



## The Southern India Mills' Association

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### NEWS CLIPPINGS –01-10-2018

#### Cotton arrival picks up

Tribune India

<https://www.tribuneindia.com/news/punjab/cotton-arrival-picks-up/661340.html>

The arrival of cotton in the region's markets is gradually picking up the pace as Punjab, Haryana and Sri Ganganagar circle of Rajasthan are registering the arrival of 12,000 bales of cotton on a daily basis.

North India Cotton Association ex-president Ashok Kapur said, "Haryana has taken the lead with the arrival of almost 7,000 bales of cotton daily followed by Punjab with 3,000 bales and the Sri Ganganagar circle with 2,000 bales. These arrivals will keep on increasing with each passing day. The weather too is clear now and there is no hindrance to crop harvesting. Most of these arrivals in Punjab are being recorded in places such as Abohar and Rama Mandi."

He said the government agencies may step in for cotton purchase once the arrivals pick up. According to him, if the agencies need to make commercial purchase they can enter the market any time, but they will be largely out of the picture, if they restrict their role to maintaining the minimum support price (MSP). He said the cotton right now is fetching a price of anywhere between Rs 4,900 to Rs 5,300 per quintal. He said the flow of arrival would continue at the same pace, if the rates remain above Rs 5,000 per quintal. But it may decline, if the price drops below the Rs 5,000 mark. He also felt that the big farmers may hold back their stock, if they don't get the desired price. Incidentally, the market in Bathinda is yet to witness any cotton arrival.

The cotton farmers are hoping for a bumper crop this year, though the recent rain spell in the region has come as a dampener. However, they heaved a sigh of relief, as the rains didn't last long. PAU's senior farm economist Dr GS Romana said they had not received any report of major damage to cotton crop due to rains. "It has largely remained unaffected as it did not rain much in the Malwa region," he added.

Interestingly, the area under cotton cultivation has declined by almost one lakh hectares in the state. The farmers are also buoyant as the government has increased the MSP of cotton from Rs 4,020 to Rs 5,150 per quintal.

A. Cotton		
Spot price (Ex-Gin) 28.5 to 29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
22087	46200	80.92
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
21800	45600	79.87
International Futures		
NY ICE USD Cents/lb. ( Dec 2018)		76.37
ZCE Cotton: Yuan/MT (Jan 2019)		15645
ZCE Cotton: USD Cents/lb.		87.82
Cotlook A Index - Physical		0.00
B. Currency		
USD/INR	Close	Previous Close
Spot	72.820	72.490

**Cotton Guide:**

The week gone by was negative for cotton so as the case in the entire September. For ready reckoner December future traded down by more than 7% in September and other contracts were also down mostly in the same range. The December future settled lower at 76.37 cents per pound. December was the biggest loser for the week and the month. It lost 276 points this week and 585 points for the month.

Broadly the trend has turned bearish; the US trade wars continue to take their toll on cotton. The strengthening US dollar has been weighing on export markets. The dollar index has ended higher in 5 of the last 6 sessions for a net gain of 1.3 percent, a notable move for that index. China's ZCE futures have looked much like ICE, both markets sliding for the last few months. The ZCE settled lower for the 4th consecutive session and it ended 2.6% lower for the week and 6.1% lower for the month.

The Chinese State Reserve auctions will finish this series tomorrow. Cotton on today's auction had a turnover rate of 55.66 percent, spinners only. Offered were 37,110.3543 tons (170,448 bales); and sold were 20,655.7506 tons (94,872 bales). The cumulative turnover rate is 58.6 percent (offered versus sold). This auction series started at 24.1 million bales and 12.71 million bales remain.

On the trading front, volumes have been steady around 30K contracts. However, total open interests were at 247,226 contracts. That was the lowest open interest since November 30th (246,338 contracts). Open interest has declined in 9 of the last 10 sessions for a net drop of 10,783 contracts. The lowest open interest per calendar year in

cotton's entire history has been under 200,000 contracts. Last year had the highest calendar-year-low open interest at 199,256 contracts on June 23rd.

From the domestic side Indian cotton price for Shankar-6 traded lower near Rs. 45500-45700 per candy ex-gin amid arrivals increasing gradually above 10 to 15K bales a day. We think as the season progresses the supply would increase and that will have pressure on price. Therefore the effect is already felt on the futures price. The October cotton ended the week at Rs. 21840 down by Rs. 470 per bale from the previous week's close.

Overall we think the trend may remain weak and recommend selling on rise for the near term.

. Currency Guide:

Indian rupee has opened marginally higher in early trades today to trade near 69.615 levels against the US dollar. The currency is seeking support from stabilization in domestic equity market and decline in US Dollar. The Dollar has come under pressure following Trump's comments. US President Trump yesterday in an interview expressed displeasure over Fed's stance of tight monetary policy and also accused China and Europe of currency manipulation. The gains may be capped amid ongoing trade worries and financial turmoil in Turkey. For the day we expect Rupee to continue to trade with positive bias. USDINR may trade in a range of 69.4-69.8 and bias may be on the downside.

**UK, India fashion designers to boost northeast women textile workers**

**Indian Express**

<https://indianexpress.com/article/india/uk-india-fashion-designers-to-boost-northeast-women-textile-workers-5379368/>

The British Council and IMG Reliance signed an agreement last month to help exotic indigenous textile products of the northeast region get a global platform through the project - 'A Telegram from Tripura', a senior official of the Council said.

Fashion designers from the UK and India are set to come together to be part of a project aimed at benefiting women textile workers of the north-east.

The British Council and IMG Reliance signed an agreement last month to help exotic indigenous textile products of the region get a global platform through the project – 'A Telegram from Tripura', a senior official of the Council said.

"The project will bring UK designer Bethany Williams and Indian designer Aratrik Dev Varman together to explore new fashion systems and approaches with women textile workers of the north-east region in focus," Director of the British Council in India, Alan Gemmell, told PTI in an interview.

IMG Reliance is a joint venture between IMG Worldwide of the US and Reliance Industries.

However, it is not immediately known when the UK designer would reach India and meet Dev Varman, who hails from Tripura.

The final work, to be presented at the Lakme Fashion Week in February next year, will showcase female textile

artisans and demonstrate how design innovation can promote a fairer, more inclusive fashion industry, Gemell said.

“We want friendship between India and the northeast, in particular by bringing art and culture, and educational opportunities from our country,” he said.

The British Council has given scholarships to 500 students from India for academic exchange programme in 44 universities of the UK, the official said.

To mark the 70th anniversary of the Council in India, it also awarded scholarships to 100 Indian women, to study STEM (Science, Technology, Engineering, and Mathematics) subjects at premier higher education institutions in the UK, Gemell said.

“Out of these 100 women, six are from the north-east... This year we want to inspire young people across Arunachal Pradesh and the north-east region to think about the UK as a place to study...,” he added.

**Maharashtra agriculture task force  
urges Arun Jaitley for bailout package  
for farmers**

**Times Now**

<https://www.timesnownews.com/business-economy/economy/article/maharashtra-agriculture-task-force-urges-arun-jaitley-for-bailout-package-for-farmers/292265>

Union Finance Minister Arun Jaitley must intervene and grant a special bailout package for farmers to bring them under institutional credit cover, Kishore Tiwari, chairman of a task force set up to tackle Maharashtra's agrarian issues said Sunday. He said that eight million farmers have been affected by drought and public sector banks in the state had failed to achieve crop loan targets set for them by the Reserve Bank of India and the National Bank for Agriculture and Rural Development.

"Hence the special task force has now approached Union Finance Minister Arun Jaitley for his urgent intervention and asked him to grant a special bailout package so that every debt-ridden farmer is brought under institutional credit cover," Tiwari, chairman of the Vasant Rao Naik Shetkari Swavalamban Mission, said.

In a release issued here Sunday, Tiwari said that figures made available by the State Lead Bankers Committee after a review meeting held at Pune Friday showed that public sector banks in Maharashtra had achieved only 41 per cent of the crop loan target.

He informed that despite the Maharashtra government announced a farm loan waiver of Rs 14,000 crore, PSU banks had achieved only 30 per cent of their crop loan targets in 14 districts of Marathwada and Vidarbha.

"The banks have disbursed only Rs 11,000 crore against a target of Rs 28,000 crore in these 14 districts, which have witnessed several farmer suicides over the past few years," he said. Tiwari said that a reduction in the interest rate for crop loans by the state government was not helpful since a large number of farmers had defaulted on bank loans

earlier and were, thus, ineligible for the fresh institutional credit.

"The state government has announced a reduction of interest rate on crop loan from 9 per cent to 6 per cent. But when only 5 per cent of farmers are taking farm loans from banks, what is the use of this reduction," he asked. "In Vidarbha, out of 3.2 million cotton growers, 2.8 million farmers are old defaulters of bank loans and not eligible for the institutional credit," he pointed out.

**Centre to pay jute mills only after full payment to farmers, labourers: Minister**

**The Quint**

<https://www.thequint.com/news/hot-news/centre-to-pay-jute-mills-only-after-full-payment-to-farmers-labourers-minister>

Union Textile Minister Smriti Irani on Saturday said the Centre is making it mandatory that jute mills would get the entire payment for government orders only after jute farmers and labourers are paid fully.

"Jute industry has a ready order worth Rs 5,000-5,500 crore every year (in terms of sacking). The government gives such a huge order so that the jute industry stays alive. The huge money is given to the jute industry in terms of order so that the farmers and labourers can get benefit out of it," she said.

Farmers and labourers often complain that they do not get the benefit which they deserve, she said at an interactive session organised by the Indian Chamber of Commerce here.

"The jute industry used to get payments against the order regularly. Why are the farmers and labourers complaining that? Now, we are making it mandatory, that if you do not pay farmers or labourers or abdicate the responsibility, we will not give you the order," Irani said.

"The Centre has made a special arrangement and another decision will come soon so that the industry would get the entire payment against the order from the government only after farmers and labourers get fully paid," she said.

The industry assured that they would take care of the rights of the jute farmers and labourers, she added.

The Centre is focusing on how to transform small-size firms into mid-size entities, Irani said.

"China prospers because its small firms became mid-size companies... small and medium enterprises account for 80 per cent of the textile industry and a lot of craft-based industry goes unaccounted.

"For the growth to happen exponentially, we are pushing towards ensuring that the small-size firms become mid-size entities. It needs infrastructure push," she said.

Irani stressed upon innovation in terms of design that the textile industry needs. According to her, India looks at the trade war between China and the US as an opportunity and not as a challenge. She said India would be benefited from the trade war not only through policy intervention but also through industry practices.

Commerce and Industry Minister Suresh Prabhu will chair an inter-ministerial meeting on Monday to discuss the implementation of sector-specific strategies to bring about a substantial and sustained increase in the growth of exports.

Secretaries and other senior officials from ministries and departments such as textiles, electronics and IT, heavy industry, agriculture, animal husbandry, chemicals, pharmaceuticals, mines, defence production, commerce, industry, food processing and food and public distribution will share their action plans to increase exports, a government official told BusinessLine.

“There have already been two inter-ministerial meetings earlier this year on sectoral export promotion strategies where various stakeholders shared the problems and opportunities related to their sectors. At the Monday meeting, it is hoped that concrete policies for export promotion will be agreed upon,” the official added.

An analysis carried out by the Directorate General of Foreign Trade suggested that India’s share of exports is high in goods which are less traded, and low in goods in which trade is more. Moreover, most exports from the country are of items considered low in the global value chain.

“The idea behind sectoral export promotion strategies is to reverse the trend and increase India’s exports of high-value items and products that are high in demand globally. This is possible with all departments and ministries contributing to the strategy,” the official said.

In FY15, India’s exports declined 1.3 per cent to \$310.33 billion from \$314 billion the previous year. The following year, with continued global slowdown, exports declined at a sharper 15.48 per cent to \$262.29 billion.

Although in the last two fiscals exports have posted modest increases, overall merchandise exports worth \$303 billion shipped in FY18 (10 per cent growth) were still below the FY14 level of \$314 billion.

#### Growth in FY19

In the first five months of this fiscal, exports have increased about 16 per cent, said the official, adding: “This is encouraging. Through a focussed strategy for sectoral export growth the growth would be higher and more sustained.”

In an earlier meeting, Prabhu said the Commerce Department would also take the assistance of the Ministry of External Affairs to implement the action plans through India’s commercial missions abroad.

Donald Trump referred to India in the context of his repeated allegation that other countries have been taking advantage of America in the past.

President Donald Trump on Saturday said that India wants to have a trade deal with the US because it does not want him to impose tariffs on their products.

Trump's remarks, for the second time in recent weeks, comes days after Assistant US Trade Representative Mark Linscott returned from India where he had detailed discussion with senior Indian officials on bilateral trade and a possible trade deal between the two countries.

Trump often accuses India of imposing 100 per cent tariffs on American products.

"We have a country, take India. Good relationship. They want to make a deal now because they don't want me to do what I'm going to do, with I have to. So, they (Indians) call us. They didn't want to make a deal with anybody else," he said.

Trump referred to India in the context of his repeated allegation that other countries have been taking advantage of America in the past.

Trump early this month had said India wanted a trade deal with the US despite the US administration's tough stance on the issue. "Take India. You talk about free trade. So, let's say they (Indians) charge us 60 per cent tariff on a product. And for the same product when they send it in (America), we charge them nothing. So now I want to charge them 25 per cent or 20 or 10 or something," Trump said.

"What do you think? That's not free trade. We don't like it. I said, where are these people coming from? So, think of it. Where are they coming from? You have no idea how difficult it is. Where are they coming?" Trump said on Saturday referring to the conversations he is having with India.

Trump told the crowd that he is using India just as an example.

The president said he can give example of other countries which are "brutal" to what they do with the United States.

"I could give you (examples of) others that are brutal, just brutal what they do to us, how they take advantage of the stupidity. We never even had people negotiate, they just do whatever they want," Trump said as he went back to the India example.

"Remember this? A lot of the people that are fighting me in what I'm doing have ownership of companies in these other countries. Remember that please. Remember that, or they're represented by lobbies," Trump said, as he lashed out at those who are opposing his America First trade policies.

Trump said nobody wants to talk about the jobs created and nobody wants to talk about all the money that's flowing in to the coffers of the United States of America, he said.

"The people that are against it are usually having companies...you know, you go to these other countries, they have companies there too," he alleged.

**WTO, IMF, World Bank seek 'urgent' international trade reforms**

**Live Mint**

<https://www.livemint.com/Politics/cjbrBNKi42zL3RSWynIp6J/WTO-IMF-World-Bank-seek-urgent-international-trade-refor.html>

The slow pace of reforms since the early 2000s, fundamental changes in a more interconnected economy, and the risk of trade policy reversals call for urgency to reinvigorate trade policy reforms, the bodies said

The World Trade Organization, International Monetary Fund and World Bank on Sunday issued an emergency call to reform the multilateral trading system as the US retreats from prior agreements.

'The urgent challenge today is to harness the unique strength of the WTO,' the bodies said in a joint report. 'The slow pace of reforms since the early 2000s, fundamental changes in a more interconnected modern economy, and the risk of trade policy reversals call for urgency to reinvigorate trade policy reforms.'

President Donald Trump this week harshly criticized globalism in general and questioned America's participation in multilateral institutions like the WTO during the United Nations General Assembly meeting in New York.

Meanwhile, fallout from the escalating US-China trade conflict led the WTO to cut its trade growth forecast this week, and WTO Director-General Roberto Azevedo warned that a full-blown trade war 'would knock around 17% off global trade growth, and 1.9% off GDP growth.'

The joint paper by the Washington-based groups outlined specific initiatives aimed at modernizing WTO rules, including a focus on increased market access for e-commerce, more flexible negotiating structures and better transparency of government trade policies.

EU, Canada

The recommendations echo many goals outlined in various WTO reform proposals offered this month by the European Union and Canada.

Recognizing the dire state of the WTO, countries like Canada and the EU are preparing the groundwork to update the organization's 23-year-old rule book.

Though both China and the US endorse the need for WTO change, they have polarized views on how to do so.

The WTO, IMF and World Bank jointly called for new rules to address the expanding role of electronic

commerce along with investment and services trade in the 21st century.

'The opportunities provided by information technology and other fundamental changes in the global economy are yet to be reflected in modern areas of trade policy,' the report said.

The three institutions also advocated the more so-called use of plurilateral talks to help unblock trade negotiations that have failed to advance at the multilateral level.

Faster deals

Plurilateral accords are deals negotiated among a group of like-minded members that are limited to certain sectors of goods or services. Such agreements are typically easier and faster to negotiate than multilateral accords, which require a consensus among the WTO's 164 members.

The joint report urged WTO members to work together to fix the impasse in the WTO dispute settlement system, which risks paralysis due to the Trump administration's refusal to appoint appellate body members.

Over the past year the US has cited a pattern of judicial overreach at the WTO and has blocked the appointment of experts to the appellate body, which has the final say in WTO dispute rulings.

After Sunday, the seven-person panel will have three members — the minimum required to sign off on appellate body rulings.

If the US continues to oppose new appointments to the panel beyond December 2019, the body will not have enough panelists to sign off on rulings and the WTO will lack the ability to fully adjudicate trade disputes involving the world's largest companies.

**Union Textile Minister Smriti Irani calls for innovation in textiles sector**

**Catch News**

<http://www.catchnews.com/national-news/union-textile-minister-smriti-irani-calls-for-innovation-in-textiles-sector-134761.html>

Textiles Minister Smriti Irani Saturday urged the industry to go for innovation and come forward in taking new initiatives.

She said that the government is pushing for small size firms to become mid-size as 80 per cent of the companies in the textiles industry are in the MSME sector. "Big players are many", she said.

Speaking at an interaction organised by Indian Chamber of Commerce here, Irani said "There is a need for innovation. The case of technical textiles is one such example."

Technical textiles finds its applications in automobiles, interior decoration, healthcare, industrial safety among others.

Irani said that the industry should work closely with the government so that the policies framed by the government could be implemented effectively.

Stating that the trade war between the US and China has opened up an opportunity for India, she said that there were dramatic challenges like development of infrastructure and making the workforce productive.

Regarding the jute sector, she said that India should go for more diversified products like Bangladesh.

Irani warned the jute industry that if the workers and farmers did not get money which the government gives for buying jute bags then the concerned company would stop getting orders.

**VN's export value to US reaches record high in Aug**

**Vietnam News**

<https://vietnamnews.vn/economy/466745/vns-export-value-to-us-reaches-record-high-in-aug.html#uQZTxuOBpzaRuXKH.97>

Việt Nam's export value to the US reached \$4.89 billion in August, the highest level since January this year, according to the General Department of Customs.

This figure rose 15 per cent against that in July and 24 per cent compared with that in August 2017. This was the third consecutive month the export value exceeded \$4 billion.

Most of Việt Nam's major export products to the US maintained a positive growth rate over the same period last year, including textiles, telephones, footwear, wood and wooden products, machinery and equipment.

Despite the rising US-China trade war, experts are still positive about the outlook of local exports to the US. According to the Ministry of Industry and Trade, so far, the structure of imports and exports between the US and Việt Nam has not changed overall.

Việt Nam mainly exported seafood, textiles, footwear, wood and wood products, computers, electronic products and components, and agricultural products to the US.

Meanwhile, it imported machinery, computers, electrical components, cotton, animal food and materials for animal food production, soybeans, machinery, equipment and tools.

According to local trade experts, the US will still remain the key export market for Việt Nam in the future. This is a large and high-potential market but also a very demanding one, so local exporters need to improve their competitive ability in business and cooperate with each other in the supply chains for success in exports to this market.

In addition, some commodities such as seafood and agricultural products have faced strict regulations and standards for imported products. To meet the requirements, firms will have to increase production costs, thus losing competitive advantage in the short run.

However, for the long term, those obstacles would be factors forcing local enterprises to implement food safety standards, improving quality and competitive ability of their export products on the world market, according to the experts.

The Ministry of Industry and Trade has encouraged Vietnamese enterprises to jointly build up a supply chain for exporting to the US market, thereby creating added value for export goods. It would also support the enterprises in developing this supply chain.

<b>Egypt's non-oil exports reach \$59.7B in 8 months</b>	<b>Egypt Today</b> <a href="http://www.egypttoday.com/Article/3/58311/Egypt%E2%80%99s-non-oil-exports-reach-59-7B-in-8-months">http://www.egypttoday.com/Article/3/58311/Egypt%E2%80%99s-non-oil-exports-reach-59-7B-in-8-months</a>
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The trade exchange of non-petroleum products hit \$59.68 billion in the first eight months of 2018, compared to \$53.35 billion during the same period of 2017, with an increase of 11.8 percent.

The General Organization for Export & Import Control (GOEIC) said in a report that Egypt's exports hiked 10 percent, recording \$16.54 billion, compared to \$14.99 billion during the first eight months of 2017.

Egypt's imports also increased 12 percent to \$43.14 billion, compared to \$38.35 billion in January-to-August period in 2017, gaining \$4.78 billion.

Furthermore, trade exchange between Egypt and the United States during the eight months of 2018 rose 28.2 percent, recording \$4.41 billion, compared to \$3.44 billion in the same period of the previous year.

Meanwhile, trade exchange with African countries without Arabs recorded \$1.63 billion, compared to \$1.37 billion in the same period of the previous year, with an increase of 19.5 percent.

Regarding Arab countries, trade exchange increased 9 percent to \$8.9 billion, compared to \$8.16 billion during the same period of 2017.

The trade movement with the European Union countries marked an increase of 3.9 percent, recording \$18.34 billion, compared to \$17.65 billion during the same period of 2017.

Five export sectors witnessed growth during January- to-August period, as chemicals rose 24.8 percent to \$3.54 billion, handcraft industries by 10.1 percent to \$142 million, medical exports by 13 percent to \$338 million and textile by 7.2 percent to \$597 million, according to Head of GOEIC Ismail Gaber.

Gaber added that the import sectors included furniture which surged by 61.6 percent to \$90 million, leather products by 34.6 percent to \$133 million, handcraft industries by 28.1 percent to \$224 million, in addition to building materials by 26.4 percent to \$7.32 billion and garments by 32.8 percent to \$349 million

He also stated that the biggest markets which received the Egyptian products during the first eight months of the current year include the United Arab Emirates at \$1.5 billion, Turkey at \$1.39 billion, Italy at \$1.02 billion, Saudi

Arabia at \$932 million, USA at \$957 million, UK at \$702 million, Spain at \$632 million, Algeria at \$541 million, Germany at \$459 million, France at \$459 million, Jordon at \$393 million and Russia at \$338 million.

During January-July, non-petroleum exports reached \$14.89 billion, with an increase of 14.3 percent.