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 –26-09-2018

Indian economy to grow at 8%: Jaitley	Sify Finance http://www.sify.com/finance/indian-economy-to-grow-at-8-jaitley-news-economy-sjzrqNejaddch.html

Finance Minister Arun Jaitley on Tuesday said the new insolvency law, indirect tax regime and demonetization will help drive India's growth rate and sustain it at 8 per cent. He added that there was a need to trust the banking system for meeting the needs of the economy and asked banks to, in turn, ensure clean lending to justify the trust reposed in them. "Banks must strive to be seen always as institutions of clean and prudent lending," he said at the annual review meeting of the public sector banks here.

Jaitley said the Insolvency and Bankruptcy Code (IBC), Goods and Services Tax (GST), demonetization and digital payments had enabled better assessment of financial capacity and risks which, coupled with inclusive growth, had unlocked the purchasing power which would drive India's growth. He said this should help India sustain a growth rate of around 8 per cent, an official statement said.

Jaitley underscored the need to have trust and confidence in the banking system as a necessary precondition for meeting the needs of the economy. "With the recent amendment to the Prevention of Corruption Act, there now need not be any apprehension in the minds of bankers in supporting investments that are in the best interests of the economy, the nation and the banks," he said. He noted that the perception regarding the health of PSBs had become more positive as banks had posted positive results in terms of resolution, recovery, provisioning and credit growth.

At the same time, he exhorted the banks to ensure all steps at their end to ensure clean lending and effective action in cases of fraud and wilful default, the Finance Ministry statement said. Noting the positive results from the Insolvency and Bankruptcy Code mechanism, Jaitley flagged the need to assess and revisit the efficacy of the Debts Recovery Tribunal (DRT) mechanism, particularly in view of the long time taken in disposal of cases.

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
22087	46200	81.13
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
22290	46625	81.88
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		78.58
ZCE Cotton: Yuan/MT (Jan 2019)		16030
ZCE Cotton: USD Cents/lb.		90.00
Cotlook A Index - Physical		91.30
B. Currency		
USD/INR	Close	Previous Close
Spot	72.636	72.205

Cotton Guide:

The start of the week market was quiet across contracts. Dec settled at 7858, down 55 points. That was almost Dec's lowest settlement in 5 months. Last week Dec had a 7852 settlement on Tuesday and 7847 on Thursday; otherwise it's back to April 24th for a lower settlement (7759). For contrast note the highest Dec settlement in the last 5 months was 9296 on June 14th. Market was mostly light given public holidays in various countries including China, Taiwan, Korea, Japan, and Australia. Other markets have not had much influence on cotton lately and that was probably the case on Monday. Both grains and the US equities ended mixed.

On the trading front the volume was 15,799 contracts. Cleared Friday were 21,435 contracts. The aggregate open interest held near 250,000 contracts. Meanwhile, the Chinese ZCE futures did not trade and there was no State Reserve cotton auction.

Technically, prices appear to be forming another flag, or perhaps a pennant. Either one is typically a continuation pattern; meaning odds are good for an eventual resumption of the primary (down) trend. The bulls would be advised to disrupt this pattern by pushing the market higher. The daily modern work is nearly all 'down,' so this might not be easy. Support is 7800, 7750, and 7600 (all +/–). Resistance is 7950+ and roughly 8050 to 8250. Daily momentum is neutral.

USDA Crop progress report was published after the market close for the week ended September 23. Conditions overall had a slight improvement for the second week in a row. Texas and Oklahoma had another good week. Today's report showed cotton: 58 percent opening bolls versus the 5-year average of 57 percent; and 16 percent harvested, ahead of the 9 percent average.

On the domestic front, price for shankar-6 traded steady to lower near Rs. 45750 per candy ex-gin, 80.30 cents per pound. Rates for 2018/19-crop Punjab J-34 are marginally easy at Rs. 4,605 per maund (77.00 cents/lb). Likewise, the MCX cotton future for October ended the session at Rs. 22340 no major change from the previous close.

This morning ICE cotton is seen trading lower at 78.48 cents per pound for December future, ZCE cotton is trading steady while Indian rupee is close to new low. We think market will continue to see more volatile trading session on today's trading session. The trading range for October would be Rs. 22200 to Rs. 22500 per bale.

. **FX Guide:**

Indian rupee opened little changed to trade near 72.7 levels against the US dollar. Rupee remains pressurized by higher crude oil price and Fed's rate hike expectations. Brent crude trades near $82 per barrel after testing four year high on concerns about tightening global supply due to falling Iranian exports. Higher crude oil price will keep concerns high about inflation and trade deficit. The US central bank is expected to raise interest rate by 0.25% to 2-2.25%. Rise in US interest rate could result in investor outflows. On domestic front, market players are awaiting government announcement over measures to support the currency. As per Bloomberg reports, Indian government has asked ministries to finalize plans to reduce inbound shipments of certain steel products, electronic goods such as mobile phone components, some petroleum products and capital goods to reduce demand for dollars. Rupee may witness choppy trade as market players await more clarity on Fed stance and Indian government measures to boost the currency but overall sentiment is still weak. USDINR may trade in a range of 72.4-72.9 and bias may be on the upside.

How Sliding Rupee Is Helping India's Economy In One Big Way	**Ndtv Profile** https://www.ndtv.com/business/how-sliding-rupee-is-helping-indias-economy-in-one-big-way-1921693

Rupee's double-digit drop against the dollar is helping the nation's services exports, said HSBC Holdings's chief India economist Pranjul Bhandari.

The dark cloud hanging over the economy from the rupee's rout is not without a silver lining.

The currency's double-digit drop against the dollar this year is helping the nation's services exports, according to HSBC Holdings Plc's chief India economist Pranjul Bhandari. So much so that the share of services exports, which mainly comprise software, has climbed to 7.3 per cent of gross domestic product in June from 6.8 per cent in March 2017, she said.

That growth is reflected in the stock market, where the year-to-date gains for information technology stocks have outpaced the broad market index. While the MSCI India index is up about 4 per cent, the information technology index has jumped nearly 33 per cent.

It's also helped to underpin the world's fastest growth rate of 8.2 per cent in the June quarter given the services industry's 55 per cent contribution to the overall economy.

The boost to services exports from a weaker currency is in contrast to overall shipments, which historically haven't benefited much from a weaker rupee.

The rupee is Asia's worst-performing major currency so far this year and that comes amid a global trade war that threatens exports. If anything, a slide in the rupee has ended up inflating the country's import bill.

According to Bhandari, the main deterrents to goods exports, which account for 60 per cent of overall shipments, are domestic bottlenecks, in particular the hit from the cash ban and the chaotic introduction of a nationwide consumption tax. Global growth and exchange rates are also factors.

"Exchange rates matter, but the least of the three, because India's import content of exports are rising," Bhandari said. "On the other hand, the exchange rate matters much more for services exports," she said. "In that sense, 2018 is special. World growth is up and the exchange rate is more competitive than before."

MSMEs may not receive additional GST benefits before 2019 general elections: Report	**Money Control** https://www.moneycontrol.com/news/business/msmes-may-not-receive-additional-gst-benefits-before-2019-general-elections-report-2983701.html

The government feels rolling out such benefits closer to the 2019 general elections could create technical hassles

Micro, small and medium enterprises (MSMEs) may not receive more benefits under the Goods & Services Tax (GST) regime before the 2019 general elections as there has been a consistent fall in collections, The Financial Express reported.

The GST structure might not see any major change and even the new return filing system may not be implemented until the Lok Sabha polls are concluded and the new government assumes office, the report said.

“Tax officials and the political dispensation are wary of implementing new measures close to general elections. Apart from revenue considerations, we also have to factor in the income tax-related issues that may arise after implementation,” a source told the paper.

The government had earlier proposed additional sops to MSMEs. It, however, feels that the rolling out such benefits closer to elections could create technical hassles. The inconvenience may, in turn, offset political benefit the National Democratic Alliance (NDA) government could garner through tax sops for small businesses.

The Centre has also decided to stick to its FY19 fiscal deficit target of 3.3 percent of GDP. Amid declining GST revenues, offering additional benefits to MSMEs may hurt government's fiscal deficit target.

Revenue collection from GST declined to Rs 93,960 crore in August from Rs 96,483 crore in July, the lowest in the current fiscal. The decline may have been due to a rate cut on several items that was announced to provide relief to MSMEs and customers. On July 21, the GST Council had cut rates on more than 80 items across various tax slabs. The rate cut was effective from July 27.

The GST Council had set-up a Group of Ministers (GoM) on August 4 to formulate a plan for further relief to MSMEs, but the panel hasn't met even once, the report said. The GoM is unlikely to submit an interim report during the next GST Council meeting scheduled on September 28, the report said.

The government had earlier decided to provide MSMEs additional relief as small taxpayers, who were exempt from excise duty in the pre-GST regime, are now liable to pay excise duty and Value Added Tax. The move is said to have taken away the competitive advantage from these enterprises. The sops were aimed at reducing tax burden as well as giving these firms a bit of a competitive advantage.

The equilibrium mirage	**Indian Express** https://indianexpress.com/article/opinion/columns/rupee-decline-indian-economy-stock-market-international-crude-oil-prices-modi-govt-5372587/

The rupee's current tendency to fall is hardly surprising. India's growth experience, unlike China's, was built on the quicksand of a more or less persistent trade and current account deficit on the balance of payments. But there was always enough financial inflow not just to cover the current account deficit but even to add to our foreign exchange reserves. Initially, this inflow was stimulated by the sheer fact of the economy being opened up to such flows: Wealth-holders abroad got a chance to diversify their portfolios by buying into hitherto-unavailable Indian assets. Later, the higher interest rates in India were an attraction, especially when the Federal Reserve in the US. pushed interest rates there down to near-zero levels for reviving the US economy after 2008.

But two things have changed: First, the US has started raising its interest rates; and, second, Trump's protectionism, which reins in US firms locating plants abroad to import to the US (and offsets their loss through such protectionism by substantial corporate tax cuts), while allowing free global financial flows, has put a question mark over the future of neoliberalism, causing much uncertainty. For both these reasons finance is flowing back into the US, which it considers a safe "home base", raising the dollar vis-à-vis other currencies, notably the rupee.

What is surprising is not the rupee's tendency to fall, but the absence of any government intervention to support it, even though the inflationary consequences of the rupee's slide, via higher prices of imported crude, which have a direct bearing on the lives of the working people, are palpable. Some measures, no doubt, have recently been announced, but they are much too feeble, as is obvious from the subsequent slide of the rupee.

The argument of many, which perhaps also influences the government, is that the falling rupee will eventually reach an equilibrium level — but this is wrong. The falling rupee, in the absence of any government commitment to support it at a particular value, creates expectations of a further fall, which makes finance move out, and causes an actual further fall. This process can go on and on without ever reaching any equilibrium.

There has been no historical stability in the external value of the rupee (even when there has been no actual foreign exchange crisis), to which expectations can be tethered. At the beginning of the 1990s, the value of the rupee was 20 to a US dollar; now it is 72. And this nominal depreciation far exceeds the relative rise in prices in India compared to the US, which means that the real effective exchange rate of the rupee vis-à-vis the dollar has also secularly depreciated. With nothing to tether expectations, a downward spiral in the exchange rate would not stop.

Two factors will strengthen this tendency. One is the very fact of inflation caused by the falling rupee. Since any inflation generates expectations of a depreciation in the nominal exchange rate, such depreciation has a self-propelling effect. The other is the fact that several Indian companies have borrowed abroad to take advantage of the lower interest rates that were prevailing there; a depreciation of the exchange rate raises the value of their liabilities relative to assets; and the financial stress they face will create a tendency for speculative capital to leave Indian shores, and hence cause a further actual depreciation, which would further compound the problem. This is an echo of what underlay the East Asian financial crisis of the late 1990s.

But, it may be thought, the depreciating rupee would have the effect of closing the trade deficit by making our goods more competitive vis-à-vis foreign goods; and as this happens, the speculators would stop expecting any further depreciation and would therefore no longer take out any more funds, so that the process of depreciation will automatically come to a stop, unlike what I have suggested. The effect of an exchange rate depreciation on the trade deficit, however, even if in the right direction, takes long to work; and speculative capital outflows meanwhile can cause havoc to the economy before any equilibrium can possibly arrive.

Awaiting an equilibrium that never comes would not only keep squeezing the working people but would eventually make the government run to the IMF and other financial institutions in panic; and the "conditionalities" they would impose by way of "austerity" measures would be disastrous for the people, reminiscent of the bind that countries like Greece have got into.

The government must, therefore, intervene to stabilise the rupee. Such intervention acts in two ways. First, it directly stems the rupee's slide; and second, the government's resolve makes speculators believe that the rupee would not fall below the limit set by it, which also acts to stem outflows and stabilise the rupee.

But how should the government intervene? Raising interest rates, the obvious tool, lowers activity, aggravates unemployment, and hurts small producers in particular. Fiscal compression likewise hurts the people. Using foreign exchange reserves results in their depletion; and as they get depleted, speculators' belief in the government's ability to hold the rupee to a particular value starts getting eroded, causing outflows that again generate a downward spiral. Merely using foreign exchange reserves, therefore, is not enough. There have to be direct restrictions of inessential imports, combined, as and when it becomes necessary, with some controls on capital outflows. The government has recently mentioned controlling inessential imports, but nothing concrete has emerged.

Such control is not as drastic as it sounds. In 2013, during the previous episode of rupee's slide, the government had imposed controls over gold imports for stemming this slide, as it felt that the rupee's fall was pushing wealth-holders from rupees to gold. Supplementing the use of foreign exchange reserves with measures of direct control so that the rupee is held at a particular value is essential; it would also curb speculative outflows. The government must give up chasing the will-o'-the-wisp of an equilibrium to stabilise the rupee and control inflation.

Govt tells farmers to drain out excess water from fields	**Tribune India** https://www.tribuneindia.com/news/punjab/govt-tells-farmers-to-drain-out-excess-water-from-fields/658871.html

.The state Agriculture Department has advised farmers to drain out excess water from low-lying areas which got stagnated due to heavy rains in the past few days to prevent damage to cotton, paddy, maize and horticultural crops

Though moderate to heavy rainfall at the fag end of the monsoon season is goof for paddy, it may lead to pest infestation in low-lying areas where water has accumulated. Jaswinder Singh Bar, block agricultural officer, Sehna who had district, said there has been a mixed impact of the ensuing rainfall on crops across the State. The farmers who had gone for early planting of paddy may suffer losses but overall, it will beneficial for those who opted for late planting as per the government's schedule. In some pockets of Punjab, the paddy crop is ready for harvest, he said.

As far as the cotton crop is concerned, the stagnated water in the fields is of no use. The farmers must look out for ways to drain out the excess water from the cotton fields because the crop is ready for harvest," Brar said. The cotton-growing areas of Bathinda and Mansa districts got a good rainfall a couple of days back

Brar said in the low-lying areas, the farmers need not worry provided more rains do not lash the region. But if it rains again in the next couple of days, then they must drain out the excess water from their fields, he said. However, bright sunshine on Tuesday is being seen as a good sign for farmers. The excess water in most of the fields, except the low-lying areas, has evaporated to a great extent or has been absorbed in the soil. Meanwhile, the agriscientists have also claimed that the recent rainfall was good for kinnow-growers in Abohar, Malout and the adjoining areas. The farmers are irrigating their kinnow orchards these days. Now, they need not irrigate them anymore, the agriscientists said.

CCI urged to open 25 cotton purchase centres by Oct. 10	**The Hindu** https://www.thehindu.com/todays-paper/tp-national/tp-telangana/cci-urged-to-open-25-cotton-purchase-centres-by-oct-10/article25034061.ece

Cotton procurement with MSP planned at 98 market yards

With the commencement of cotton plucking in some pockets of the State where its cultivation was taken up early, and with the expected arrival of cotton to the market from October first week, the State Government has requested the Cotton Corporation of India (CCI) to open its purchase centres in at least 25 market yards by October 10.

At a meeting held here on Saturday to review the arrangements being made for procurement of green gram, black gram, maize, groundnut and cotton this marketing season, it was decided to open cotton procurement centres in 98 market yards by CCI and another 288 purchase centres at ginning mills.

‘Maintain quality’

Minister for Marketing T. Harish Rao asked the Cotton Corporation of India officials to open all their purchase centres by October 20 and also notify 288 ginning mills that have participated in Cotton Corporation of India tenders as designated purchase centres.

The Centre has fixed a minimum support price (MSP) of Rs. 5,450 per quintal for cotton this year against Rs. 4,320 last year.

As the minimum support price has been enhanced by over Rs. 1,100 per quintal, it is being expected that a large number of farmers would prefer sale of the fibre crop produce at Cotton Corporation of India purchase centres.

However, the Minister has suggested the farmers to maintain the quality norms specified by the Cotton Corporation of India, including keeping the moisture content between 8% to 12% and removal of any other material to get the announced price.

Officials of the marketing and agriculture departments, Telangana State Cooperative Marketing Federation Ltd (TS-Markfed), Hyderabad Agricultural Cooperative Association (HACA), TS Warehousing Corporation, branch managers of Cotton Corporation of India and representatives of ginning mills association attended the meeting.

Mr. Harish Rao spoke to Chairman and Managing Director of Cotton Corporation of India P. Alli Rani over phone and requested her to take steps for timely shifting of cotton bales and seed from ginning mills and also to ensure hassle-free procurement in Khammam district where ginning millers did not participate in Cotton Corporation of India tenders.

‘Procure green gram’

The Minister directed the TS-Markfed officials to open procurement centres for green gram (9) and maize immediately, which have been fixed minimum support price of Rs. 6,975 and Rs. 1,700 per quintal, respectively.

The Minister also told the officials to get prior approval from the Centre for procurement of black gram, groundnut and red gram too.

China might avoid Trump tariffs by exporting via Vietnam	**Vietnam Express** https://e.vnexpress.net/news/business/economy/china-might-avoid-trump-tariffs-by-exporting-via-vietnam-3812977.html

Vietnam could suffer collateral damage if Chinese businesses use made-in-Vietnam labels to avoid U.S. tariffs, experts warn.

Economist Vu Dinh Anh said it is “highly possible” that Chinese businesses would seek to export their goods through Vietnam to the U.S. amid the trade war between the world’s two largest economies.

One way they can do this is exporting their products to Vietnam and asking a Vietnamese business to label them as "made in Vietnam," he told *VnExpress International.*

They can also set up factories in Vietnam and manufacture products with materials imported from China, he added.

"This will result in bad consequences for Vietnam as the U.S. might impose the same tariffs on Vietnam as it did on China."

Vietnam's textile and footwear industry insiders expressed the same concern.

Pham Xuan Hong, chairman of the HCMC Association of Garment, Textile, Embroidery and Knitting, said it is possible Chinese garment products would be labeled as made in Vietnam and exported to the U.S.

"We propose that the government control this situation by tracing products' origin and severely penalizing violations. Otherwise the whole industry will have to suffer consequences," he told local media.

Diep Thanh Kiet, vice chairman of the Vietnam Leather, Footwear and Handbag Association (LEFASO), said there is a "very high" possibility that Chinese bags would be exported to the U.S. through Vietnam.

If Chinese bag makers want to export to the U.S., they can set up a factory in Vietnam to facilitate the exports, and this can be easily done with a budget of just $200,000, he said.

If this cannot be controlled, there could be grave consequences for Vietnamese textile firms since "the U.S. might apply the same tariffs as they have done on China," he warned.

This has happened before with steel. In May this year the U.S. slapped anti-dumping duties of 199.76 percent and countervailing duties of 256.44 percent on imports of cold-rolled steel produced in Vietnam using Chinese-origin substrate.

Anh said Vietnam should not repeat this mistake twice since there is a possibility that the U.S. would conduct investigations if it has any suspicion about product origin.

A chance to thrive

But there are opportunities for Vietnamese consumer goods exports amid the trade war.

About 27 percent of Chinese goods set to be affected by the new tariffs are consumer goods, and Vietnam exports many similar items to the U.S., said Can Van Luc, chief economist with the Bank of Investment and Development of Vietnam (BIDV).

"The escalating trade war will create opportunities for Vietnamese exporters of consumer goods to expand their market share in the U.S.," Luc said.

A recent report by Bao Viet Securities (BVSC) said footwear and textile products have a "great opportunity" to grab

U.S. market share from China.

Since the Chinese yuan has weakened against the U.S. dollar and dong, Vietnamese businesses would be able to import garment, leather and other materials cheaper, and this would result in more competitive prices in the U.S., the report said.

Other products to benefit from the trade war are wooden furniture, electronics, sports equipment, and toys, BVSC said.

Viet Capital Securities (VCSC) pointed out in a report, "Vietnam will benefit from the trade war if U.S. businesses look for an alternative supply chain and Americans start buying Vietnamese goods."

It added that foreign direct investment might shift to Vietnam from China to avoid U.S. tariffs.

The U.S. administration said it would begin to levy new tariffs of 10 percent on about $200 billion worth of Chinese products on September 24, with the tariffs to go up to 25 percent by the end of this year.

China retaliated immediately with 5 and 10 percent tariffs on $60 billion worth of U.S. products.

The U.S. has been Vietnam's largest trading partner this year, with $30.2 billion in turnover in the first eight months, according to the Ministry of Planning and Investment.

India Plans to Limit Imports to Bolster the Rupee	**Bloomber Quint** https://www.bloombergquint.com/global-economics/2018/09/25/india-is-said-to-set-targets-to-cut-imports-as-rupee-plunges#gs.ZnkkyYA

India has set targets to cut import of goods including electronics and steel to reduce demand for dollars and help bolster the rupee, people with knowledge of the matter said.

Prime Minister Narendra Modi's government has asked ministries to finalize plans to reduce inbound shipments of certain steel products, electronic goods such as mobile phone components, some petroleum products and capital goods, the people said, asking not to be identified as the matter is private. The plan is to reduce imports of these items by 1.5 percent to 4 percent, the people said.

A fall in the rupee, Asia's worst-performing major currency this year, at a time when oil prices are rising threatens to widen the nation's trade deficit and fuel inflation. Measures announced by finance minister Arun Jaitley to bolster the currency haven't helped so far. Earlier this month, the minister said the government will limit "non-essential imports." India's imports of iron and steel rose 27 percent to $10.43 billion in the year ended March 2018, while overseas purchases of precious and semi-precious stones surged 44 percent to $34.3 billion in the period, according to government data. Calls made to commerce ministry spokeswoman weren't immediately answered.

The ministries have been asked to design an export strategy to increase outbound shipments in the short term.

Export promotion councils have been asked to chalk out geographical destination-wise strategy and markets that would help in maximizing exports in short-run, the people said.

Pharmaceuticals, processed food in agriculture, electronic items like static converter and gems and jewelry are a few sectors currently on the government's radar for increasing exports. The commerce ministry is also looking at under-utilized free trade agreements including that with the Association of Southeast Asian Nations to boost farm, textile and metals exports, the people said.

New chief for spinning mills body V Sudhakar Chowdary in Guntur	**The Hans India** http://www.thehansindia.com/posts/index/Andhra-Pradesh/2018-09-25/New-chief-for-spinning-mills-body-V-Sudhakar-Chowdary-in-Guntur/414231

AP Spinning Mills Association new president V Sudhakar Chowdary said that he will try to bring backlog incentives from the government to the spinning mills. Speaking to the media after taking charge as AP Spinning Mills Association president in Guntur city on Tuesday, he said that he would persuade the government to recognise the textile industry as power intensive industry.

He said that the association would extend necessary cooperation to the entrepreneurs to set up spinning and weaving units.

He felt that there was need to get value addition to the cotton produced by the farmers in the state and welcomed the new textile policy announced by the government.

Patanjali scouts for franchisees for apparel products	**Business Line** https://www.thehindubusinessline.com/companies/patanjali-scouts-for-franchisees-for-apparel-products/article25041200.ece

Baba Ramdev-led Patanjali Ayurved, which has plans to launch its apparel products later this year, has begun scouting for franchisees to open exclusive outlets for the business. The company is looking to launch Patanjali Paridhan range of products during the upcoming festival season.

In a tweet on Tuesday, Baba Ramdev invited prospective franchisees for "opening exclusive brand outlets of apparel and accessories in major cities of India."

As per the requirements listed, prospective franchisees must have previous experience in the garments and textiles business and own property in high street, malls or commercial complexes.

Earlier this month, Baba Ramdev had reiterated Patanjali's plans to enter the apparel and accessories segment. He said the company will be launching products in 3,000 categories, including menswear, womenswear, sportswear, yogawear and kidswear including denims. In addition, it will also look at entering the footwear segment and other fashion accessories. It is also planning to launch a range of home textile products such as bedsheets.

Ramdev had also said that Patanjali Paridhan's brands will include Aastha, Livfit and Sanskaar. Besides exclusive outlets, the company is likely to retail its apparel and accessories at multi-brand outlets and neighbourhood stores.

The company has been on a product launch spree this month and has entered several new categories. It launched cow milk and value-added dairy products such as yogurt, buttermilk and paneer which are available in Delhi-NCR, Rajasthan and Maharashtra in the first phase. It also launched its packaged water brand Divya Jal and frozen vegetables products. The company is also looking to expand in other businesses such as cattle feed and solar panels.

BGMEA requests duty free access to US market for RMG made of American cotton	Dhaka Tribune India https://www.dhakatribune.com/business/2018/09/25/bgmea-requests-duty-free-access-to-us-market-for-rmg-made-of-american-cotton

BGMEA President Md Siddiqur Rahman made the request at a farewell lunch for Bernicat, hosted by the BGMEA at its office in Dhaka

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) urged on Tuesday outgoing US Ambassador in Dhaka, Marcia Bernicat, to lobby for duty free access to the US market for apparel products made of American cotton in Bangladesh .

BGMEA President Md Siddiqur Rahman made the request at a farewell lunch for Bernicat, hosted by the BGMEA at its office in Dhaka.

"Bangladesh imports a huge amount of cotton from the United States and uses it to make garment products, of which significant portions are shipped back to the US as finished goods," Siddiqur said.

He also asked the US envoy to help ensure a fair price for Bangladeshi exports to the US, for the sake of the livelihoods of garment workers.

"If Bangladeshi apparel products made from American cotton get duty free access to the US market, both readymade garment (RMG) manufacturers and cotton growers will benefit. Consumers will also benefit as they will be able to buy the products at reasonable prices," the BGMEA leader added.

The BGMEA also called for reinstatement of the Generalized System of Preferences (GSP) trade facilities for Bangladeshi goods, which were suspended in June 2013.

According to the Bangladesh Textile Mills Association (BTMA), Bangladesh imported 459,000 bales of cotton from the US in the last fiscal year, which amounted to 6.85% of the country's total cotton imports of 6,700,000 bales.

Addressing the event, US Ambassador Bernicat said: ""Since 2013, with the help of Accord and Alliance, you have dramatically transformed your garment and apparel factories, making them among the safest in the world."

"I realize this was a difficult and expensive process, but it will continue to pay off for years to come, if you don't become complacent," she added.

She further said the current challenges for the Bangladesh RMG sector were to complete remediation of the factories under the National Action Plan, and to maintain the progress at the Accord and Alliance factories.

Bernicat also congratulated Bangladesh for already meeting all three UN criteria necessary for graduating from LDC status in 2024.

"Continued economic development and growth depends on Bangladesh remaining vigilant and continuing to address issues like factory safety and labor rights," she added.

Bangladeshi exporters are among the highest tariff payers among the 232 exporting nations to the US, as the North American country imposes substantial import taxes on apparel and footwear, according to findings by a Pew Research Center report.

For Bangladesh, tariffs were 15.2% of the value of all its shipments.

Classic Home expands India manufacturing operations	**Furniture Today** http://www.furnituretoday.com/article/557807-classic-home-expands-india-manufacturing-operations/

Classic Home, a resource for case goods, accent furniture and top-of-bed, is expanding company-owned manufacturing operations in India with a $30 million investment in three new plants over the next three years.

That comes on top around $20 million spent on facilities in India over the last couple of years for Classic Home, which has two decades of manufacturing experience in the sub-continent.

The expansion is in response to increased demand from customers seeking more on-trend products from reliable Indian factories.

The first facility is set to open by the end of this year and will size, treat and season all the lumber used in Classic Home's Indian furniture manufacturing locations. This new, 200,000-square-foot centralized processing plant sits on 10 acres of land and will be capable of processing lumber for up to 300 containers of product per month.

Classic Home's second new facility will be a 75,000-square-foot textile goods factory slated to open in fall 2019. This addition will complement a state-of-the-art textile factory that has more than doubled its output since the company opened it in 2017. That facility will produce top-of-bed products such as pillows and quilts.

The third facility, a 500,000- to 600,000-square-foot wood furniture plant in Jodhpur, India, will be Classic Home's largest and is scheduled to open in 2020. It will produce case goods and accent furniture and work in conjunction with two other Classic Home furniture factories also located in Jodhpur. It sits on a 20-acre site with room for further growth

With 20 years of manufacturing in India, Classic Home is well acquainted with the country's business and production processes. The company has taken these processes and incorporated best practices it learned from its Asian factories to enhance traditional Indian craftsmanship.

Classic Home is one of the few vertically integrated furniture manufacturers in India, which the company says has led to more consistent and higher quality output.

"Over the past 20 years, we have relied upon and cultivated Indian craftsmanship for our products because of the unique aesthetic it brings to our pieces," said Harpal Singh, founder and CEO of Classic Home. "By strengthening existing traditions with modern operations, we are setting new standards in quality and design in India. Our new facilities will further expand our capabilities and provide our customers with a greater selection of cutting-edge product."

Classic Home warehouses its products for the U.S. market in Vernon, Calif. The company's High Point Marketshowroom is IHFC D-443.

Miti plans to set up textile design federation	**The Sun daily** http://www.thesundaily.my/news/2018/09/25/miti-plans-set-textile-design-federation

The Ministry of International Trade and Industry (Miti) plans to set up a federation related to the textile design industry in order to help fashion entrepreneurs build their future.

Its secretary-general Datuk Isham Ishak said the government and private sector could cooperate to create a bright future for the textile design industry. "Hence it's not only you designing the fashion for people, but we also want to help them to design the future," he said in his keynote address at the Fashion and Design Conference 2018 today.

Malaysia's textile and apparel exports amounted to RM15.3 billion in 2017. Meanwhile, the Malaysian Investment Development Authority (Mida) has approved 12 projects with total investments of RM428.8 million. The projects, which include the production of primary textiles, ready-to-wear garments and textile accessories, have generated 1,850 job opportunities including skilled positions. The Fashion and Design Conference 2018 was organised by MIDA in collaboration with Kuala Lumpur Fashion Week and the Malaysian Textile and Apparel Centre, among others.

Emerging-Market Rebound Depends on China and India	Bloomber Quint https://www.bloomberg.com/view/articles/2018-09-25/china-and-india-are-not-giving-emerging-market-investors-hope

This year's sell-off in emerging-markets assets has abated in recent weeks and valuations are tempting, but it's too soon to say things have bottomed. The key to any rebound is China and India, two economies where the outlook has deteriorated in recent weeks.

The relative size of their economies — together they accounted for more than 25 percent of global output in 2017 — and stock markets — they are the only two developing economies to figure in the top 10 in world market capitalization rankings — make them bellwethers for the entire asset class. China, the world's largest exporter, has seen its foreign sales threatened by the escalation of tariffs by the U.S., contributing to about a 20 percent drop this year in the CSI 300 Index of equities. India, the world's third-largest economy measured by gross domestic product based on purchasing power parity, has seen its currency depreciate in the face of mounting costs to import oil.

President Donald Trump has singled China out as the main problem as he tries to reduce the U.S. trade deficit. America's shortfall in trade with China expanded from an already sizable $347 billion in 2016 to $375 billion in 2017. With the monthly deficit increasing further during the current year to a record $36.8 billion in August, the gap for the year is expected to surpass $400 billion. The Trump administration on Sept. 17 imposed a 10 percent tariff on $200 billion of imports from China effective yesterday. The rate will increase to 25 percent in January if the situation is not resolved, which looks likely after China dashed prospects for a near-term resolution by warning Trump his threats of further tariffs are blocking any potential negotiations. The tariff comes on top of levies already placed on $50 billion of Chinese products. Trump holds open the option to impose a tariff on all imports from China totaling $505 billion last year.

With exports of goods and services accounting for about 20 percent of Chinese gross domestic product, the latest tariffs will have a significant impact on the economy. The tariff threat has already sparked capital outflows and weakened the currency. On the domestic front, retail sales, an indicator of economic well-being, have grown more slowly in the past six months. Another measure, the purchasing managers' index for manufacturing, is at lower levels than a year ago. Slower growth in the Chinese economy will have a negative impact on other emerging markets such as Brazil that are highly dependent on sales to Chinese buyers.

At about $12.2 trillion, the China's gross domestic product is larger than India's at $2.60 trillion, but the latter has been the fastest-growing major economy in the world over the past several quarters. India's real growth of 8.2 percent in the second quarter exceeded the 6.7 percent increase in China. India's non-oil imports increased to $33.4 billion in August from $22.5 billion two years earlier.

Growing Consumer

The Indian economy's Achilles' heel is its dependence on imported oil, its largest single import. With the price of Brent crude at around $80 per barrel, twice the level of a couple of years ago, India's deficit in the trade balance has surged, and the rupee has plunged in value. The sharp depreciation in the rupee is likely to extend the emerging market correction in two ways. First, Finance Minister Arun Jaitley suggested this month that the government would take steps to limit “non-essential” imports. India has been an attractive market for exporters in other Asian countries, the U.S. and the U.K., and import restrictions are likely to be quickly transmitted. Second, with the rupee’s 13 percent drop this year, Indian exports are more competitive in foreign markets. Expect other emerging economies to attempt to weaken currencies in reaction to the move.

Achilles' Heel

India’s equity market has bucked the broad retreat in emerging markets until late August. Since then, though, the S&P BSE Sensex has plunged 6.66 percent on rising concern about non-performing loans held by Indian banks and a large infrastructure leasing firm defaulting on its debt.

In common with other developing economies, China and India have felt the impact of a stronger dollar and rising U.S. interest rates that have prompted capital outflows. How the two economies react to U.S. tariffs and higher energy prices may determine the turning point for emerging markets as a whole.

India and Pakistan are missing out on $37 billion in trade	**Economic Times** https://economictimes.indiatimes.com/news/economy/foreign-trade/india-and-pakistan-are-missing-out-on-37-billion-in-trade/articleshow/65947210.cms

The trade potential between India and Pakistan stands at $37 billion, according to a World Bank report which said that continued political tensions and lack of normal trade relations between the two nations have cast a shadow over cooperation efforts within South Asia.

The report 'A Glass Half Full: The Promise of Regional Trade in South Asia', which was released on Monday, has highlighted among key factors, the long list of product restrictions in bilateral trade. India and Pakistan continue to maintain long, sensitive lists of items on which no tariff concessions are granted.

The lack of normal bilateral trade relations between the two countries affects the formation or deepening of regional value-chains in various high-value trading sectors, Dawn newspaper reported quoting the report.

Pakistan has a list of 936 items and almost 17.9 per cent of tariff lines that apply to imports from all South Asian Free Trade Area (SAFTA) countries.

India maintains a list of 25 items (0.5 per cent of tariff lines), which includes goods such as alcohol, firearms, etc.

However, it has a much longer, 64-item list, (almost 11.7 per cent of tariff lines) for Pakistan and Sri Lanka, but which effectively applies only to Pakistan, because India applies a smaller sensitive list to Sri Lanka as part of a separate India-Sri Lanka Free Trade Agreement.

Items on the Indian sensitive list can be imported at the most-favoured-nation tariffs from any SAFTA country, including Pakistan, because India accorded Pakistan the status in 1996, soon after the accession of the two countries to the World Trade Organisation.

However, Pakistan has not granted India the most-favoured-nation's status or non-discriminatory market access.

In addition, the preferential access granted by Pakistan on 82.1 per cent of tariff lines under SAFTA is partially blocked in the case of India because Pakistan maintains a negative list comprising 1,209 items that cannot be imported from India.

In practice, many of these items are exported from India to Pakistan through a third country, usually the United Arab Emirates. The report says another barrier to bilateral trade is the proliferation of NTMs (non-tariff measures), some of which take the form of non-tariff barriers, such as port restrictions.

Pakistan allows only 138 items to be imported from India over the Attari-Wagah land route. Furthermore, cargo trucks from either side cannot move beyond their border zones, which means that goods must be transloaded at the border, adding to the time and cost of trading.

Another factor impeding bilateral trade in goods and services, as well as FDI, is the encumbered visa regime that India and Pakistan have created for each other, which restricts the mobility of people between the two countries.

Continued political tensions and lack of normal trade relations between India and Pakistan have cast a shadow over cooperation efforts within South Asia, contributing to the lack of progress in the regional cooperation agenda of SAARC and SAFTA, the report said.

'India can take up lack of capacity in US, China markets'	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/-india-can-take-up-lack-of-capacity-in-us-china-markets--244741-newsdetails.htm

India can now take up the lack of capacity in the US and Chinese markets, said the head of Sandler, Travis & Rosenberg (ST&R), an international trade, customs and export law firm. If India produces the same goods that China has imposed tariffs on, then the former can start supplying the latter those goods at a likely less expensive price.

The US-China trade war is likely to impact Indian exports to Asian markets. “Several other countries, including Japan and Korea, have already notified the World Trade Organisation (WTO) of their intent to impose tariffs on US origin goods. If Indian manufacturers make these or similar goods, they can now supply to those markets,” Nicole Bivens Collinson, president, ST&R, told Fibre2Fashion.

ST&R represents importers, exporters, manufacturers, governments, brokers and freight forwarders. Its core competencies include matters concerning the movement of goods, services and intellectual property from one country to another, regardless of point of export or import.

Talking about foreign direct investment (FDI), she said, “FDI, if targeted appropriately, can help a country improve its manufacturing sector, but it must be directed FDI and it cannot be limited just to manufacturing. A key element in all global production is the ability to move goods/inputs effectively, efficiently and quickly. Appropriate infrastructure, seamless transportation of goods and minimal documentation and bureaucracy have a greater effect on attracting FDI than just an open market.

India's cotton exports to China may witness a 5-fold jump	Fashion Network http://in.fashionnetwork.com/news/India-s-cotton-exports-to-China-may-witness-a-5-fold-jump,1017576.html#.W6sSd3szbIU

India's cotton exports to China may see a five-fold jump to 4 million bales in marketing year 2018-19 beginning October 1, after the latter slapped a 25 per cent additional duty on cotton imports from the United States.

Indian traders have reportedly entered into a forward contract with Chinese buyers to deliver 1.2 million bales between November and January.

Though some quantity has also been contracted for exports to Bangladesh and Cambodia, the maximum contracts are for China, according to a report in top Indian financial daily.

Analysts say a likely decline in India's cotton production in the next season, low closing stocks and higher minimum support prices announced recently may affect India's export prospects.

Due to declining cotton stocks, China has turned a net importer of cotton to meet its garment demand, according to the Cotton Association of India.

China has an annual output of 35 million bales against consumption of about 50 million bales. The country has been unable to raise cotton production since the focus shifted to food and feed crops and its buffer cotton stocks started depleting in 2015.

India cotton exports in April-July period this fiscal were worth $119 million. India's cotton output for the 2017-18 (October-September) season is pegged at 37 million bales, up 7 per cent from the previous year.