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

NEWS CLIPPINGS –03-02-2018

India to halt antidumping probe on RI's polyester staple fiber	The Jakart.com http://www.thejakartapost.com/news/2018/02/02/india-to-halt-antidumping-probe-on-ris-polyester-staple-fiber.html

The Indian Directorate General of Anti-Dumping and Allied Duties (DGAD) has recommended to halt an antidumping investigation into polyester staple fiber imports from numerous countries, including Indonesia.

"This creates an opportunity for the Indonesian yarn industry to export more to India," Trade Ministry International Trade Director General Oke Nurwan said in a written statement on Friday.

Polyester staple fiber is a synthetic material used in the textile, automotive and furniture industries because of its elasticity and strength.

The antidumping investigation began on Feb. 2, 2017, but recently the Indian government found that polyester staple fiber imports from Indonesia only accounted for 7 percent of supply in the Indian market and did not harm domestic industries. In 2013, Indonesian polyester staple fiber exports to India amounted to just US$26,500. They reached a peak of $10.1 million in 2015 but then declined to only $6.1 million in 2016. Meanwhile, from January-November 2017, the polyester staple fiber exports increased by 38.4 percent to $7.8 million from $5.6 million in the same period of 2016.

Govt may form experts' panel to ensure farmers benefit from MSP scheme	Business Standard http://www.business-standard.com/budget/article/govt-may-form-experts-panel-to-ensure-farmers-benefit-from-msp-scheme-118020201461_1.html

The government might constitute a committee of experts, either in the finance ministry or NITI Aayog or jointly to study all existing procurement models to ensure the largest possible number of farmers benefit from the heightened Minimum Support Price (MSP) scheme announced in the Union Budget.

The new MSPs are promised at 1.5 times the production cost. These are expected to be calculated on the basis of what is termed A2+FL — this covers all paid-out expenses in both cash and kind, plus derived value of unpaid family labour. Not on the basis of what is termed C2; this is defined as comprehensive cost, including all paid-out expenses, imputed value of unpaid family labour, beside rentals and interest forgone on owned land and fixed capital.

Thinking within the government is that margins cannot be calculated on expenditure where actual money has not been spent. The decision on an ideal mechanism to ensure maximum benefit to farmers might be announced ahead of the kharif sowing season in June. And, as announced in Thursday's Budget proposals, cover a larger number of crops.

NITI Aayog will study all existing models. That includes Madhya Pradesh's recent Bhawaantar Bhugtan Yojana (Price Deficit Scheme). Also, models of direct procurement being run by states. And it will explore the possibility of enabling private entities to procure on behalf of the government. "We will approach the entire issue with an open mind and are not fixated on any one approach," NITI Aayog member Ramesh Chand told Business Standard.

In the 2018 rabi season, the MSP of wheat fixed by the Commission for Agricultural Costs and Prices (CACP) is 112.4 per cent more than the A2+FL cost. For gram, 73 per cent more; for mustard, 84 per cent more. Chand was instrumental in driving the MP scheme. He said the Telangana government's model of direct subsidy payment was not being considered at this juncture, as it was not an income support scheme in the strict sense. "If you can ensure the maximum number of farmers get the benefit of MSP or are able to sell at a guaranteed price, then too you would be providing income support, as it would lead to higher spending on insurance and other inputs," said Chand. "MSP itself will ensure farmers get income support."

Basing the MSP on the C2 cost was a formula recommended by the MS Swaminathan panel on the issue.

In The Best Interests Of Farmers

Centre to look at Madhya Pradesh's Bhavantar Bhugtan Yojana, along with direct purchase and greater involvement of private sector, to ensure farmers benefit from the Minimum Support Price (MSP) scheme MSPs likely to be fixed at 1.5 times the production cost (A2+FL) and not comprehensive cost (C2)

Work on the procurement model to start as soon as it gets cleared in Parliament Telangana's model of direct subsidy payment is not being considered at this juncture, as it is not an income support scheme in the strict sense

Temporary relief for hosiery dmanufacturers	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/temporary-relief-for-hosiery-manufacturers/article22639681.ece

The decision of the Union Government to extend the trial run of e-Way billing operations and thereby, deferring its implementation, has come as a temporary relief for hosiery manufacturers in Tirupur knitwear cluster.

Plea

South India Hosiery Manufacturers Association joint secretary R. Damodaran said the members' continued plea would be to altogether exempt hosiery job working units from the e-Way billing operations.

The system, meant for transportation of goods exceeding the value of Rs. 50,000 and for a distance of above 10 km would not suit the job working units here since they would have to transport the same materials multiple times within the apparel production chain.

'MSP will boost productivity in farm sector'	Business Line http://www.thehindubusinessline.com/todays-paper/tp-news/article22639993.ece

It is unlikely tofuel inflationary pressures,says expert

Minimum Support Price, or MSP, is a good step that will help boost farm productivity, which will in turn spur rural economy and give a fillip to consumer spending.

According to Arindam Banik, Director, International Management Institute Kolkata, the Budget has taken the right step in announcing a MSP for farm produce. MSP will be 1.5 times the cost of production.

Farmers obviously are still not prepared to react positively to market-determined prices and take a call on their produce. As such, MSP comes in as a viable solution.

"MSP will trigger productivity across the farm sector. I do not think it should lead to a rise in food inflation. However, the increased farm productivity will lead to a spurt in rural growth and consumer spend," he told BusinessLine on the sidelines of a seminar organised by the Merchants' Chamber of Commerce and Industry.

In order to produce $1 worth of rice, the United States provides a subsidy (both direct and indirect put together) of 45 per cent and Europe provides around 65 per cent. Compared to it, the subsidy component in India is just 12 per cent. As Banik points out, Indian farming has to be more efficient and this will need some people to move out of the sector. But for that to happen, manufacturing activity needs to pick up.

No inflationary pressure

Moreover, it is unlikely that the newly-announced MSP calculations will breed inflationary pressures as has been the fear in many quarters. According to Mayank Jalan, CMD, Keventer Agro, the government may not use comprehensive cost of production, or C2 costs, as the benchmark for calculating returns. C2 takes into account multiple components. This includes A2 costs or costs incurred by farmers on seeds, fertilisers, chemicals, hired labour, fuel and irrigation, the imputed value of unpaid family labour, and the rentals and interest forgone on owned land and fixed capital assets.

“In the past MSP was set at C2 plus 10-15 per cent. When the announcement of offering 1.5 times MSP came, we thought that it will lead to food inflation. We wanted it to be done in a phased manner. However, we, later realised that the formula of calculation has changed,” said Jalan at a post-Budget interactive session, which was organised by FICCI on Friday. The MSP is likely to be offered 1.5 times on A2. “Hence it will not lead to inflation,” he pointed out. With the Centre looking to push through its flagship social-sector schemes, including the Modicare health project, it is most likely that it will resort to market borrowings. This means an end to the low interest rate regime and infrequent rate cuts by the RBI, said IMEI’s Banik.

Mega gains for micro biz; leg up for leather, textiles	**Times of India** https://timesofindia.indiatimes.com/city/chennai/mega-gains-for-micro-biz-leg-up-for-leather-textiles/articleshow/62748077.cms

The announcements in the Union Budget for micro, small and medium enterprises (MSMEs) and employment-heavy industries like leatherand textiles would benefit the state which leads in textile, SME and leather sectors. The host of sops announced for new employees in export-oriented sectors in the budget would make them competitive, industry representatives say.

The leather industry is the biggest beneficiary in recent times, with not only the budgetary benefits but also the Rs 2,600 crore special package announced in December. The state contributes more than 35% of the total exports and has leather clusters in Ambur and Vaniyambadi in Vellore.

Reduction in the minimum employment period from 240 days to 150 days and the additional 30% income tax deduction for leather and footwear sector for new employees would encourage more employment, industry sources say. "The extension of 25% reduced corporate tax to MSME units having turnover of up to Rs 250 crore will benefit the leather and footwear industry as 90% of the industry is concentrated in the MSME segment," said

Aqeel Panaruna, vice-chairman, Council for Leather Exports.

"Enhancement of customs duty on footwear from 10% to 20% will enhance competitiveness of domestic footwear industry and will promote Make in India programme," he said. The budget has also made provisions for modernisation of 200 units, upgrade of existing campuses and placement-linked skill development training to 1.44 lakh unemployed people.

For small and medium-sized businesses with Rs 50 crore to Rs 250 crore turnover, the finance minister announced a reduction in income tax from 30% to 25% . "The 5% saving that I make can be used for innovation. Having our own reserve is now an advantage for funding R&D," said S Sampath, CEO, Velmurugan Heavy Engineering Industries, Trichy. Tamil Nadu has 6.89 lakh registered SMEs contributing to over 15% of the total units in the country.

For the textile industry, the benefits would help battle competition with sops narrowing the difference in wages with competing nations, officials said. Wages, which account for about 12% to 15% of the production costs in garment making, are about 25% cheaper in Bangladesh, a key competitor for the country in textile exports.
"These initiatives will help the sector to become competitive and face challenges from Bangladesh, Sri Lanka, and Vietnam," said A Sakthivel, regional chairman, Federation of Indian Export Organisations, southern region. "Extending 12% EPF employer's contribution for the first three years and also fixed term employment would encourage job creation in the textile industry," said P Nataraj, chairman, Southern India Mills' Association. "About 80% of textile units would benefit from the new corporate tax rate," he said.

Garment units in Tirupur were given incentives that included the Centre bearing employer's contribution to the employee provident fund for new workers who are earning less than Rs 15,000 per month during the first three years and an increase in overtime from three hours to eight hours per week in June 2016.

Who picks the tab for higher MSP?	**Business Line** http://www.thehindubusinessline.com/todays-paper/tp-news/article22639974.ece

The announcement that the government will move towards declaring Minimum Support Prices (MSPs) 1.5 times the cost of production from the next Kharif season will send a positive signal to the farming community.

At present, MSP is declared for 22 crops across grains, pulses, oilseeds and fibres (cotton and jute).

However, procurement largely takes place only for wheat and rice, and in a sporadic manner for cotton, oilseeds and pulses. Procurement efforts have been historically tardy for maize, jowar and other millets.

Who will procure the crops if MSPs are much higher than the market prices? And, who will pick up the tab? There is uncertainty over this. Budgetary allocations for the massive volume of procurement that would be required if MSPs are to be guaranteed have not been announced.

Higher prices also have a flip side. Apart from being inflationary, higher crop prices at the farm gate could make some industries unviable. A case in point is cotton. Higher input prices could negatively impact the entire textile industry, which employs the largest workforce in the nation — 45 million directly and 60 million indirectly.

If the MSP of cotton is raised from the present level of Rs. 4,230 a quintal (which is close to the current C2 cost of production), by 50 per cent, private buyers may shun the market and put a huge burden on Cotton Corporation of India.

Cost determinant

A major issue of declaring MSP at 1.5 times the cost of production is the determinant of cost. The CACP currently uses the C2 cost of production as the basis. However, the pure basic cost of production (A2+FL) is significantly lower than the current MSPs.

If this basic cost of production alone is considered, the MSP increase may not be significantly higher (not more than 10-15 per cent of the current MSP). If this is what the Centre intends, the Finance Minister has indeed dealt a clever sleight of hand. The announcement of “Operation Green” with a focus on Farmer Produce Organisations (FPOs) is welcome.

FPOs have seen a steady rise in the last few years but have not been able to get the scale required to give farmers better control over pricing. The financial support of Rs. 500 crore to FPOs along with the 100 per cent tax deduction to all FPOs up to a turnover of Rs. 100 crore is, perhaps, one of the few redeeming features of the Budget. There is also recognition of the need to pay attention to improving agriculture infrastructure at APMC warehouses with an announcement of Rs. 2,000 crore for mandi infrastructure. The recognition of the importance of developing the futures/options market is also welcome as the Centre has so far adopted a rather aloof attitude to the derivatives market in agriculture.

Gains from commodity derivatives have also been removed from the speculative category list, which will give a boost to this segment of the market

No major reforms

However, the agri business industry would be somewhat disappointed as no major reforms have been announced that could have enabled private investments to be stepped up.

Textile industry needs attention	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-telangana/textile-industry-needs-attention/article22640917.ece

Psychiatrist and politico-social analyst B. Kesavalu has said that the Central government meted out a great injustice to the textile industry by cutting down allocations to it in its recent budget.

Ever since Modi has come to power, the budgetary allocations to the textile industry have been gradually cut down. In 2015-16 budget Rs. 702 crore was alloted, while in 2016-17 it was Rs. 604 crore, and in the latest budget Rs. 386 crore was allotted, he said.

The government failed to recognise that the textile industry was the second largest employer only after the agriculture. The former had collapsed in the wake of the note ban and GST, he said, and felt that if it was not supported, its existence would be a big question mark.

Expectations from Budget 2018 belied – Here is why	Financial Express http://www.financialexpress.com/budget/expectations-from-budget-2018-belied-here-is-why/1048604/

This is is one Budget which was greatly anticipated by the apparel and textiles industry — and in particular, the apparel export industry. For the last four months, starting October 2017, the apparel export industry has faced continued stress. The cause was the unintended but sharp reduction in input tax reimbursement after GST introduction — a reduction of about 5% of sales value.

This is is one Budget which was greatly anticipated by the apparel and textiles industry — and in particular, the apparel export industry. For the last four months, starting October 2017, the apparel export industry has faced continued stress. The cause was the unintended but sharp reduction in input tax reimbursement after GST introduction — a reduction of about 5% of sales value. Indian exporters have a difficult time competing with the duty free status of competing countries like Bangladesh and Vietnam — the added double whammy of the Indian rupee strengthening against the dollar combined with the reduction in input tax has put the industry in huge turmoil.

There is broad agreement that the apparel industry in particular needs a special focus. Its potential for job creation was wonderfully illustrated by Dr Arvind Panagriya in a recent comparision between Reliance Industries Limited and Shahi Exports, India's larger manufacturer exporter of apparel. For every $2.2 m in assets, RIL employs 5 workers while Shahi employs a staggering 1,260 workers. And Shahi employs mainly women with minimal educational qualifications – precisely the kind of jobs which India needs. The recent Economic Survey stressed the same point and recommended that the GST Council conduct a comprehensive review of embedded taxes arising from products left out of GST, as well as the taxes that get blocked because of tax inversion. Timing is critical – China is vacating market share in apparel owing to its own compulsions and on paper, India is best poised to clothe the world after China.

Unfortunately, most of the market share being vacated is being captured by Bangladesh, Vietnam and Cambodia — with India just not being able to compete.

Budget 2018: Tremendous Things Done For Healthcare Sector

This is the most important policy change we expected from the Budget and it is here that our expectations have been belied. The Budget has made perfunctory allocations towards previously announced schemes; interest equalisation (`2,500 cr), Textiles Upgradation Fund (`2,300 cr), Refund of State Levies (`2,164 cr). The extension of Sec 80 JJA to other labour intensive industries like leather/footwear is a good step — and the rationalisation of the 150 day rule is welcome; the reduction of corporate tax to 25% where company turnover is less than `250 crores is also welcomed by the apparel industry, where over 90% are in the MSME sector and below this turnover level.

We appreciate the finance minister's incentive to encourage participation of women in formal sector employment by reducing their PF contribution to 8% — again of special importance to our industry which employs a high percentage of women.

Income tax Calculator: Calculate impact of Arun Jaitley's Budget 2018 on your tax liability

What is especially noteworthy is the National Health Protection scheme of upto Rs 5 lakhs per family offered to 10 crore poor households in India. This is the most significant feature of this Budget and will improve the quality of life amongst the less privileged. The allocation towards skill development, affordable housing and TIES (Trade Infrastructure for Export Scheme) is laudable — proper implementation of these schemes should help increase India's overall competitiveness.

Farmers may be compensated if market prices fall below MSP	Economic Times https://economictimes.indiatimes.com/news/economy/agriculture/farmers-may-be-compensated-if-market-prices-fall-below-msp/articleshow/62761413.cms

Overall, budgetary allocation for agriculture ministry went up about 15%, from Rs 50,264 crore in 2017-18 (revised estimates) to Rs 57,600 crore in 2018-19 (budget estimates).

NEW DELHI: The government is considering compensating farmers under the price deficiency payment mechanism for any loss if market price of a crop falls below minimum support price (MSP), much on the lines of Madhya Pradesh's Bhavantar Bhugtan Yojana.

The move is in line with Prime Minister Narendra Modi's vision for doubling farmers' income by 2022. Niti Aayog, which mooted price deficiency payment in its three-year draft action plan, has been asked to put in place a foolproof mechanism.

Farmers are proposed to be compensated the difference between government-announced MSPs for select crops and actual market prices to ensure they get fair price for their produce. In Madhya Pradesh, this amount is credited directly into the farmers' account. A senior Aayog official said there can theoretically be various ways of doing this, including adopting the Madhya Pradesh scheme for the entire country, procuring at MSP or roping in private traders to procure crops. The government is of the view that the mechanism will reduce the need for the government to actually procure food crops, transport, store and then dispose of them under the Public Distribution System. Besides, it will also keep India's bill on food subsidies under check.

Finance minister Arun Jaitley, in his Budget speech, said the government will fix MSPs at 50% over costs, ceding to a major demand of farmer organisations. Besides, MSP will now be honoured on all 23 crops and not just wheat, rice and cotton, as has been prevalent so far.

Secretary in the Department of Economic Affairs Subhash Chandra Garg said the scheme would not be a big fiscal burden. "Niti Aayog has been tasked with this job. There are experiments going on with 'Bhavantar' in Madhya Pradesh, the market assurance scheme and minimum import price earlier," he said, adding that a consolidated view will be taken after consulting all stakeholders.

Overall, budgetary allocation for agriculture ministry went up about 15%, from Rs 50,264 crore in 2017-18 (revised estimates) to Rs 57,600 crore in 2018-19 (budget estimates). Among major schemes, outlay on crop insurance was raised from Rs 10,698 crore (2017-18 RE) to Rs 13,000 crore (2018-19 BE), while that on micro-irrigation was raised from Rs 3,000 crore to Rs 4,000 crore.

Deferment of e-way bill relieves textile hub of worries	Times of India https://timesofindia.indiatimes.com/city/surat/deferment-of-e-way-bill-relieves-textile-hub-of-worries/articleshow/62762013.cms

Surat: Textile traders in the country's largest man-made fabric (MMF) wholesale market in the city received a temporary relief after the central government deferred the implementation of the requirement to carry e-permits for inter-state transportation of goods owing to technical glitches.

The traders want the government to postpone the implementation of e-way bill for six months in order to allow them to get accustomed to the new rule and also because they were still facing problems filing returns on Goods and Service Tax portal.Meanwhile, Federation Of Indian Art Silk Weaving Industry (FIASWI) has decided to convene a meeting of industry stakeholders to decide future course of action regarding the pending issues related to GST on Monday.

FIASWI chairman Bharat Gandhi told TOI, "It is a temporary relief for the textile industry as government has deferred the e-way bill's implementation due to technical glitches. However, we are demanding that the e-way bill be postponed for six months. The textile industry stakeholders are meeting on February 5 to discuss the future course of action. The government is yet to accept our demands."

Federation of Surat Textile Traders Association (FOSTTA) president Manoj Agarwal said, "We expected the Union Budget to bring relief to the textile sector, but it has failed our expectations. It's good that the e-way bill has been deferred, but the government will launch once the technical glitches are removed. We want the e-way bill to be extended for another six months."

Pandesara Weavers Association president Ashish Gujarati said, "The key demands of power loom weaving sector, including refund on input tax credit and credit on opening stock, are not addressed by this government. The power loom weaving sector is operating on losses."

Union Budget 2018-19 fail to excite the apparel MSMEs, sector say it expected 'boosters'	Knn India http://knnindia.co.in/news/newsdetails/sectors/union-budget-2018-19-fail-to-excite-the-apparel-msmes-sector-say-it-expected-boosters

Responding to the proposals made in the budget for the textile sector comprising of a fair share of Micro, Small and Medium Enterprises (MSMEs), Apparel Export Promotion Council has raised that the budget only partially addresses the concerns of the industry.

Talking to KNN, Animesh Saxena, an MSME garment exporter said that the sector was eyeing at the budget for big announcements but not much has been addressed by the government.

Explaining the concern further, Saxena said that due to the problems arising because of the GST and the overall slowed demand, apparel sector in the country has shown negative growth as compared to the growth from the previous years.

"For December alone, there was a negative growth figure of 10-12 per cent, with such situation existing for the textile MSMEs, we expected the government to come up with boosters", Saxena said.

H K L Magu, Chairman, Apparel Export Promotion Council welcomed the reduction in corporate tax for SMEs with turnover up to Rs. 250 Cr.

"The industry is happy for the increase in the budget allocations for the apparel package to Rs. 7148 Cr. We hope that this will improve RoSL reimbursement, which has dried up since June, 2017", AEPC said in a release.

The apparel industry is a women oriented industry - the reduction in the women's contribution to EPF to 8% from the present 12% will encourage women participation in this sector further, the release further added.

Explaining the concerns of the sector further, AEPC said that the apparel industry was one of the worst hit after demonetisation and GST roll out, as a huge part of the supply chain was outside the tax regime before GST.

The industry is presently grappling with severe financial crunch due to the non-receipt of GST refunds and RoSL refunds besides other procedural issues towards transition to GST. The industry was hoping for some financial support for mitigating the financial crunch, especially because the sector also saw severe reduction in the drawback and RoSL benefits.

The industry is looking forward to increased interest subvention from the existing 3% to 6%, to help industry be competitive, as several other countries have much lower interest rates, the release added. Presenting the Union Budget in Parliament, Jaitley informed that an outlay of Rs.7148 crore has been provided for the textile Sector.

'Big push to cotton cultivation'	**The Hindu** http://www.thehindu.com/todays-paper/tp-national/tp-telangana/big-push-to-cotton-cultivation/article22628298.ece

Assurances of MSP to give a fillip to crop, say experts

The big boost to agriculture and allied sector in the Union Budget-2018 presented on Thursday banking on low-cost farming and higher minimum support price is likely to result in a fillip to cotton cultivation in the cotton-rich erstwhile composite Adilabad district. The assurance of minimum support price to agriculture produce at 1.5 times the investment of respective crops and enhancement of allocation to agriculture credit sector will have farmers going in for cotton in a big way, according to observers.

Retired Agriculture Officer in Adilabad district said these measures will take care of many variables which impact crops, especially cotton. “The rate of MSP fixation will have farmers less anxious,” he observed. “Thanks to the MSP, we are able to sell our redgram at a remunerative price,” he added.

States set separate dates to implement e-way bill	Economic Times https://economictimes.indiatimes.com/news/economy/policy/states-set-separate-dates-to-implement-e-way-bill/articleshow/62760979.cms

MUMBAI: In what will further increase confusion for companies and transporters after the central e-way bill portal crashed, state governments are now giving separate dates for its implementation for cargo transportation. Earlier in the morning, the Gujarat government notified that the fresh date for implementation of the bill is February 20, which was seen by ET. A person in the know said Uttarakhand has set a date of February 10. Some have said they will wait for a fresh date from the Centre.

The e-way bill portal crashed on Thursday on its first day of implementation leading to shipments worth hundreds of crores being stuck on highways. The bill, a key element of the goods and services tax (GST) regime, is a complex new digital document and tracker of cargo transportation by road. It was introduced on a trial period on January 15 and was scheduled for implementation on February 1.

The GST Council said in a tweet on Thursday that it was extending the trial period and would give a fresh date of nationwide implementation shortly.

There are two kinds of e-way bills generated for intra-state and interstate transportation. State governments are accountable for the former, but experts said such arbitrary dates would be a problem as there is a common database of bills.

"The different dates will create a lot of confusion," said Sachin Menon, head of indirect taxes at KPMG. "All of this goes into a single NIC (National Informatics Centre) database. So, these different dates are actually meaningless unless there is an assurance from the NIC that the portal will be up and running," he explained.

"The question isn't of dates but of procedures. They should be carefully aligned and thought through. There should be proper testing before this is implemented," said the CEO of a top logistics company in India who didn't want to be named.

These major glitches in back-end planning create a massive chaos in the system. They shake confidence. It takes time to do things, but even more to undo and redo them."

"Also, the systems have to be ready to take that load that thousands of traders trying to generate bills will generate. Unless it's ready, it will crash again," said Vijay Kumar, chief operating officer of the Express Industry Council of India, a lobbying body of express transporters.

The bill is generated every time a cargo item worth more than Rs 50,000 crosses 10 km. Any entity under GST, the shipper/consigner, the logistics company or the transporter can generate the bill. Most companies still have shipments stuck in highways "as they are unwilling to just be reassured by tweets that the trial period had been extended", said a person in the know of things.

ICAC lifts cotton price forecast - noting rapid growth in polyester values	**Agri Money** https://www.agrimoney.com/news/icac-lifts-cotton-price-forecast---noting-rapid-growth-in-polyester-values-51871

The International Cotton Advisory Committee nudged higher, again, its forecast for cotton prices in 2017-18 as it cut its forecast for the build in world stocks of the fibre, and flagged higher values of rival polyester.

The intergovernmental group pegged at 77 cents a pound its forecast for cotton prices, as measured by the Cotlook A index of physical values, for this season. The figure still implies that the committee expects prices to fall over the rest of this season, with values so far in 2017-18, which started in August, averaging 82.4 cents a pound. The Cotlook A index – which, in including an element for transport is typically higher than the New York futures prices – stood on Thursday at 87.25 cents a pound.

Polyester vs cotton prices

Nonetheless, the latest price estimate represented an upgrade of 3 cents on the ICAC's forecast last month, which was in turn an upgrade of 2 cents month on month. The committee was, at the start of 2017-18, foreseeing a season-average price of 69 cents a pound. However, it flagged that the "competing price of polyester has risen over the course of the season" – indeed, buoyed by higher oil prices, increased at a faster rate than cotton values.

The polyester price "continues to increase relative to cotton, even as cotton prices have moved upward", the

ICAC said.

'Crop losses from pink bollworm'

The comments also came as the committee trimmed by 100,000 tonnes, to 18.88m tonnes, its forecast for world cotton stocks at the close of this season, citing in part a downgraded production figure. "India and Pakistan… encountered production losses from pink bollworm this season," the organisation noted.

With hopes for consumption raised too, inventories were now seen rising by a modest 140,000 tonnes during 2017-18, albeit avoiding a third successive season of decline.

Other forecasts

The forecast contrasts with an expectation last week by Cotton Outlook itself, which is in charge of the Cotlook A, that world stocks will rise by 324,000 tonnes over 2017-18 – an upgrade from a previous estimate of 258,000 tonnes. The revised figure reflected an increased estimate for China's latest harvest, upgraded by 190,000 tonnes to 5.67m tonnes – a rise of nearly 1m tonnes year on year.

The US Department of Agriculture, which upgrades its data next week, currently foresees world cotton stocks building by 150,000 bales (33,000 tonnes) over 2017-18.

Vietnams cotton import surges in January	**Xinhuanet** http://www.xinhuanet.com/english/2018-02/02/c_136945046.htm

Vietnam imported 140,000 tons of cotton worth 244 million U.S. dollars in January, up 49.7 percent in volume and 51.1 percent in value against January 2017, according to its Ministry of Industry and Trade on Friday. Vietnam, whose yarn industry heavily depends on imported cotton, has imported increasingly bigger volumes of the material in recent years to feed its growing textile and garment production and export, local economists said, noting that its biggest cotton import market is the United States, tailed by India, Australia, Brazil and Cote d'Ivoire.

Vietnam's cotton import surged from 150,000 tons in 2005 to nearly 1.3 million tons in 2017. Last year, the country spent over 2.3 billion U.S. dollars importing cotton, posting a year-on-year rise of 41.2 percent. Vietnam reaped 2.3 billion U.S. dollars from exporting garments and textiles in January, up 7.6 percent on-year, mainly to the United States, the European Union, Japan and South Korea. The country's garment and textile export turnovers were over 25.9 billion U.S. dollars last year, up 8.8 percent, said the ministry.

Sri Lanka records highest annual apparel export revenue in 2017	Daily Mirror http://www.dailymirror.lk/article/Sri-Lanka-records-highest-annual-apparel-export-revenue-in--145084.html

Sri Lanka's 2017 apparel performance has matched the recent forecast made by the Minister of industry and Commerce. "We expect that the final total apparel exports for entire 2017 would clearly exceed the exports of 2016, and expect it to be in the range of $ 4.7 billion" forecasted the Minister of industry and Commerce Rishad Bathiudeen on 16 January. Minister Bathiudeen was addressing the launch event of an Apparel Industry Suppliers Exhibition in Colombo on 16 January. Apparel export revenue data issued by both Joint Apparel Association Forum (JAAF) and Sri Lanka Apparel Exporters Association (SLAEA) confirmed Minister Bathiudeen's forecast.

According to these latest data, the total Sri Lankan apparel exports for the year 2017 was US $ 4.818 billion, an increase of 3.06 percent from 2016's US$ 4.67 billion. This is the highest annual export revenue to be recorded for Lankan apparels. Only for the month of December 2017, the exports were at US$ 452 million, a 21 percent increase in comparison to 2016 December's US$ 374 million.

Interestingly, December 2017 monthly exports too were the highest ever exports for any December. Forty five percent of apparel exports in 2017 (at US$ 2.163 billion) went to US while 42 percent headed to the EU. Year-on-year (YoY) exports to the US showed a 2 percent increase in 2017 from 2016's US$ 2.121 billion. Still, YoY exports to EU surged by a larger 4.13 percent to US$ 2.02 billion in 2017, from 2016's US$1.944 billion.