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NEWS CLIPPINGS –19-02-2019

Cotton procurement jumps 3-fold as prices drop below MSP	Financial Express https://www.financialexpress.com/industry/cotton-procurement-jumps-3-fold-as-prices-drop-below-msp/1491597/

Cotton procurement by the Cotton Corporation of India (CCI) has crossed 8.5 lakh bales in the ongoing 2018-19 cotton season as prices remained below the minimum support prices (MSP) due to weak global prices and low exports.

Cotton procurement by the Cotton Corporation of India (CCI) has crossed 8.5 lakh bales in the ongoing 2018-19 cotton season as prices remained below the minimum support prices (MSP) due to weak global prices and low exports. The Corporation expects procurement to touch 15 lakh bales by the end of the season.

The procurement figure was three times higher from the 3.6 lakh bales procured during the same period last year, said P Alli Rani, chairman and managing director, CCI.

A majority of the stock had been procured from Telangana and Maharashtra where farmers are now coming forward to sell to the CCI instead of approaching traders, she said. Cotton is also being bought from Madhya Pradesh, Karnataka and Odisha. Daily arrivals were 13,000-16,000 bales.

Alli Rani said the increase in procurement to the drop in prices. The prices have been on a decline in the global market. On the Intercontinental Exchange, the price hit a 15-month low last week, while on the Multi Commodity Exchange of India, prices are currently ruling at 10-month lows.

Until now, spot prices were higher than the global price as farmers in Maharashtra and Gujarat, the top two producers, have been holding on to their crop expecting a realisation of Rs 6,000 per quintal because of the expectation of a lower output this year.

The MSP for medium-staple variety of cotton is at Rs 5,150/quintal and that for long staple at Rs 5,450/quintal which are roughly equivalent to Rs 43,000-43,500 per candy (1 candy = 356 kg). The government had raised the MSP for cotton by 26% this year. Around 52% of the crop has already arrived in the market.

In Gujarat, the Shankar-6 variety was sold for Rs 41,500-42,800 per candy (1 candy = 355.62 kg). In Maharashtra, the 29-30 mm variety was sold for Rs 41,500-42,500 per candy. Output in Maharashtra is estimated around 70 lakh bales, lower than 85-90 lakh bales projected during the sowing period. The season had began on a bullish note with prices touching `5,800-5,900/quintal last month.

According to trade sources, contracts worth Rs 5 lakh bales to Pakistan are on hold following the Pulwama attack and have brought down sentiment by Rs 500 per candy. Pradeep Jain, president, Khandesh Ginning and Pressing Association, said farmers who were holding onto stocks until now were in despair to get better prices and had begun bringing their cotton to the market. Prices in Maharashtra were around `41,000 per candy and a lot of uncertainty prevailed, he said.

Cotton and Currency Markets	Kotak Commodities Research Desk **For more details contact :** Research@kotakcommodities.com & aurobinda.gayan@kotakcommodities.com

A. Cotton		
Spot price- Shankar-6 (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
19904	41600	74.28
Domestic Futures price (Ex-Warehouse Rajkot) February		
Rs/Bale	Rs/Candy	USD Cent/lb
20050	41905(-167)	74.28
International Futures		
NY ICE USD Cents/lb. (May 2019)		71.86
ZCE Cotton: Yuan/MT (May 2019)		15060(+35)
ZCE Cotton: USD Cents/lb.		100.95(+0.83)
Basis difference (ICE March -Domestic Spot)		2.42(+0.11)
Cotlook A Index - Physical		80.05(+0.10)
WTI Crude USD / Barrel		55.98
B. Currency		
USD/INR	Close	Previous Close
Spot	71.36	71.36(+0.13)
USD Dollar Index	96.78(+0.01)	

Cotton Guide

ICE futures were closed on Monday on the occasion of President's day. While we are writing this report at 7:45 am the ICE may futures are trading at 72.30 cents/lb. On Friday the ICE May contract settled at 71.86 cents/lb i.e a 0.6 % increase in prices. The bulls are in a run to lift the prices to another level. The Asia Pacific Stocks are shooting higher on US China Trade hopes. A new round of trade talks are scheduled at Washington, today. This brings hope to many who are awaiting for a trade deal.

On the Other hand the MCX contracts all settled to a lower degree. The MCX February contract settled at 20050 Rs/Bale with a negative slide of (-80) Rs. The MCX March contract settled at 20300 Rs/Bale with a negative slide of (-120) and the MCX April contract settled at 20,620 Rs/Bale with a negative slide of (-80) Rs. The total volume at MCX has increased by 495 lots and is now at 3742 lots whereas the open interest has decreased by (-65) lots and is now at 15323 lots.

Arrivals in India are estimated to be 145,000 lint equivalent Bales (source cotlook) including 44,000 registered in Maharashtra, 40,000 registered in Gujarat and 26,000 in Andhra Pradesh. The Prices of Shankar 6 remain unchanged at 41,600 Rs/Candy. Cotlook Index A has been adjusted higher to 80.05 cents/lb with a positive increase of +0.10 cents/lb.

CCI has procured around 8.5 lakh bales in the ongoing season as prices remain below the Minimum Support Price. The reason attributed to weak prices were – lower international prices and fewer imports. We expect the prices to maintain a sideways trend today.

ICE cotton May futures witnessed minor recovery from the support levels of $70.80 (50 % Fibonacci retracement levels) towards the 13 day EMA at $72.90. Price got support from the oversold RSI, which has reversed from the 30 zones towards 41 with positive divergence between RSI and price. More over price is still trading below the 13 day EMA AT $72.90, supporting the weakness in bias in cotton price. So for the day price is expected to remain in the range of $70.60-72.90 with sideways bias. In the near term strong supports exists around $70.00, followed by $69.50 levels. Likewise crucial resistance seen around $73.80 and $75.68 levels. In the domestic markets trading range for Feb futures contract will be 19980-20300 Rs/Bale.

Currency Guide

Currency Markets are closed today on account of Shiv Jayanti.

GST: The set-off scare	Business Line https://www.thehindubusinessline.com/todays-paper/tp-opinion/article26308668.ece

Puzzling order on utilisation of input tax credit

A plain reading of Section 49 of the CGST Amendment Act, 2018 is not possible due to the manner in the changes have been drafted.

Not surprisingly, the wordings of the sections have left everyone flummoxed.

Through Notification No 02/2019 of January 29, 2019, twenty-eight sections and three schedules of the CGST Act have been amended while the amendment of five sections has been deferred. The amendments that have got folks talking are those to Section 49 and the new clauses 49A and 49B.

If read sequentially, the three sections read as follows: Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of Central tax is not available for payment of integrated tax.

Notwithstanding anything contained in Section 49, the input tax credit on account of Central tax, State tax or Union Territory tax shall be utilised towards payment of integrated tax, Central tax, State tax or Union Territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.

Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of subsection (5) of Section 49, the government may, on the recommendations of the Council, prescribe the order and manner of utilisation of the input tax credit on account of integrated tax, Central tax, State tax or Union Territory tax, as the case may be, towards payment of any such tax.

The CBIC, it appears, does not intend to change the sequence of IGST/CGST/SGST to set off credits. What would change is that some taxes may have to be paid in cash due to non-availability of set off from the other balances.

A tailor-made example could be an output tax liability of Rs. 100 each in I/S/C and input tax credit of Rs. 200, Rs. 50 and Rs. 50 each in I/S/C. As per the present set-off rules, no tax would be need to be paid in cash since the output liability equals the input tax credit of Rs. 300 and can be sequentially set off.

As per the CGST Amendment Act, 50 per cent of the SGST portion would need to be paid in cash and 50 per cent of the CGST portion would be carried forward.

The lack of examples to explain the amendments to Section 49 and the new Sections 49A/49B is bound to lead to multiple interpretations and possible litigation. Litigation could also arise on a very basic question: Can the CBIC impose restrictions on the manner in which taxpayers utilise credits?

It would lead to a situation of one nation, one tax, restricted credits. Rs. 1 lakh crore has been set as a sort of a minimum threshold for monthly GST revenues and actual monthly collections are mapped against this.

If GST revenue crosses this magic numerical benchmark over the next few months, it could be attributed to the combined effects of Sections 49, 49A and 49B.

The Amendment Act also closes an existing loophole in input tax credit as per which credit could not be claimed on a motor vehicle but could be claimed on services of general insurance, servicing, and repairs and maintenance of these vehicles.

Credit on these services can now be claimed only if credit can be claimed on the motor vehicle.

The writer is a chartered accountant

BSE cotton futures contract off to a rousing start	Business Line https://www.thehindubusinessline.com/todays-paper/tp-agri-biz-and-commodity/article26308529.ece

On Day 1, volumes touch 40% of market leader MCX

The first day of the launch of the cotton futures contract on the BSE saw encouraging participation from stakeholders.

On Monday, 539 lots of Cotton March contract were traded till the evening trades on BSE platform, which is about 40 per cent of 1,376 lots traded on market leader, MCX.

The Cotton Association of India (CAI), which helped the BSE to develop and design the cotton futures contract, expressed confidence that participation will increase further.

"This is probably the first such contract, suggested by the trade on its own terms. Unlike other contracts, BSE's cotton contract is not enforced upon the stakeholders. In fact, it takes care of the interests of the participants. We are confident that in a short span it will gain 50 per cent market share," Atul Ganatra, President, CAI, told BusinessLine. On Monday, BSE cotton March 2019 opened at Rs. 20,430 a bale (each of 170 kg) and last traded at Rs. 20,380. On MCX, cotton futures for March delivery opened at Rs. 20,500 a bale and last quoted at Rs. 20,390 in evening trades. The trading is to continue till 9 pm.

The total traded value on BSE stood at Rs. 28.6 crore, while that on MCX stood at Rs. 70.67 crore.

According to CAI, on other platforms, a Gujarat-based ginner was required to give location discount, which runs as much as Rs. 10,000 per lot in some cases for delivery outside Gujarat, while BSE's contract doesn't ask for a location discount. The basic delivery centre for the cotton contracts is Rajkot with additional delivery centres at Aurangabad, Jalgaon and Yavatmal in Maharashtra; and Mundra and Kadi in Gujarat.

Similarly, for spinning mills, BSE's cotton contract is comparatively more attractive as it doesn't require them to pay premium charges at the time of taking delivery. Unlike other bourses, which charge as much as 2 per cent premium charges on the price, BSE's cotton contract doesn't charge a price premium, Ganatra stated.

Ashishkumar Chauhan, MD & CEO, BSE, said: "With the launch of cotton contracts, we look forward to gain wider participation from cotton business stakeholders."

BSE launched the March contract for cotton with a lot size of 25 bales (each of 170 kg) and delivery unit will be 100 bales with a zero transaction charge for the initial period.

Indo-Pak tension: no impact

Meanwhile, the industry does not see much of an impact on the cotton trade with Pakistan after the Pulwama terror attack.

For India, Pakistan has been an irregular buyer of the fibre. According to Ganatra, about 10 lakh bales were contracted to be exported to Pakistan, of which about 6-8 lakh bales have already been shipped and the remaining will also be shipped without much impact.

Cotton export from India is estimated at around 50 lakh bales for the year 2018-19. This is lower by about 19 lakh bales as compared to the 69 lakh bales estimated for the last year, primarily on account of lower crop projections.

Government needs to focus on man-made textiles, must increase duty on its imports: CITI	Financial Express https://www.financialexpress.com/industry/government-needs-to-focus-on-man-made-textiles-must-increase-duty-on-its-imports-citi/1491593/

Globally, fibre consumption is dominated by man-made fibres (MMF), having 70% share in the total fibre consumption, while natural fibres constitute only 30% .

It is high time India must focus on man-made textiles, along with cotton ones, to achieve the desired target of $300-billion market by 2025, said the Confederation of Indian Textile Industry (CITI). Globally, fibre consumption is dominated by man-made fibres (MMF), having 70% share in the total fibre consumption, while natural fibres constitute only 30%.

Contrary to the global trend, fibre consumption in India is skewed towards natural fibres, especially cotton. The growth of cotton is limited owing to low agricultural land availability and price volatility. Hence, it had become important for India to focus on man-made textiles along with cotton ones, said Sanjay Jain, chairman, CITI, on Monday.

Jain also expressed concerns over rising imports of man-made textiles after the implementation of the good and services tax (GST). In the post-GST regime import of yarn, fabrics and garments has increased substantially by 60%, 12% and 29%, respectively. The government should increase the import duty on MMF-based spun yarn and fabrics as huge surge of imports has been seen in this category post-GST which is impacting spun yarn and fabric manufacturers in a big way.

Rakesh Mehra, convenor, sub-committee on MMF and yarn, CITI, said the downstream industries in the MMF textile value chain – spinning and weaving — which is also the largest employment generator in the entire value chain, are facing acute stress due to high prices of domestic staple fibre. He said this affected export competitiveness of the domestic downstream MMF textile industry and also made the sector venerable to imports of value-added MMF products.

Mehra also said anti-dumping duties in the beginning of the textile manufacturing chain hurt the downstream sector.

Currently, anti-dumping duty on purified terephthalic acid (PTA) is `4-6 per kg and `12 per kg on viscose staple fibre (VSF).

India has a huge and efficient capacity in manufacturing polyester staple fibre and VSF. Moreover, import of man-made staple fibre in 2017-18 stood at 149 million kg which is less than 15% of the total man-made staple fibre consumption in India.

Hence, it has been suggested that the government may abstain from enhancing custom duties and levying anti-dumping duties on staple fibres. This would allow the downstream industries along the value chain to grow, he added.

A mobile app soon for traders and cotton stakeholders	**Yarns and Fibre** http://www.yarnsandfibers.com/news/textile-news/mobile-app-soon-traders-and-cotton-stakeholders#.XGuQd6IzbIU

CAI president Atul Ganatra said that, the app, developed by a team of Mayank Sakseriy and Tanay Mirani, will help traders and cotton stakeholders to calculate ginning costs and parity and get MSP predictions. The app will also have personal trade book, apart from calculators and currency converters, which will allow user to record own trades and save it in the app. Critical information such as trade summary, long/short position and average prices will be accessible at the finger tip.

He added that, "All the user information is not stored in the server but it is only stored on user's phone. So no one can see the data. At present the app will be available on Android version. We have allocated a good budget to develop the App further and also launch an iOs version in future.”

Ganatra also explained about the upcoming International Cotton Conference to be held for the first time in India in the month of March. "We organised two successful domestic conferences last year and now we are hosting International Conference from March 6 to 8 at hotel Trident, Mumbai," he said adding that already top 10 speakers from around the world have confirmed their participation.

Cotton trade body, Cotton Association of India (CAI) is preparing to introduce a devoted mobile app for cotton stakeholders for circulation of swift and reliable information on arrivals, price and cotton trade. Announcing the app, CAI president Atul Ganatra communicated that the app 'CAI Trader Mobile App' will have three main components and will be launched within a short time.

The app will also provide live data on currency - USD/INR and price quotes from ICE, besides providing fresh market data from Bombay Stock Exchange (BSE). Secondly, CAI is also attempting to publish spot prices and daily arrivals data on NCDEX Kapas and Khal rates live through this mobile app. Ganatra addressing a CAI Members’ Annual Gala Dinner in Mumbai said that, "This means, if you open this app, you will have Indian as well as international market idea within 30 seconds.”

Saudi Arabia, India to ink five MoUs to boost ties	**Business Line** https://www.thehindubusinessline.com/news/saudi-arabia-india-to-ink-five-mous-to-boost-ties/article26305400.ece

New Delhi hopes to make the most of Crown Prince Mohammed Salman’s visit

Saudi Arabia will look at major areas for investments in India, sign pacts with agencies such as Invest India and participate in the country’s infrastructure fund during Crown Prince Mohammed bin Salman’s visit on Tuesday a day after he pledged investments worth an estimated $20 billion to Pakistan.

Five MoUs are expected to be signed during the Crown Prince’s visit to New Delhi in areas such as investments, tourism, housing, information and broadcasting, according to the Ministry of External Affairs.

“The investments that Saudi Arabia will make in India will be very different in scope from what it will do in Pakistan. In India, it would be participating in the country’s growth story while in Pakistan it would be helping in trying to keep a debt-ridden nation’s economy from sinking,” a government official told BusinessLine

While Salman’s closeness with Pakistan demonstrated during his Islamabad visit may not have made India happy, New Delhi has decided to focus on making the most of the Crown Prince’s visit to India by forging stronger ties with Saudi Arabia, its fourth largest trade partner. Saudi Arabia also accounts for about 20 per cent of India’s oil and gas imports.

Areas of cooperation

The two sides will discuss cooperation in several other areas such as energy, including renewable energy, fertilizers, ICT, healthcare & pharmaceuticals, electronic items, agriculture, aviation and cold storages will also be discussed. "A team from the NITI Aayog recently went to Saudi Arabia to look at potential areas for cooperation. The two sides identified a number of sectors for possible cooperation and these would be discussed during the royal visit," the official said.

Saudi Arabia is the fourth largest trade partner for India with bilateral trade last fiscal at $27.4 billion and also accounts for about 20 per cent of India's oil and gas imports. Moreover, India has been identified as one of the eight strategic partners with whom Saudi Arabia intends to deepen partnership in areas of political, security, trade and investment and culture.

"As part of this engagement, we are finalising the setting up of 'strategic partnership council' between the two countries at the ministerial level. We are confident that this will give greater thrust to our strategic partnership and take forward our discussions in a focussed and action-oriented manner. This engagement has already begun between concerned authorities of both the countries in select sectors of mutual interest especially in trade, investment and economic issues," said TS Tirumurti, Secretary (Economic Relations) at a briefing.

Salman is scheduled to meet Prime Minister Narendra Modi and President Ram Nath Kovind during his visit.

Indian textiles ministry honours weavers, artisans	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/indian-textiles-ministry-honours-weavers-artisans-247455-newsdetails.htm

The Indian textiles ministry recently honoured 12 weavers and artisans for their outstanding work in handloom and handicrafts at a function in New Delhi, where 15 agreements were signed to facilitate foreign trade of such items. An exhibition showcasing achievements of micro, small and medium enterprises (MSMEs) in the textilesector was also organised.

The ministry released a booklet on ease of doing business in ten languages at the National Conclave on Creating Synergy for MSMEs in Textiles Sector, according to an official release.

During a 100-day outreach programme across the country, textiles ministry officials worked in coordination with state and district administrations. Exhibitions were also held in specific districts to promote sales of such products

Argentina invites Indian investment	**The Weekend leader** **http://www.theweekendleader.com/Headlines/21907/argentina-invites-indian-investment.html**

Argentina on Monday invited Indian business to invest in the Latin American nation in a move to boost the current low level of bilateral trade with India and take the relationship to a higher level.

Following Macri's talks with Modi on Monday, the two sides signed 10 MoUs for greater cooperation in a range of areas including in information and communications technology, nuclear energy and agriculture.

Addressing the India-Argentina Business Forum here organised by the Confederation of Indian Industry (CII) President Mauricio Macri said Indian enterprise is "most welcome" in Argentina in a situation of "endless potential" for economic cooperation between both nations.

Macri, who arrived on his first official visit to India on Sunday, held delegation-level talks with Prime Minister Narendra Modi earlier on Monday.

"I invite you to participate in this process of integration between our two countries...to invest, partner and participate in the unprecedented pace of development that is taking place in Argentina," Macri said, addressing the business forum.

Declaring that Argentina wants to learn from India's experience in "innovation and sustainable development," the President said his delegation includes representatives from Argentina's MSME sector, as well as business representing all the 11 provinces in the country.

"There are many complementarities between both countries, for instance, that between India's EV (electric vehicles) programme target for 2030 and Argentina's lithium programme," he said.

Lithium is important for solar power projects and a key element of lithium-ion batteries for EVs, while, following Modi's meeting with Macri in Argentina last year, an Indian consortium has been to the South American country to explore mining of lithium and copper.

Macri pointed to potential areas of cooperation as being agro-industry, non-conventional energy sources, renewables and the knowledge economy, among others.

Argentina, which supports India's bid for membership of the Nuclear Suppliers Group (NSG), will hold its first nuclear talks with India in Mumbai later this week through the mechanism of a joint nuclear group.

While the current bilateral trade stands at a modest $3 billion, Macri's visit, coinciding with the 70th anniversary of diplomatic relations, is part of efforts to upgrade the relationship to the "strategic level".

Addressing the gathering earlier, Commerce Minister Suresh Prabhu said that India is looking to expand the current preferential trade agreement (PTA) with Argentina to a "higher level."

He also praised Argentina's efforts in the World Trade Organisation (WTO) in the context of a "new wave of protectionism.

Manufacturing sector needs a big boost	The Hindu https://www.thehindu.com/news/cities/Hyderabad/manufacturing-sector-needs-a-big-boost/article26306154.ece

The 15th Finance Commission which met the representatives of Trade and Industries bodies has noted that the tertiary sector comprising IT and ITES sectors have been the key drivers of Gross State Value Added (GSVA).

GSVA is the measure of the value of goods and services produced in the sector of an economy and the Telangana's share is over 10% of country's IT exports. The share of secondary sector in GSVA in Telangana is the lowest among southern States.

The meeting on Monday discussed the State's need to provide impetus to the development of manufacturing sector to reduce over dependence on IT/ITES to reduce risk to growth.

The meeting also discussed that out of 33 districts, only four districts -- Ranga Reddy, Hyderabad, Medchal-Malkajgiri and Sangareddy -- have a per capital income that is above State's average. These districts were the onces where the industry and service sector activities are concentrated -- leaving large areas of under development in the State.

The State did well in GST implementation and the number of dealers post-GST increased by 37.4% and the GST revenue registered 20% growth.

The State did not receive any GST compensation except for initial months, the meeting was informed.

Jute mills fail to submit undertakings on statutory dues, centre extends deadline	Business Standard https://www.business-standard.com/article/news-ians/jute-mills-fail-to-submit-undertakings-on-statutory-dues-centre-extends-deadline-119021800496_1.html

With jute millers not furnishing undertakings on payment of statutory dues to workers and prompt payment for raw jute supplies within the stipulated date citing ongoing discussions with the Ministry of Textiles, the Jute Commissioner has extended the deadline to February 20.

The office of the Jute Commissioner has, however, said the "unusual delay" on the part of the jute millers to submit the undertakings has been "taken very seriously".

The jute industry is predominantly dependent on the government, which annually purchases jute bags worth over Rs 6,500 crore for packing foodgrain and sugar. Some 3.7 lakh workers and several lakh farm families are dependent for their livelihood on the jute sector.

Following the approval of Cabinet Committee on Economic Affairs (CCEA), the Ministry of Textiles had issued an order stipulating that 100 per cent foodgrain and 20 per cent of sugar is required to be compulsorily packed in jute packaging material.

And, to ensure that persons engaged in production of raw jute and jute packaging material derive beenfit from the mandatory packaging, the jute millers were asked to submit the undertaking to the Office of the Jute Commissioner by January 25.

"One month has already elapsed since the intimation to the all jute mills was made. The unusual delay by the mills in submitting an undertaking as per an order conveying the decisions of CCEA has been taken very seriously," an official told IANS.

The failure or delay or any hesitation on the part of the mills in submitting the undertaking has "the potential to raise question on the business practices" adopted by them and it may raise apprehensions that mills have defaulted on payment on account of raw jute purchase, payment of wages and statutory dues to jute workers," the official said, citing a letter sent to jute mills except those who submitted the same.

Union Textiles Minister Smriti Irani recently said here that the centre was committed to the welfare of jute farmers and workers.

According to Irani, the centre has made it mandatory that any packaging order that the industry receives from the central government is conditional on payments being made to farmers and workers and ensuring their welfare.

If the mills fail to fulfil their commitments, penal measures including deduction in the quantity ordered in the following months and debarment from government orders in future could be considered, according to a document IANS has accessed.

"We are in discussions with the Ministry of Textiles. Millers did not submit the undertaking on the statutory dues. All our issues have been brought to the notice of the ministry," Indian Jute Mills Association (IJMA) Chairman Manish Poddar told IANS.

Without divulging the details of the parleys, Poddar said the industry is hoping that "a solution would be brought forward".

He said the industry has "never supported" any provision of statutory dues with regard to payments to workers.

However, a government official said the undertaking was sought for implementing the CCEA's decision.

"The process of submitting an undertaking by jute mills is in line with the exercise for implementing the CCEA decision for ensuring payment of statutory dues to jute workers and prompt payment on procurement of raw jute," the official said, adding that they have been asked to submit this by February 20.

According to sources, mills procure raw jute from traders, suppliers and financiers, who buy it by paying cash to farmers or middlemen. The traders then supply it to different jute mills on different payment arrangements with the interest varying from 18 per cent to 36 per cent per annum.

Is Chinese textile products making backdoor entry through Bangladesh?	**Asian Age** http://www.asianage.com/business/in-other-news/190219/is-chinese-textile-products-making-backdoor-entry-through-bangladesh.html

Chennai: After the government increased duties on textile products to check cheaper imports from China, apparel imports from Bangladesh has more than doubled. Industry suspects that Chinese products are making a backdoor entry into the country through Bangladesh.

Despite a spate of labour unrest in Bangladesh, apparel exports from that country to India grew 143 per cent between July and December to $270 million from $166 million in the same month last year, as per the data from Bangladesh Export Promotion Bureau.

Value of knitwear exports rose 107 per cent and woven garment exports by 161 ssper cent.

"Under the free trade agreement with us, imports from Bangladesh are not subject to any duty. We suspect that Chinese fabric is making a backdoor entry through Bangladesh as garments. We have asked the government to implement the rule of origin provision for imports from Bangladesh," said Sanjay Jain, chairman of Confederation of Indian Textile Industry.

The government had doubled the duties to 20 per cent for over 300 textile products, ranging from fibre to apparels, in August, mainly to check rising imports of cheaper products from China. Imports started increasing after the implementation of GST. The effective duty rates came down as the countervailing duty of 12 per cent was done away with post-GST. In FY18, India's textile imports jumped 16 per cent to a record $7 billion and of this around $3 billion came from China.

"Cheaper imports are a threat to the existence of MSMEs, which is the backbone of India's textile industry," said Jain. The industry had expected that the imports will come down by at least $1 billion this year due to the increased import duties. However, Bangladesh imports have now become a growing threat.

Apparels from Bangladesh are up to 30 per cent cheaper than Indian products as the labour cost is significantly lower there. Further, Bangladesh can get cheaper fabric from China. As fabric accounts for 75 per cent of the cost of apparel, cheaper fabric too adds to the savings. Proximity is an added advantage when it comes to shipping products from Bangladesh to India.

Bangladesh expects the imports to rise in the coming months as well.

Textile millers knocked out by cheap yarns from China, India	The Daily Star https://www.thedailystar.net/business/news/textile-millers-knocked-out-cheap-yarns-china-india-1704052

Textile millers' stacks of unsold yarns and fabrics are getting higher due to massive leakage of imported bonded goods to the local market and invasion of cheap Chinese and Indian substitutes, said a top BTMA official yesterday.

Since the turn of the year, the local market has become flooded with cheap Chinese and Indian yarns, according to Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA).

For instance, the widely consumed 30-carded cotton made yarn can now be bought for $2.90 to $2.95 a kg, down from $3.25 to $3.30 per kg in November last year.

This has left the textile millers with 30 percent unsold inventory worth about Tk 15,000 crore.

Subsequently, the BTMA president met with Salman F Rahman, prime minister's adviser on private industry and investment, on Sunday to request the government to take measures to stop the illegal imports.

“A section of unscrupulous traders have been importing yarn illegally in connivance with some government officials,” Khokon said in a statement after the meeting with Rahman at his residence.

For example, they open letters of credit for importing one truck of yarn through Benapole but they end up importing more due to lack of proper monitoring at the land port.

If the illegal imports are not checked, the local factories' inventory will soar and they will feel discouraged to continue production, he said.

The local spinners, which can meet 85 percent of the demand from the knitwear sector and 35 percent from the woven sector, have already slashed production by 40 percent because of the recent development.

Another problem afflicting the textile millers is that a section of unscrupulous traders have been selling goods imported under bonded facility.

The government allowed import of duty-free goods under bonded facility only for export-oriented garment factories.

“The importers are not interested in commercial import as they would have to pay nearly 37 percent duty.”

If the two issues are not addressed, the primary textile sector, which has Tk 70,000 crore tied up, will regress, he added.

Dubai Exports unveils 'Exporters Gateway'	Khaleeji Times https://www.khaleejtimes.com/dubai-exports-unveils-exporters-gateway

Dubai Exports has launched the 'Exporters Gateway,' a knowledge platform that provides vital economic and trade data for the UAE and Dubai as well as information on the most sought-after UAE products.

The launch of the digital platform is part of the Gulfood 2019 exhibition, and one of a series of initiatives Dubai Exports seeks to implement as part of diversifying its services and exploring new channels that increase export capabilities of local companies and enable them to successfully compete in foreign markets.

Saed Al Awadi, CEO of Dubai Exports, said: "The Exporters Gateway aims to promote exports from the UAE while also enhancing export competitiveness and the quality of the exporter services we provide. The portal features a range of innovative technical solutions and digital content, which will complement our efforts to boost exports and the growth of our national enterprise in international markets."

The portal will enable exporters to search for and identify opportunities across seven key sectors in more than 40 target markets globally. "Currently, the portal lists more than 60 products in which our local exporters have a competitive edge across the global markets targeted," said Al Awadi.

The portal is particularly advantageous to exporters in overcoming major challenges in marketing their product, searching for partners, selecting the ideal partner, and estimating the export costs, said Abdul Rahman Al Omari, director of Exports Market Development in Dubai Exports, adding that exporters can hence easily navigate the export process and markets.

"Dubai Exports seeks to help our local companies to grow and enhance their overseas trade, and accordingly we continue to deliver services and initiatives that keep them abreast of emerging trends in global consumer behaviour. The Exporters Gateway will increase business development opportunities for local companies and eliminate many obstacles that our manufacturers and exporters often face in their target markets.

AfCFTA expected to come into force by mid-2019	Fibre 2 Fashion https://www.fibre2fashion.com/news/textile-news/afcfta-expected-to-come-into-force-by-mid-2019-247458-newsdetails.htm

The African Continental Free Trade Area Agreement could be in force by mid-2019, given the current pace of ratification, according to trade experts. Rwanda’s department of trade and industry recently held the 2nd ordinary session of the specialised technical committee of the African ministers of trade, industry and mineral resources to discuss the agreement.

The meeting was themed ‘The Entry into Force of the Agreement Establishing the African Continental Free Trade Area (AfCFTA) and its Implementation’.

The objective was to consider draft continental strategies, including the African Union Commodity Strategy, Africa Union Small and Medium Enterprises Strategy and Trade Facilitation Strategy.

The meeting also took note of the various technical reports and presentations in trade, customs, industry and minerals, according to reports by news agencies.

Once established, AfCFTA will bring together 55 countries, availing a market of 1.2 billion people with a gross domestic product of about $3.5 trillion.

It is also expected to drive the transition from low productivity and labour-intensive activities to higher productivity and skill-intensive industrial and service activities across the continent.

The meeting was attended by member states, regional economic communities, experts from the Afreximbank, the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA), the United Nations Industrial Development Organisation (UNIDO) and the United Nations Conference on Trade and Development (UNCTAD).

AfCFTA, launched in March 2018 in Kigali, requires 22 ratifications for entry into force. The total number of ratifications now stands at 18, Rwanda's commissioner for trade and industry Albert Muchanga said.

Impose 1p charge per garment on clothing manufacturers to tackle 'throwaway fashion', MPs say	**Independent UK** https://www.independent.co.uk/news/uk/politics/throwaway-fashion-charge-recycling-environment-sustainability-mary-creagh-a8784666.html

Fashion producers should be charged a penny per garment to fund better clothing collection and recycling in a bid to end the era of throwaway fashion, a cross-party group of MPs has suggested.

The Environmental Audit Committee urged ministers to make retailers take responsibility for the waste they create and reward companies that take positive action.

In a report, they recommended "clear economic incentives" to encourage retailers to "do the right thing", and suggested the government reform taxation to reward companies that design products with lower environmental impacts and penalise those that do not.

They proposed extending the tax on virgin plastics, due to come into force in 2022, to synthetic textile products to encourage the use of recycled fibres. And they called on ministers to explore how they can support hiring, swapping or subscription clothes services.

The committee said an Extended Producer Responsibility scheme for textiles could raise £35 million for better clothing collection and sorting, which in turn could create new "green" jobs.

Their report, entitled Fixing Fashion: Clothing Consumption and Sustainability, also recommended retailers with a turnover of more than £36 million be made to comply with environmental targets, as the voluntary approach to improving sustainability is "failing".

And they noted that consumption of new clothing in the UK is estimated to be higher than any other European country - at 26.7kg per person.

MPs on the committee also urged the government to change the law to require companies to perform due diligence checks across their supply chains to ensure their products are made without child or forced labour.

They pointed to labour exploitation in the UK, and said the "Made in the UK" label should mean workers are paid at least the minimum wage.

In a summary to the report, MPs wrote: "Forced labour is used to pick cotton in two of the world's biggest cotton producing countries, Turkmenistanand Uzbekistan. Labour exploitation is also taking place in the UK. 'Made in the UK' should mean workers are paid at least the minimum wage.

"But we were told it is an open secret that some garment factories in places like Leicester are not paying the minimum wage. This must stop. But if the risk of being caught is low, then the incentive to cut corners is high."

Labour's Mary Creagh, chairwoman of the committee, said: "Fashion shouldn't cost the earth. Our insatiable appetite for clothes comes with a huge social and environmental price tag: carbon emissions, water use, chemical and plastic pollution are all destroying our environment.

"In the UK we buy more clothes per person than any other country in Europe. 'Fast fashion' means we overconsume and underuse clothes. As a result, we get rid of over a million tonnes of clothes, with £140 million worth going to landfill, every year."

She added: "Fashion retailers must take responsibility for the clothes they produce. That means asking producers to consider and pay for the end of life process for their products through a new Extended Producer Responsibility scheme.

"The government must act to end the era of throwaway fashion by incentivising companies that offer sustainable designs and repair services.

"Children should be taught the joy of making and mending clothes in school as an antidote to anxiety and the mental health crisis in teenagers. Consumers must play their part by buying less, mending, renting and sharing more."

Tiny nylon, polyester fibres behind unseen plastic pollution	**New Indian Express** http://www.newindianexpress.com/lifestyle/health/2019/feb/18/tiny-nylon-polyester-fibres-behind-unseen-plastic-pollution-1940401.html

Unlike natural fibers like wool, cotton and silk, current synthetic fibres are petroleum-based products and are mostly not biodegradable. WASHINGTON: Polyester, nylon and other synthetic fibres are a major contributor to the microplastics pollution in the environment, according to scientists who suggest that switching to biosynthetic varieties may help tackle the global menace.

Unlike natural fibers like wool, cotton and silk, current synthetic fibres are petroleum-based products and are mostly not biodegradable.

While natural fibres can be recycled and biodegrade, mixed fibres that contain natural and synthetic fibres are difficult or costly to recycle.

"These materials, during production, processing and after use, break down into and release microfibers that can now be found in everything and everyone," said Melik Demirel, from Pennsylvania State University in the US.

Islands of floating plastic trash in the oceans are a visible problem, but the pollution produced by textiles is invisible and ubiquitous.

In the oceans, these microscopic plastic pieces become incorporated into plants and animals.

Harvested fish carry these particles to market and, when people eat them, they consume microplastic particles as well.

Researchers suggest four possible approaches to solving this problem.

The first is to minimise the use of synthetic fibres and switch back to natural fibres such as wool, cotton, silk and linen, said Demirel.

However, synthetic fibres are less expensive and natural fibres have other environmental costs, such as water and land-use issues.

Since much of the microfibre load that ends up in water sources comes from laundering, he suggests aftermarket filters for washing-machine outflow hoses.

Clothes dryers have filters that catch lint -- also microfibre waste -- but current, front-loading washing machines usually do not.

"Capturing the microplastics at the source is the best filtering option," said Demirel.

Bacteria that consume plastics do exist, but are currently at the academic research phase, which takes some time to gain industrial momentum.

If bacteria were used on a large scale, they could aid in biodegradation of the fibres or break the fibres down to be reused.

While these three options are possible, they do not solve the problem of the tons of synthetic fibres currently used in clothing around the world.

Biosynthetic fibres, a fourth option, are both recyclable and biodegradable and could directly substitute for the synthetic fibres.

They could also be blended with natural fibres to provide the durability of synthetic fibres but allow the blends to be recycled.

Derived from natural proteins, biosynthetic fibers also can be manipulated to have desirable characteristics.

Demirel, who developed a biosynthetic fibre composed of proteins similar to silk but inspired by those found in squid ring teeth, suggests that by altering the number of tandem repeats in the sequencing of the proteins, the polymers can be altered to meet a variety of properties.

For example, material manufactured from biosynthetic squid ring-teeth proteins, called Squitex, is self-healing.

Broken fibres or sections will reattach with water and a little pressure and enhance the mechanical properties of recycled cotton as a blend.

Also, because the fibres are organic, they are completely biodegradable as well.