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NEWS CLIPPINGS –29-11-2018

Suresh Prabhu urges Textiles industry to prepare road map for boosting exports	Uni India http://www.uniindia.com/~/suresh-prabhu-urges-textiles-industry-to-prepare-road-map-for-boosting-exports/Business%20Economy/news/1419490.html

Union Commerce and Industry Minister Suresh Prabhu on Wednesday urged the Textiles industry to prepare a road map in order to tap into the export market.

"Government is willing to extend all possible support to the textiles industry., he said addressing a Global Conclave of Confederation of Indian Textile Industry here.,

Mr Prabhu said the contribution from textiles and apparel can be increased by scaling up and increasing investments into the industry along with cost optimization and vertical integration.

"Investing in new and more efficient technologies and processes will lead to more superior products he added.

The Minister said that the Indian textile industry should modernise their approach as well as the technologies and gain competitive advantage over neighboring countries and diversify product range across the value chain. The Commerce Ministry was making all efforts to onboard all line ministries for greater synergy in order to promote exports, Mr Prabhu said, according to an Official statement here.

He said that textiles industry should look forward to exporting their products to countries other than the US and EU, adding that for this, the GoI has been making all efforts in identifying potential export partners and strengthening relationships with them.

A free trade agreement with EU would relieve the pressure on the industry and enhance competitiveness, the Minister said, adding that the Government was also looking to fast track negotiations of Free Trade Agreement with EU and Australia.

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20987	43900	79.10
Domestic Futures (Ex-Gin) November		
Rs/Bale	Rs/Candy	USD Cent/lb
21530	45036	81.15
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		77.88
ZCE Cotton: Yuan/MT (Jan 2019)		14455
ZCE Cotton: USD Cents/lb.		80.30
Cotlook A Index - Physical		85.55
B. Currency		
USD/INR	Close	Previous Close
Spot	70.790	70.869

Cotton Guide:

On Wednesday March contract settled at 7888, up 100 points. That was its highest settlement of the last 12 sessions. The other months settled from 43 to 99 points higher. Volume was 17,446 contracts. Cleared yesterday were 15,593 contracts. We think helping buyers' enthusiasm in cotton were very strong US equities. Comments out of the Federal Reserve indicated a slowing of rate hikes. Also ideas over a positive outcome during the G20 Summit between Presidents Trump and China's Xi boosted buying morale.

Gains in the 3 major US stock indexes were up 2.3 to 2.9 percent on Wednesday. That was the 3rd consecutive gain for a cumulative rise of 4.2 to 5.1 percent. Cotton also had a better tone to cash sales and inquiries for US cotton. March had a 135 point range, from 7770 to 7905. That was the highest March has been in a week. March maintained its 11-session tight range of 7718 to 7939.

March open interest was at 132,964 contracts, down 430 contracts from previous day. March first notice day is February 22nd, leaving 57 sessions until then. For the 9th consecutive session total open interest has dropped to the lowest level in 2018. The aggregate open interest was at 219,995 contracts, down 467 contracts from previous day. Spreads traded 3,746 times, about 43 percent of the volume. March-May traded 1,821 times in a range of 107 to 120 points May premium and it settled at a 108 point May premium. May/July traded 1,342 times in a range of 103 to 117 points July premium and it settled at a 117 point July premium.

Technically, Wednesday's rally brought some minor improvement to the short-term daily modern work. Overall, it's still a 10-week trading range within a long-term downtrend, and the bears are basically still in command. However, March closed near the day's high and near the top of a two-week trading range between 7718 and 7939. Further upside adventures from here could take prices up to a test of resistance in the 8000-to-8050 area. Support is the 7700-area and 7650.

On the domestic front, spot price advanced further marginally to trade near Rs. 44,450 per candy ex-gin which approximately 80.20 cents per pound. Likewise, Punjab J-34 traded steady near Rs. 4430 per maund. The estimated total arrivals were marginally lower on Wednesday at 135,000 bales which includes 41K in Gujarat, 30,500 in the northern zone an 29K in AP. No arrivals have been registered in Madhya Pradesh as a state election is under way.

On the futures front MCX November continued to trade down. The contract ended at Rs. 21,440 down by Rs. 90 from the previous close. We think the MCX has declined considerably because of disparity in trade. We expect it to make a halt from further major decline and rebound in the price could be expected. The trading range for the day would be Rs. 21320 to Rs. 21550 per bale.

FX Guide:

Indian rupee has opened firmer by 0.7% to trade near 70.1 levels against the US dollar. Rupee has benefitted from weaker crude oil price, firmness in equity market and general correction in US dollar on back of Fed Chairman Jerome Powell's comments. Brent crude trades near $59 per barrel after 2.4% decline yesterday on back of bigger than expected rise in US crude oil stocks and uncertainty about OPEC's production policy. The US dollar index trades mixed near 96.7 levels after 0.6% decline yesterday post Fed Chairman Jerome Powell comments. Powell stated that interest rates are "just below" the so-called neutral range and that Fed is not on a preset policy path. Recent Fed comments have fuelled expectations that pace of rate hikes may slow down next year. Asian equity markets trade largely higher today after a sharp 2.5% rally in US market yesterday on easing worries about higher borrowing costs. Rupee may trade with a firmer bias amid general weaker outlook for crude oil and choppiness in US dollar against major currencies. USDINR may trade in a range of 69.9-70.4 and bias may be on the downside.

India rejects US charge of subsidising cotton beyond WTO limits	**Money Control** https://www.moneycontrol.com/news/india/india-rejects-us-charge-of-subsidising-cotton-beyond-wto-limits-3231751.html

The US has alleged that India was providing substantial market price support for cotton well in excess of India's WTO spending limits.

India has rejected the US charge of subsidising cotton beyond the limits prescribed by the World Trade Organisation (WTO), saying its market price support is intended to help the country's poor farmers, an official said.

The US has alleged that India was providing substantial market price support for cotton well in excess of India's WTO spending limits.

India's policies for supporting its cotton and sugar sectors were under the spotlight in a meeting of the WTO's Committee on Agriculture on November 26-27. Australia too had raised the issue.

"The support provided (by India) is intended to ensure that poor farmers do not resort to sales under distress and that procurement by government agencies only accounts for a very small part of total production (less than 2 percent)," a Geneva-based official said.

India has been using a consistent reporting approach since 1995 and it uses a robust methodology as compared to the US in its calculation of the support.

India's figures on total value of production are publicly available and they do not include it in WTO notifications because it is not required and other members also do not report this figure.

"The method used by India is consistent with WTO rules," the official added.

The US had alleged that India was substantially under-reporting the value of its minimum price support (MPS) for cotton.

They had stated that in its 2015-16 notification to the WTO, India reported Rs 120 crore in MPS for cotton whereas the US estimated India's support at over Rs 50,400 crore.

These actual support levels also mean that India is well in excess of its WTO spending limits on cotton support, which is fixed at 10 percent of the total value of overall production, the US had alleged.

Similarly, India has also rejected Australia's claim that India's market price support for sugarcane is in excess of its WTO spending limits.

"The entire Australian counter-notification is based on a fallacious approach...In fact, MPS for sugar does not qualify as domestic support as there is no procurement by the government," the official said.

India has stated that the fair price announced is intended to prevent distressed sales of sugar by domestic farmers.

India is a marginal player in the international market for sugar and accounts for less than 1 percent of global sugar exports.

The country has made no contribution to the glut that is currently depressing prices, India has claimed.

Australia in a communication to the WTO has alleged that India is the world's second largest sugar producer and fourth largest exporter and the dynamics in India's sugar market have significant implications for both prices and trade in the global market.

They have alleged that India has provided support for sugarcane over a six-year period vastly in excess of its WTO spending limits.

According to them, the support provided by India topped Rs 74,700 crore in the 2016-17 market year.

Other countries that raised red flags over India's support to the sugarcane sector include Guatemala, Thailand, Paraguay, Brazil and European Union.

In the meeting, questions were also raised regarding India's decision to increase import on milk powder from 30 percent to 40 percent.

India has replied that the measure was based on domestic demand and supply and the new duty was within India's bound tariff limit (the maximum permitted tariff in India's WTO schedule of commitments).

The EU said this was an example of India restricting trade by raising import duties.

Indian firms work to further explore Vietnam's garment and textile market	**Vietnam Plus** https://en.vietnamplus.vn/indian-firms-work-to-further-explore-vietnams-garment-and-textile-market/142644.vnp

India is one of the major material suppliers of Vietnam's garment and textile sector, but trade value between the two sides remains modest. Therefore, Indian firms are working to promote trade activities in the Vietnamese market.

Earlier this month, the Indian Consulate General in Ho Ch Minh City worked with the Vietnam Cotton and Spinning Association (VCOSA) to hold a meeting between Vietnamese firms and their Indian counterparts joining the 18th International Textile and Garment Industry Exhibition.

According to the General Statistics Office, in 2017, trade between Vietnam and India hit 7.62 billion USD, with Vietnam's exports at 3.75 billion USD.

In the first nine months of 2018, bilateral trade hit 8.27 billion USD, up 47 percent over the same period in 2017, bringing the countries closer to the target of 15 billion USD in two-way trade in 2020.

The two sides have defined garment and textiles as a prioritised sector in bilateral ties.

Indian General Consul in Ho Chi Minh City K Srikar Reddy cited Indian statistics showing that in the 2017-2018 fiscal year, India's global exports of garment and textile hit 36.73 billion USD, including 555 million USD to Vietnam, up 42 percent over the previous fiscal year.

From April to August 2018 of the 2018-2019 fiscal year, India earned 257 million USD from selling garment and textile products to Vietnam, up 59 percent over the same period a year earlier.

Although trade of garment and textile between the two countries has enjoyed impressive growth in the past two years, the two sides have much potential to continue boosting partnership in the area.

The Vietnamese garment and textile sector imports cotton, accessories and fabric for production.

Under the free trade agreement between India and the ASEAN, most cotton and woven cotton fabric and knitted fabric imported from India will enjoy tax exemption from January 1, 2019, making India a competitive supplier of garment and textile materials and machines for Vietnam.

Last year, Vietnam imported 19 billion USD worth of materials, mostly yarn and fabric from major suppliers such as China, the Republic of Korea and Taiwan (China). However, imports from India were modest

Shailesh Martis from the Cotton Textile Export Promotion Council of India (Texprocil) said Vietnamese firms should explore the 1.3 billion-strong market of India.

Statistics from Texprocil showed that in 2017, India was the world's second largest exporter of cotton products, top cotton and jute producer and the second biggest fibre producer

Indian businesses have shown increasing interest in Vietnam from which they can enter the Southeast Asian market.

Indian businesses have invested in 201 big projects in Vietnam with a total investment of about 876 million USD, ranking 27th out of the 126 foreign countries and territories investing in Vietnam. But Indian General Consul K Srikar Reddy said that if counting India's investment to Vietnam through a third country, the figure is 1.4 billion USD.

DTI sees SME opportunities in ASEAN-India free trade deal	**Business World** https://www.bworldonline.com/dti-sees-sme-opportunities-in-asean-india-free-trade-deal/

THE Department of Trade and Industry (DTI) said the Association of Southeast Asian Nations' (ASEAN) upcoming free trade agreement with India will expand opportunities for small and medium-sized enterprises (SMEs).

"The ASEAN-India collaborations have started to prosper. They are going in the right direction but definitely there's still a big room for improvement," Trade Secretary Ramon M. Lopez said in a statement on Wednesday.

"A strengthened partnership between ASEAN and India can give SMEs a larger free trade area to work with as we make them part of the global value chain," he added.

Mr. Lopez cited noted potential areas that both the Philippines and India can explore, including information and communication technology; telecommunications; automotive parts and components; pharmaceuticals; and public-private-partnerships in infrastructure development, including energy and power.

He also noted the Philippines' intention to explore potential markets for high-innovation and design-driven products, electronics and semi-conductors, hospitality, and education.

Among the potential trade and investment opportunities between ASEAN and India include sectors like pharmaceuticals, automotive, manufacturing, textile, and business process outsourcing, among others.

"The opportunities are numerous between the Philippines and India, especially with both countries experiencing robust economic growth. There's good ground for industry complementation," Mr. Lopez said as he addressed over 400 corporate and government leaders from ASEAN states, India and other countries present at the 3rd ASEAN-India Business Conference held Nov. 27 in Malaysia. "The Philippines is seeking to capitalize on the Indian government's Act East policy, which focuses on strengthening trade and investment relations with its East Asian neighbors. We are also in a unique and strategic location as an entry point for Indian businesses to enter the Philippines and ASEAN market," Mr. Lopez added.

In 2017, merchandise exports of the ASEAN bloc to India were worth $45 billion which accounted for 62% of bilateral merchandise trade.

The Philippines counts India as its 14th top trading partner, with India the 18th largest Philippine export market and 14th largest source of imports in 2017. Merchandise trade between the two countries amounted to $2.2 billion

Improve priority sector lending: Odisha government tells banks	**Indian Express** http://www.newindianexpress.com/states/odisha/2018/nov/29/improve-priority-sector-lending-govt-tells-banks-1904857.html

Addressing the 153rd SLBC meeting, Pandey advised bankers to provide more finance to social sector with special emphasis on infrastructure projects, housing and education.

The State Government on Wednesday asked banks to sanction credit to priority sectors in order to achieve the target envisaged in the annual credit plan prepared by the Reserve Bank of India (RBI).

With the Government taking all possible measures to double farmers' income, commercial banks operating the State have a key role to play by leveraging credit flow to agriculture, horticulture, fisheries, animal husbandry and textile sectors, Additional Chief Secretary, Finance TK Pandey told bankers at the State Level Bankers Committee (SLBC) meeting here.

Addressing the 153rd SLBC meeting, Pandey advised bankers to provide more finance to social sector with special emphasis on infrastructure projects, housing and education.

Expressing concern over banks not meeting their target for opening branches in rural areas, Pandey asked the State heads of all commercial banks to take up the financial inclusion programme in a mission mode by inducting more banking correspondents in unbanked areas.

He said State Bank of India has made operational banking correspondents in 488 unbanked gram panchayats.

As per the latest report of the Department of Financial Services in the Ministry of Finance, 2197 villages in the State do not have banking facility.

Pandey urged the banks to take immediate steps to open bank branches as per the target set by SLBC and banking outlets in unbanked villages by end of this year.

According to the latest data collected by SLBC, banks operating in the State have extended credit of `31,158.58 crore as against the annual credit plan of `71,420 crore by the end of September. The banks have achieved 72.69 per cent of the credit target for micro, small and medium enterprises (MSME) sector by the end of the second quarter of the current fiscal.

As credit deposit ratio of nine districts was less than 40 per cent, the Finance Secretary asked banks to improve their performance and requested the regional office of RBI to take necessary measures. He further requested the State heads of the banks to ensure that Government assistance under different schemes are paid to beneficiaries through bank accounts in time.

Indonesia announces unilateral concession on 20 tariffs to Pakistan	**Business Recorder** https://www.brecorder.com/2018/11/29/455426/indonesia-announces-unilateral-concession-on-20-tariffs-to-pakistan/

Advisor to the Prime Minister on Commerce, Textiles and Investment Abdul Razak Dawood on Wednesday said Indonesia had notified unilateral concession on 20 tariffs to Pakistan to provide more market access through expansion of Preferential Trade Agreement (PTA) between the two countries.

After successful negotiation between the two countries, Indonesia had agreed and notified the unilateral concession on 20 tariff lines for providing market access on textile and agriculture items including rice, mangoes and citrus, demin fabric, ethanol, home textile and towel, the adviser said while addressing a press conference here.

He said the Indonesia-Pakistan Preferential Trade Agreement (PTA) was signed in February 2012.

He said after this trade facility, there would be a further increase of around $150 million in Pakistan's exports to Indonesia.

The adviser said Pakistan wanted to get market excess in China, Japan, Indonesia and South Korea to increase the country's exports volumes for narrowing the trade gap for economic development of the country.

He said the government was committed for narrowing the trade deficit, and in this regard, "We initiate the comprehensive strategy to get market access in potential markets of the world."

The adviser hoped that there would be around $one billion Foreign Direct Investment in the country in coming two years due to prudent economic policies of the government.

Replying to a question, he said a delegation of Suzuki Japan during its recent visit agreed to invest $450 million in auto sector in the country.

He said French company Gemalto had signed agreement to invest $300 million in hi-tech for animation in Pakistani passport.

Abdur Razak Dawood said the ministry of commerce had evolved a comprehensive national tariff policy, which would be presented before the Cabinet for approval on Thursday.

To a question, the adviser said he would visit Japan accompanied by a high business delegation in second of December to negotiate on market access to Pakistani goods.

He said priority of the government was to provide market competitiveness for increasing country's exports and to get market access in foreign potential markets.

Razak said the European Union give us huge market access through Generalized Scheme of Preference (GSP-Plus) for increasing local exports.

Textile exporters cheer rave response from foreign buyers	**The News** https://www.thenews.com.pk/print/399488-textile-exporters-cheer-rave-response-from-foreign-buyers

Textile sector's exhibitors were expecting a surge in procurement orders from foreign buyers who thronged the four-day defence expo Ideas 2018 on Wednesday.

"Most of the delegates are interested in fabric, shoes and other such smaller goods such as gloves and leather products," a military officer told The News, requesting anonymity.

"Not everybody has come to procure aircraft and tanks. We know that and we are promoting non-defence products, a role trade associations should have played."

The International Defence Exhibition and Seminar began on Tuesday. It will continue till November 30 and is being attended by 262 high-level delegations from 51 different countries.

The exhibition houses a large number of local exhibitors – other than defence related products – including manufacturers and services.

Over 522 exhibitors are displaying their products; of which dozens of stalls are occupied by non-defence local manufacturers and service providers, who are vying to attract foreign orders.

Master Textile Mills, displaying a range of woven fabrics mostly for uniforms, is receiving very positive response from foreign delegates.

"We are quite hopeful of getting orders for our woven fabrics as delegates have demonstrated much interest in locally produced fabric, which they usually procure from China," a representative of the textile mill said. Master Textile exports products to Europe and USA.

Tariq Khan of a product verification firm SGS Pakistan (Private) Limited said the company provides product and process verification service for both imported and exported goods.

"We are receiving good response from foreign delegates particularly for pre-shipment inspection services regarding goods they import from Pakistan," Khan said.

Local auto parts manufacturers, motorcycle assemblers, cutlery manufacturers, leather goods producers, information technology services, textile millers, printing press, electric switch and gears manufacturers among others are seen prominent at the defence exhibition.

"The response is lacklustre, but we hope to secure some foreign orders," Romeen Qaiser, a representative at the Dar Cutlery Works stall said. "We produce high quality cutlery and are already exporting to UAE."

Karachi Chamber of Commerce and Industry (KCCI) also set up its stall at the Ideas 2018.

President KCCI Junaid Ismail Makda

said local partners, which are KCCI

members, represent foreign companies at the event.

"Being the major stakeholder of the country's trade and industry KCCI is participating at the international event to pursue export enhancement and import substitution," Makda said.

Ideas 2018 brings together defence industry players from different parts of the

world. Besides Pakistan, other major exporters of defence technology including China, the Czech Republic, France,

Germany, Italy, Jordan, Poland, Russia, South Korea, Turkey, UAE, Ukraine and USA

have their exclusive country pavilions at the event.

New inventions of Pakistan's defence industry including those from Global Industrial Solutions, Pakistan Ordnance Factories,

Military Vehicles Research and Development Establishment, Shibli Electronics, Universal Smart Military Systems and Daudson Armoury are also being showcased at the exhibition.

Water risk report for garment industry launched	En.Nhandan http://en.nhandan.org.vn/business/item/6895902-water-risk-report-for-garment-industry-launched.html

According to Van Ngoc Thinh, Country Director of WWF, as Vietnam's textile and garment industry depends significantly on water and energy for production, it needs to have initiatives to promote its sustainable development, thus contributing to the national economy and ensuring goals on environment.

The two report and tool are expected to support garment and textile enterprises' development in the future.

The report "Textile and Garment Sector in Vietnam: Water Risks and Solutions" features 12 recommendations of the WWF to boost links among relevant agencies of the sector while promoting the management and improvement of water resources and sustainable energy use.

The textile and garment industry is one of the important sectors of Vietnam's economy and it is also an industry that has high demand of water, especially for fabric processing and dyeing.

In order to improve the water management and use of the sector, some research results indicate that it is necessary to increase investment in wastewater treatment, and remove difficulties for factories and industrial parks, which do not have enough financial sources for wastewater treatment equipment and technologies.

According to VITAS, Vietnam ranks the 4th among textile exporting countries in the world, after China, India and Bangladesh.

In the first half of 2018, the total export turnover of Vietnam's textile and garment industry reached US$16.5 billion, up 17% over the same period last year.

Foreign direct investment (FDI) poured into the sector hit US$2.8 billion, lifting the accumulated FDI in the industry to US$17.5 billion, with the Republic of Korea; Japan, and China being the biggest investors.