the proceeds should be transferred to the textile department, he directed.

A. Cotton		
Spot price (Ex-Gin) 28.5 to 29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
22828	47550	88.75
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
23990	50181	93.27
International Futures		
NY ICE USD Cents/lb. ( Dec 2018)		87.26
ZCE Cotton: Yuan/MT (Jan 2019)		16310
ZCE Cotton: USD Cents/lb.		92.00
Cotlook A Index - Physical		98.25
B. Currency		
USD/INR	Close	Previous Close
Spot	68.629	68.685

## Cotton Guide

Cotton futures continued to trade sideways and prices ended with small changes. December contract settled at 8726, up 8 points. Oct also settled at 8726, down 13 points. The other months settled from 5 to 33 points higher. Trading volume was 23,497 contracts. Cleared yesterday were 24,482 contracts. The most widely discussed point was Friday's USDA reports.

USDA will release the first of the season US state by state production estimates complete with acreage and yield; and the Monthly Supply-Demand Report. Texas has been the hottest topic after hot and dry weather has burned up much of the dry land plantings. While beneficial rains in Texas last two days and more ahead shouldn't be part of USDA's estimate, analysts will be adjusting their numbers to accommodate the improved prospects.

The final 2017-18 US Export figures were released along with USDA Weekly Export Report. That data suggests USDA will have to lower 2017-18 US exports by roughly 300,000 bales from the July estimate of 16.2 million bales. It was expected by analysts as shipments had been falling shy of reaching that number over the last few weeks. As discussed in previous report, the media will no longer receive an early copy of the reports. It was always puzzling how the market could immediately react the minute the report were released, when it wasn't humanly possible to download, much less read them and enter orders. It will be interesting to see what the level playing field looks like.

On technical front, December settled with a small change on modest volume, and its 57-point range was the smallest in over a year. No surprise given the high level of anticipation surrounding Friday's WASDE report. Prices remain near the lower end of the short-term trading range of roughly 8600 to 9000. If the 8600 area fails to hold, the next good support is the 8200 area. The daily modern work is mixed but skewed towards bearish, which is typical trading-range

behavior.

A move decisively above 9000 could open the door to 9400+. From domestic front, Indian cotton price for Shankar-6 continued to trade steady. Prices for 2017-18 Shankar-6 traded at an average of Rs. 47,750 per candy, ex-gin (88.75 US cents per lb at prevailing exchange rate). Rates for Punjab J-34 are marginally lower at Rs. 4,790 per maund (84.85 cents per lb). The domestic cotton future for October contract ended at Rs. 23970 sideways in last three days. We think the same should trade in the range of Rs. 23770 to Rs. 24070 per bale.

Fx Guide:

Indian rupee has depreciated by 0.13% to trade near 68.77 levels against the US dollar. Weighing on rupee is choppiness in equity market and general strength in US dollar. Asian equity markets trade mixed after losses in US market yesterday on deepening US-China trade conflict and increased geopolitical tensions. The US dollar has benefitted from Fed's support for rate hikes. Chicago Fed President Charles Evans was quoted stating that Fed may need to raise interest rates to "somewhat restrictive" levels to combat the effects of recent fiscal stimulus on the US economy. The US dollar rose against Russian rouble after Washington said it would impose fresh sanctions on Moscow. Turkish lira fell to record low level against the US dollar in wake of a diplomatic rift with the US. Chinese yuan weakened again today but is off recent lows. Rupee may remain under pressure as optimism about US economy will keep US dollar supported. USDINR may trade in a range of 68.55-68.9 and bias may be on the upside.

### **Indian investors interested in denim production in Vietnam**

### **The Voice of Vietnam**

<https://english.vov.vn/investment/indian-investors-interested-in-denim-production-in-vietnam-380868.vov>

Indian fabric investors have shifted their attention from China to Vietnam, which is billed as an emerging denim fabric manufacturing centre, in their search for potential suppliers of denim fabric.

The impressive growth of Vietnamese garment and textile in recent years, with US\$31 billion in export revenue last year and a target of US\$50 billion after 2020, has persuaded the choosiest customers worldwide, including Indian firms.

Denim goods accounted for 20% of the sector's export revenue, according to the Vietnam Textile and Apparel Association (VITAS).

Although the sector is facing bottlenecks in its supplying chain, denim fabric production is a strong point of local producers with the localisation ratio of 55-60%, spurred by heavy investment in production line, and technologies.

Right after the third edition of the Denimandjeans Vietnam Show organised in Ho Chi Minh City in June, many Indian companies expressed their wish to collaborate with Vietnamese partners in producing denim fabric.

CEO of Balaji Enterprises Sandeep Agarwal, founder of the Denimandjeans, said that the Vietnamese garment and textile, with increasing production capacity, is a magnet for foreign investors.

Meanwhile, Marketing Director of KG Fabriks Thamarai Selvan, noted that his company is planning to move its plants

from China as more benefits are expected when having production facilities in Vietnam, including larger order volumes and skillful workers.

Anubha Industries Private and Vietnamese denim providers have reached certain agreement, and a trade cooperative deal will soon be announced, said marketing director of the firm Amit Desai.

According to Indian Consul General in Ho Chi Minh City K. Srikar Reddy, garment and textile sector is a priority in joint efforts to elevate the two-way trade to US\$15 billion by 2020.

Currently, India has registered US\$814 million in 176 projects in Vietnam, ranking 28th out of 126 countries and territories having investment in the country. Last year, India exported US\$429 million worth of garment and textile products to Vietnam, an increase of 44% year on year. However, the figure was only a fraction of the import need of the Vietnamese garment and textile sector

**Chinese fabric in Bangla apparel:  
Government mulls tighter rules for  
garment imports**

**Financial Express**

<https://www.financialexpress.com/economy/chinese-fabric-in-bangla-apparel-government-mulls-tighter-rules-for-garment-imports/1275974/>

The government is considering a proposal to tighten rules on the origin of imported garments, amid warnings by the industry that Bangladesh — which enjoys duty-free access to the Indian market — is buying cheap fabrics from China in large volumes and dumping garments made out of them here. The government is considering a proposal to tighten rules on the origin of imported garments, amid warnings by the industry that Bangladesh — which enjoys duty-free access to the Indian market — is buying cheap fabrics from China in large volumes and dumping garments made out of them here. The textile and garment industry has represented to the ministries of commerce and textiles to make it mandatory for Bangladesh under the South Asian Free Trade Area (Safta) agreement to use either their own or Indian yarn and fabric in their garments to be able to supply to India at zero duty, said Confederation of Indian Textile Industry chairman Sanjay K Jain.

“The proposal is under consideration,” said a senior government official. But a decision is yet to be taken, the official said, adding, though, that tweaking rules under trade agreements is not so easy and it needs more deliberations. Senior textile and garment industry executives have now cautioned that the move to double import duties on close to 400 products to 20% could fail to yield desired results, unless the rules of origin are made more stringent under the Safta agreement.

As such, India’s garment imports from Bangladesh jumped 44% to \$201 million last fiscal from a year before and 80% in the first two months of 2018-19, despite the fact that India is a large manufacturer of apparel. The rise in imports comes at a time when India’s own garment exports have been dropping month after month since October 2017. Consequently, despite a relatively good performance by certain textile segments, India’s overall textile, garment and allied product exports eased 0.5% in the first quarter of this fiscal to \$9.31 billion.

On the other hand, imports of textiles and garments rose 6% to \$1.7 billion in the first quarter. Some industry executives also complain that some garments from China are finding their way into India, albeit in limited volumes, through Bangladesh, with which India has a trade arrangement under the Safta agreement. Gautam Nair, managing director at Matrix Clothing, one of the largest garment exporters, made a pitch for tightening the rule of origin clause

under Safta. “Bangladesh is buying fabrics from China, converting them to garments and shipping out to India. Why should we incentivise Chinese fabrics?” he asked.

Noted textiles expert DK Nair said the existing rule of origin clause under Safta stipulates domestic value addition for Bangladesh to be able to supply to India at zero duty. But since Bangladesh is converting Chinese fabric to garments, they are able to show as much as 100% value addition and thus qualify for the duty-free access.

India will not be alone if it does tighten the rules. The US has imposed sourcing restriction under the North American Free Trade Agreement for accepting duty-free imports of garments from Mexico and others. Even under the Trans-Pacific Partnership (TPP), the US (which has pulled out of the pact now) had kept such restriction for members including Vietnam. India had permitted imports of ready-made garments up to 8 million pieces a year from Bangladesh at zero duty in 2006. The cap was, however, lifted in 2010.

### Patnaik invites investors to Odisha

The Hindu

<https://www.thehindu.com/news/cities/mumbai/patnaik-invites-investors-to-odisha/article24636952.ece>

Over 300 business leaders attend State’s investment roadshow in the city

Over 300 business leaders from western India joined the Odisha investment roadshow that was held in the city on Wednesday.

The event was led by Odisha Chief Minister Naveen Patnaik and organised in association with the Federation of Indian Chambers of Commerce and Industry.

Focus areas

Odisha is attracting investment in its focus sectors such as food processing and seafood, ancillary and downstream industries, textiles, electronic system design and manufacturing, chemicals, plastics and petrochemicals and tourism.

Mr. Patnaik, in a statement, said, “Odisha is emerging as the ‘Manufacturing Hub of Eastern India’ and my government is working tirelessly towards developing the State into a ‘Manufacturing Hub of South Asia.” He added, “We have seen a significant rise in attracting manufacturing projects with more than 118 large projects approved with an employment potential of 1,28,572 in the past four years alone in the State.”

Mr. Patnaik said the average time taken for approval of the projects has reduced to 20 days from the date of receipt of the completed project application and the government has received encouraging response from the investors.

The State is inviting investments for the National Investment Manufacturing Zone at Kalinganagar, food processing park at Khordha and Chhatabar, textile and apparel parks at Ramdaspur and Dhamnagar, aluminium park at Angul and plastics park at Paradip.

Industrialists who participated in the roadshow included Mukesh Ambani, CMD, Reliance Industries; Kumar Mangalam Birla, chairman, Aditya Birla Group; Anand Mahindra, chairman, Mahindra Group; Adi Godrej, chairman, Godrej Group; Kishore Biyani, Group CEO, Future Group; and Gautam Singhania, CMD, Raymond Ltd.

**Govt taking multiple measures for textiles sector: Minister**

**SME Times**

<http://www.smetimes.in/smetimes/news/top-stories/2018/Aug/09/govt-textiles.sector39729.html>

The Centre has been implementing various policy initiatives and programmes for development of textiles and handicrafts, stated Minister of State for Textiles Ajay Tamta in a written reply in the Lok Sabha on Thursday.

Government has been implementing various measures for the textile sector, particularly for technology upgradation, infrastructure creation and skill development, said the minister.

The key schemes include Amended Technology Upgradation Funds Scheme (ATUFS), PowerTex India Scheme. Scheme for Integrated Textile Parks, SAMARTH- scheme for capacity building in Textile Sector, Silk Samagra-integrated silk development scheme, North Eastern Region Textile Promotion Scheme (NERTPS), National Handicraft Development Programme (NHDP) and Comprehensive Handicrafts Cluster Development Scheme (CHCDS), he stated.

The Government also launched a special package to boost investment, employment and exports in the garmenting and made-up sector, the minister said.

The special package was designed to create upto one crore jobs, and boost exports by US \$ 31 billion and attract investment of Rs. 80,000 crores in 3 years. So far, it has generated additional exports of Rs. 5,728 crore and additional investments of Rs. 25,345 crore, he added.

Under the ATUFS, an amount of Rs. 17,822 crore was approved for providing one-time capital subsidy to eligible machinery for seven years from 2015-16 to 2021-22 (including committed liability of Rs. 12,671 crore and Rs. 5,151 crore for new cases). Rs. 8,078.94 crore has so far been released under the scheme.

The Government has set up an Apparel and Garment Making Centre (consisting of 3 Units installed each with 100 stitching machineries) at Bodhjungnagar, Agartala under the NERTPS at a total cost of Rs.18.18 crore.

Under NERTPS, a silk printing unit has also been set up at Agartala at a cost of Rs.3.71 crore with a capacity to print and process about 1.5 lakh meters of silk fabric per annum.

To promote handloom sector in Tripura, Government sanctioned 3 Block level clusters with Rs. 4.28 crore, 44 marketing events with Rs.2.41 crore, 9 Mudra loans (Rs.3 lakh) and enrolled 9,367 weavers and artisans under Health Insurance Scheme and 2,718 weavers and artisans under Mahatma Gandhi Bunkar Bima Yojana, the minister said.

**Lower tax rate to improve compliance: Piyush Goyal**

**Economic Times**

<https://auto.economictimes.indiatimes.com/news/industry/lower-tax-rate-to-improve-compliance-piyush-goyal/65343011>

Participating in the debate, senior Congress leader Mallikarjun Kharge said that the BJP-led government does not know how to implement GST.

The Lok Sabha today passed four bills to amend the GST law, as Finance Minister Piyush Goyal said lower tax rates will improve compliance and enhance revenue collection. Replying to a debate on Good and Services Tax

(Amendment) Bill 2018, he said tax collection will not come down "The government is doing too little and taking too much time to do it," despite reduction in taxes as he allayed the concerns to that effect raised by some members.

The lower rates will rather improve compliance and enhance revenue collection, he added.

The four bills, which were passed together by a voice vote, are the Central GST (Amendment) Bill, Integrated GST (Amendment) Bill, GST (Compensation to States) Amendment Bill and Union Territory GST (Amendment) Bill. Goyal said in the last one year, GST on about 400 goods and 68 services were reduced. GST came into force from July 1, 2017. "We are empowering 125 crore people of India through Good and Simple Tax," he said, referring to the GST.

Promotion of an honest tax structure will improve compliance as it will encourage people to come forward and pay taxes, he said. On the problems faced by the textile sector, he said the GST Council has resolved most of the problems of the sector. With the introduction of GST, textile has become cheaper, he added.

While moving the bill for consideration, Goyal said the capacity to slash the GST rates on more items would go up as GST revenues and the compliance rate increases and the economy formalises.

He also pointed out that the government was able to collect GST in line with the country's fiscal deficit target.

Participating in the debate, senior Congress leader Mallikarjun Kharge said that the BJP-led government does not know how to implement GST. "More than 50,000 MSME industries have closed down in Tamil Nadu alone due to faulty implementation of GST," he stated.

Saugata Ray (TMC) said the recent cut in GST rates on 100 items was a "pre-poll" sop and the estimated loss to the exchequer on account of this would be Rs 12,000 crore. "The Finance Minister has to explain from where the money will come," Ray said, while observing that Goyal was not present in the House. The BJP members then informed Ray that Goyal has gone to Rajya Sabha for voting on a bill, to which Ray remarked "This is why I say, Finance Minister should be from the Lok Sabha".

Referring to Goyal, Ray said "the caretaker Finance Minister" has brought four amendment bills. "Today Arun Jaitley came to vote in the Rajya Sabha. I am wondering when the change in portfolio will happen," he said.

Kalikesh Singh Deo (BJD), while supporting the bills, asked the government to make it easy to pay taxes under the GST. He said the MSMEs were being stifled with high compliance burden under GST.

"The government is doing too little and taking too much time to do it," he said. Anandrao Adsul (Shiv Sena) said Goyal in the later part of his speech went on a "political tangent and then the discussion revolved around politics. I couldn't understand if the discussion was on GST or was it poll campaign."

However, he said that despite the fact that India's economy was growing at a faster rate, why was the value of rupee declining and the price of fuel increasing. Jayadev Galla (TDP) reiterated the demand to fulfil the commitments made by the Centre for Andhra Pradesh. He said that the government talks about special category states in the GST law but do not want to extend the status to Andhra Pradesh.

"People of the state are not fools or illiterates. They will be giving befitting reply in the election. I demand extension of all benefits to Andhra Pradesh....How can we support this bill," he said, while demanding that the period of compensation should be raised from 5 to 10 years.

He also asked the Centre to remove GST on red chilly and turmeric powder. K V Reddy (TRS) said the law has not been able to cut tax evasion and reduce fraud and "now there is more ambiguity".

He asked the centre not to bring petrol and alcohol within the purview of the GST. Rajesh Ranjan (RJD), Ravindra Kumar (BJP), Renuka Butta (YSRCP), P S Chandumajra (SAD) also participated in the discussion.

**New export-oriented industrial policy to focus on textile, leather sectors**

**Business Standard**

[https://www.business-standard.com/article/economy-policy/new-industrial-policy-to-focus-on-manufacturing-in-textile-leather-sectors-118080900563\\_1.html](https://www.business-standard.com/article/economy-policy/new-industrial-policy-to-focus-on-manufacturing-in-textile-leather-sectors-118080900563_1.html)

Policy also aim to seize millions of jobs, lower down the value chain, that are shifting out of China to other developing nations

The proposed industrial policy, currently being prepared by the commerce and industry ministry, may have special provisions for manufacturing in the textile, leather sectors to leverage growth, and focus on spreading out export hubs across the country which are currently getting concentrated in a few states.

It will also tie in existing government initiatives and serve as a focal point for various industry-wise policies. "It will absorb the 2011 national manufacturing policy and focus on technological issues of Industry 4.0, apart from furthering the government's push of the Digital India initiative," a senior Department of Industrial Policy and Promotion (DIPP) official said.

While the government had floated an initial discussion paper on the proposed industrial policy in August 2017, it has not yet released a final draft of the policy in the public domain. The commerce and industry ministry had back then announced this final draft will be put out by January 2018.

"We will follow the due process and release a detailed draft. We are currently weighing the inputs from other ministries and stakeholders," a senior DIPP official said. The initial document focused on the creation of jobs, the promotion of foreign technology transfer, the growth of micro, small, and medium enterprises, and the establishment of a goal to attract \$100 billion foreign direct investment annually.

It will also have a special focus for sectors such as apparel and footwear in which India maintains a manufacturing edge, albeit one that is slipping. "Despite India being one of the largest exporters in both sectors, manufacturing jobs in Bangladesh, Indonesia, and several African countries are seeing an increase, while in India we are seeing a slowdown in growth. So, the policy will have special provisions to boost these sectors," a senior DIPP official said.

The \$36-billion textile export sector, the third-largest foreign exchange earner for India after petroleum products and gems and jewellery, clocked only 0.75 per cent growth in 2017-18, after a contraction in the past two years. On the

other hand, outbound trade of leather articles rose 3.46 per cent to \$2.42 billion, recovering from the contraction witnessed in 2016-17. The proposed policy may also act on the suggestion of successive Economic Surveys over the past three years which have repeatedly pointed to a slowdown in low skilled jobs in neighbouring China. India will also aim to seize millions of jobs, lower down the value chain, that are shifting out of China to other developing nations as Beijing makes adjustments to its own industrial policy under the pressure of growing basic wages and greater specialisation in high-end manufacturing, the official added.

#### Export-led growth

The policy is also expected to reaffirm the government's belief in export-led growth and as a result will have an extensive impact on overall trade norms, with ease in trade and diffusion of export hubs among the government's top priorities, a commerce department official pointed out.

Earlier this year, the Economic Survey pointed out that the five states of Maharashtra, Gujarat, Karnataka, Tamil Nadu, and Telangana account for a whopping 70 per cent of India's exports. "The Centre plans to stop this ghettoisation of exports through incentives as well as channel digital technology to extend exports from rural and traditionally backward areas," he added.

#### Domestic procurement push

A further push for adopting mandatory domestic procurement norms by the government may also be there in the policy. The Federation of Indian Chambers of Commerce & Industry had suggested back in February that state governments should also adopt these norms.

Currently, the Public Procurement (Preference to Make in India) Order 2017, that came into effect back in June last year, stipulates that only local suppliers will be eligible for all government goods purchases less than an estimated ~5 million. A further list of 90 items is currently being drawn up to be placed under the mandatory category in preferential procurement.

The current industrial policy was framed back in 1991, the government led by P V Narasimha Rao essentially junked the previous licence raj. But critics have said the policy was hastily prepared at a time when the economy was battling an economic crisis. Back then, large fiscal deficits had a spillover effect on the trade deficit culminating in a serious external payments crisis.

<b>Cotton prices stable despite trade war</b>	<b>The Daily Star</b> <a href="https://www.thedailystar.net/news/business/cotton-prices-stable-despite-trade-war-1618474">https://www.thedailystar.net/news/business/cotton-prices-stable-despite-trade-war-1618474</a>
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The ongoing US-China trade war could not leave any negative impact on cotton prices, contrary to apprehensions that the increasing tariff measures would make the fibre costlier in international markets.

For cotton, Bangladesh depends a lot on India, supply from where meets nearly 60 percent of Bangladesh's annual demand of 7.1 million bales.

In the beginning of the war, some Indian cotton traders raised the prices a bit in the name of higher cotton demand by Chinese importers as the Trump government imposed 25 percent tariff on export of cotton to China from the US.

“But Bangladeshi firms did not go for panic buying like in 2010, when cotton prices reached a historic high,” said Monsoor Ahmed, secretary to Bangladesh Textile Mills Association, a platform for spinners, cotton importers, users and weavers.

“Rather they adopted a 'go slow' policy, which ultimately helped to keep cotton prices stable in Bangladesh.”

On August 4, cotton was traded at 89.5 to 87.5 cents a pound in international markets.

The fibre—a basic raw material for garment fabrics—was traded at the same price range a month earlier, when the economic tangle between the two global giants started.

“In 2010 and 2011, a section of international traders created an artificial crisis and raised cotton prices by nearly five times to around \$2.5 a pound. For almost seven years, the fibre's price remained stable at \$0.5-\$0.6 a pound.”

Experts attributed the rise to a gradual tightening of stock, an unexpected freeze in China's cotton producing areas, a historic flood in Pakistan and a ban on exports from India.

“This time our importers and mill users were very cautious,” he said.

China purchases more than \$1 billion worth of cotton from the US every year. With the higher tariff in place, the Chinese cotton importers started buying the fibre from India, but not in bulk. Moreover, China started importing cotton through Vietnam from the US, which played a vital role to keep its price stable worldwide.

Bangladeshi importers started reducing their overdependence on Indian cotton three to four months ago thanks to the availability of high quality African and American cotton at competitive prices, Ahmed said.

Now, only 40 percent of the cotton demand in Bangladesh is met with the Indian variety.

On the other hand, cotton imports from Africa has increased by 15 percentage points to 40 percent and from the US, the amount stands at 8 percent, which was around 4 percent even two years ago.

Some traders sell the fibre from different warehouses established in Singapore, Malaysia and Sri Lanka, which increased the availability of African cotton, he said.

“So, there is no crisis of cotton at competitive prices at all now.” “I don't see anything abnormal happening to cotton prices due to the trade war,” Mehdi Ali, president of Bangladesh Cotton Association, the club of domestic cotton traders, told The Daily Star. “Bangladeshi mill users and importers should not be worried as the country now has enough cotton in stock backed by a better domestic production of the crop.”

According to the May report of the United States Department of Agriculture on cotton, the world's ending stocks

forecast of cotton was down slightly for 2018-19.

However, stocks outside of China will increase for the third year in a row and reach a record high of just over 50 million bales. Global cotton consumption is also expected to hit a record, over 125 million bales.

**Poor rains likely to hit Gujarat  
cotton crop**

**Financial Express**

<https://www.financialexpress.com/market/commodities/poor-rains-likely-to-hit-gujarat-cotton-crop/1275857/>

Cotton farmers of Gujarat are expecting a lower yield and crop failure due to insufficient rains in the state thus far.

Cotton farmers of Gujarat are expecting a lower yield and crop failure due to insufficient rains in the state thus far. The state has similar acreage of cotton this year as it was last year but at the crucial growing period many cotton growing areas, mainly in Saurashtra and North Gujarat are still dry and do not have enough irrigation facilities. According to farmers and cotton industry experts, it will be harmful for standing cotton crop if the state does not have good spell of monsoon instantly.

According to the state agriculture department's latest data, as on August 6, 2018, cotton sowing has been done on 2.65 million hectares which was 2.64 million hectares in corresponding period last year. "Cotton crop needs immediate rain. It is a growing period and if rain does not come within a week, cotton may face big loss. This year, farmers had begun sowing late due to delay in monsoon. The flood situation has already damaged cotton in some parts of Saurashtra and South Gujarat. Yield of the crop will not be as expected in Gujarat this year in present scenario," said Ramesh Bhorania, farmers and agriculture expert from Naranka village of Rajkot.

As on date, Gujarat has received 454 mm rains which is about 55% of the season's normal average of 831 mm. Situation was much better last year. The state had received 662 mm rainfall that was 82% of normal till 8 August. "Gujarat is the leading cotton growing and producing state in India and any loss over there will affect the entire cotton trade of the country. Districts like Surendranagar, Kutch, Morbi and Banaskantha which are big areas of cotton have received very poor rainfall so far. All these factors will decrease the yield and may affect the price and supply too," said Atul Ganatra, president of Cotton Association of India (CAI).

Ganatra said that average yield is about 550 kg per hectare in India. In its recent estimate, the cotton body has estimated cotton production of 36.5 million bales (a bale of 170 kg) for the entire season ending 30 September 2018. It has estimated 10.8 million bales cotton production in Gujarat. According to the CAI, as on 31 July, total arrival stood at 35.34 million bales across India. During this season so far, the country has exported about 6.7 million bales of cotton and by end of the season total exports from India would be about 7-7.2 million bales.

**Khadi exhibitions in 10 countries during Independence day celebrations**

**Business Standard**

[https://www.business-standard.com/article/pti-stories/khadi-exhibitions-in-10-countries-during-independence-day-celebrations-118080901666\\_1.html](https://www.business-standard.com/article/pti-stories/khadi-exhibitions-in-10-countries-during-independence-day-celebrations-118080901666_1.html)

In a bid to expand khadi's global reach, week-long exhibitions will be held in 10 countries as part of Independence day celebrations.

Products supplied by Khadi and Village Industries Commission (KVIC) have been shipped yesterday for display in cities in Bahrain, Iran, the UK, Singapore, Jordan, Australia, Canada, Portugal, Saudi Arabia and Italy.

A statement issued by KVIC said 20 types of fabric to be displayed in the exhibitions range from muslin to silk and from cotton to wool, along with selected high-quality readymade garments like Modi jacket, shirts, tops, designer kurtas, western wear and niche village industries products like shops, shampoos, sanitizers, herbal tea/coffee and leather wallets.

Last month, KVIC chairman Vinai Kumar Saxena had written to Indian embassies in 42 countries last month, seeking their support in promoting khadi in their respective consulates during Independence Day celebrations this year.

"In what comes as the increasing popularity of khadi across the globe, 26 embassies/high commissions responded positively and shown their interest in promoting the signature fabric of India," he said. He said it is the first move in taking khadi from a local to global platform. "Based on khadi's multiplying USP abroad, KVIC plans to organise similar exhibitions in 50 other countries on October 2, which incidentally coincides with 150th birth anniversary of Mahatma Gandhi," Saxena added.

**EU foreign trade body maps plan to revive FTA talks**

**Economic Times**

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eu-foreign-trade-body-maps-plan-to-revive-fta-talks/articleshow/65346655.cms>

NEW DELHI: Europe's foreign trade association Amfori has said that India and the European Union should focus on resolving differences over three crucial issues if they want to break the deadlock on the longstalled free trade pact.

Amfori said talks should initially focus on India's demand for a liberal visa regime for its nurses, a relaxed geographical indications regime and duty cuts on its textile exports. Christian Ewert, president of Brussels-based Amfori, told ET that EU's insistence on India committing to sustainability norms is one of the sticking points as Delhi is against the inclusion of non-trade issues such as environment and labour in its trade pacts.

We are looking at alternatives to revive the talks and early harvest is one of those," Ewert said but highlighted "great reluctance on both sides" for an early harvest. Talks on the trade pact, called Bilateral Trade and Investment Agreement (BTIA), have been held up since 2013 and a recent informal meeting of two sides on how to resume negotiations failed to yield results. "We need to identify services which are in short supply in Europe such as healthcare and IT," he said. The EU now asks for trade and sustainability chapters in all its trade pacts and that is among the five areas of contention between the two sides.

Slashing of import duty on European cars and alcohol by India, recognition of the country as a 'data-secure' nation to enable free flow of data between the two and easier visa norms for Indian professionals are the other sticking points. India exported merchandise worth \$53.5 billion to the EU in 2017-18 while it imported \$47.8 billion worth of goods from the trade bloc. Besides Brexit, the other causes of slow movement on the BTIA is the EU's involvement in free trade agreements with other countries, including some in Asia such as the Philippines. "Further, EU is challenged by the refugee situation," Ewert said. The EU's apprehension to sign a BTIA separate from the Bilateral Investment Treaty (BIT) with India has further added to the delay.

Not having a bilateral investment treaty is a hindrance to investments," he said. The European Commission had raised concerns over negotiations for a fresh BIT .

**DNA Money Edit: India's textile sector needs a push**

**DNA India**

<http://www.dnaindia.com/analysis/column-dna-money-edit-india-s-textile-sector-needs-a-push-2647998>

Textile industry in India has been facing numerous challenges since the implementation of goods and services tax (GST) in July 2017. Adding to the plight was the withdrawal of duty drawbacks, which, coupled with free trade agreements (FTAs) with some of the neighbouring nations, made Indian textile products expensive in the international markets.

The increased cost of production threatened the survival of micro, small and medium enterprises (MSMEs) as FTAs resulted in cheaper finished textile products flooding the domestic textile market. The industry players have been leaving no stone unturned to convince the decision makers about the ground reality.

The government has doubled import duty on 328 textile products to 20% thereby curbing rising imports from China and giving a boost to domestic manufacturing. However, a majority of imports into India is from countries like Bangladesh, Vietnam and Indonesia, thanks to FTAs. India will not be able to give any direct exports incentive to the sector, so there is definitely a need to support exporters to encourage domestic manufacturing.

While the government's duty hike move is certainly positive for the sector, it is too early for textile industry players including MSMEs to rejoice and pop the champagne bottle.

**About 97% of 2017-18 cotton crop reached market: CAI**

**Fibre 2 Fashion**

<http://www.fibre2fashion.com/news/textile-news/about-97-of-2017-18-cotton-crop-reached-market-cai-243888-newsdetails.htm>

About 97 per cent of the estimated 365 lakh bales (170 kg each) of cotton crop for the 2017-18 season has arrived in the market by July-end, the Cotton Association of India (CAI) has said in its latest estimate of India's cotton situation. The CAI has kept its estimate for the current season beginning October 1, 2017 unchanged from previous two estimates.

The CAI has, however, revised the state-wise crop estimate for the North Zone compared to the estimate made during the last month, based on the arrival figures up to July 31, 2018 reported by the respective states.

In Punjab and Haryana, the crop estimates for the season have been reduced by 2 lakh bales and 50,000 bales respectively compared to the estimate made during the last month. However, the crop estimates for Upper Rajasthan and Lower Rajasthan have been increased by 1.00 lakh bales and 1.50 lakh bales respectively compared to the last month based on the arrival figures.

The CAI has projected total cotton supply up to July 31, 2018 at 400.45 lakh bales. This includes arrival of 353.45 lakh bales up to July 31, 2018; estimated imports of 11 lakh bales; and the opening stock of 36 lakh bales at the beginning of the season as on October 1, 2017.

Further, the CAI has estimated cotton consumption for 10 months i.e. from October 2017 to July 2018 at 270 lakh bales, while the shipment of cotton till July 31, 2018 has been estimated at 67 lakh bales.

Thus, the stock at the end of July 2018 is estimated at 63.45 lakh bales including 42.65 lakh bales with textile mills while the remaining 20.80 lakh bales are estimated to be held by CCI and others (MNCs, traders, ginners, etc).

The projected yearly Balance Sheet for the Season 2017-18 drawn by the CAI estimates total cotton supply till end of the season i.e. up to September 30, 2018 at 416 lakh bales of 170 kg each. This includes opening stock of 36 lakh bales at the beginning of the season. The CAI has estimated domestic consumption for the season at 324 lakh bales while the exports are estimated to be 70 lakh bales. The carry-over stock at the end of the 2017-18 season is estimated by at 22 lakh bales.

### **Govt e-marketplace's 40 pc transaction with MSMEs**

**SME Times**

<http://www.smetimes.in/smetimes/news/top-stories/2018/Aug/09/gem-transaction-msme39730.html>

More than 40% of transactions by volume are done with MSMEs registered on the Government e-marketplace GeM, the government said on the occasion of completion of two years of the platform on Thursday.

More than 40% of transactions by volume are done with MSMEs registered on the platform, said an official release.

GeM was launched on August 9, 2016, with the objective of creating an open, transparent and efficient procurement platform for government.

Over its short journey, GeM has achieved many significant milestones, including achieving gross over Rs. 10,000 Crores in Gross Merchandise Value (GMV) through more than 6.16 Lacs transactions on the platform.

It has made over 4.2 lakh products available on its platform through a network of over 1.3 lakh sellers and service providers.

Buyers from across 36 States & Union Territories (UTs) are buying on the platform. 24 States & UTs have signed a formal MoU with GeM to adopt GeM as the core procurement portal in their respective territories.

Average savings of 25% achieved across transactions on the platform, said the release.

**Nike not going to enter Uzbekistan's textile market?**

**Azer News**

<https://www.azernews.az/region/136013.html>

American sportswear and apparel company Nike doesn't have any plans to sign an agreement with Arnasoy Gold Tex, an Uzbek textile company, for joint production of sportswear, a representative of the company told Trend.

The Uzbek textile company earlier announced plans to sign contracts with the world famous brands Nike and Adidas for production of sportswear.

It seems, however, that Nike has no such plans whatsoever.

"We have no manufacturing presence in Uzbekistan, and no plans to establish a relationship with Arnasoy Gold Tex," the Nike representative said.

Arnasoy Gold Tex's factory is to be launched in early 2019 and will feature the latest textile equipment and quality standard of ISO 9001. The company is also claiming to have won the support and recommendations from such world fashion houses as Zara Home Collection and Tac Home, which will allegedly allow them to manufacture products under the corresponding brands in the territory of Uzbekistan.

On the other hand, it is unclear if the American company plans to be involved in any other projects in Uzbekistan.

Back in March 2018, Uzbek officials announced plans to attract international sports goods manufacturers to the new Sport Free Economic Zone (FEZ) in Tashkent region in line with the Uzbek president's order.

Such renowned brands as Adidas, Reebok, Nike, Li Ning, Eleiko, Janssen-Fritsen, Gymnova etc. had to be invited to the FEZ.

**Talks on new minimum wage start**

**Khmertimeskh**

<https://www.khmertimeskh.com/50521380/talks-on-new-minimum-wage-start/>

The Labour Ministry and relevant parties have started talks on the minimum wage for workers in the textile, garment and footwear industries for next year.

A ministry announcement yesterday said initial talks to set the parameters for the new minimum wage were scheduled for this month and discussions between it, employers and unions will take place next month.

"All parties have to use social criteria such as family status, inflation rates, living expenses and economic criteria," a ministry statement said. "The economic criteria includes productivity, the country's competitiveness, labour market conditions, profit margins and the poverty level."

The ministry requested all parties to focus on providing data based on research into the criteria as set out in Article 5 of the Minimum Wage Law to use as the basis for negotiations.

Ath Thun, president of the Coalition of Cambodian Apparel Workers Democratic Union, said yesterday that the respective unions have already conducted informal discussions on the issue.

He said the coalition is also conducting a survey on the cost of living and plans to hold discussions with international unions later this month.

“So far we have just talked to other unions about a suitable wage, but we still have nothing specific to put forward,” he said. “We have yet to obtain feedback from our survey.”

“After getting the feedback we will meet to propose a figure that has been jointly agreed upon as we do not want to have any disagreement among the unions,” he added.

According to the ministry, the minimum wage for garment, textile and footwear workers was officially set at \$170 per month this year.