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 –22-01-2019

Centre to look into textile industry's apprehensions on embedded duties: Smriti Irani	Money Control.com https://www.moneycontrol.com/news/business/centre-to-look-into-textile-industrys-apprehensions-on-embedded-duties-smriti-irani-3415941.html

The government will look into the textile industry's apprehensions regarding embedded duties not being refunded fully and see that no tax is imposed on exports, Union minister Smriti Irani said.

She made the remarks at the Textile Conclave organised by Assocham in Gandhinagar on January 20, a release said.

"Government is rolling out two new initiatives – one for estimating the domestic market consumption while the other would be to develop India-specific apparel sizing which will help in taking policy decisions for growth of domestic industry," Irani said while inaugurating the conclave along with Gujarat Chief Minister Vijay Rupani at the Vibrant Gujarat Global Summit.

The textiles minister added that since 2014, Rs 35,000 crore has been invested in the textile and apparel sector on account of government support. Irani congratulated Rupani for announcing the new textile policy in Gujarat wherein Rs 3 per unit electricity subsidy is offered to small power loom units and Rs 2 per unit to all other segments.

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

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20622	43100	77.02
Domestic Futures price (Ex-Warehouse Rajkot) January		
Rs/Bale	Rs/Candy	USD Cent/lb
20950	43786	78.25
International Futures		
NY ICE USD Cents/lb. (March 2019)		73.97
ZCE Cotton: Yuan/MT (May 2019)		15355
ZCE Cotton: USD Cents/lb.		102.45
Basis difference (ICE March -Domestic Spot)		3.05
Cotlook A Index - Physical		83.30(-0.50)
B. Currency		
USD/INR	Close	Previous Close

Spot	71.27	71.30
USD Dollar Index	96.32	

Cotton Guide

This morning ICE March contract opened above 74 at 74.22 cents/lb. We are reviewing ICE after a three day holiday period due to the weekend and the holiday observed yesterday as "Martin Luther King Jr. Day". In the last week cotton prices though traded in the same range of 71 to 75 but the bias was onto the positive side. The tone has turned slightly positive.

The Indian cotton price for S6 remained steady near 43100 per candy ex gin hence the MCX future gains were limited. The January MCX Cotton Future settled yesterday at 20950 Rs/Bale with a positive change of +30. The February, March and April contracts ended with gains of +20, +30, +20 with settlement figures of 21230, 21470, 21700 Rs/Bale Respectively. The Volume for January contract has reduced to 2172 lots, which amounts to a decrease of (-118) lots. The open interest also showed a decline. The decline was noted to be (-553) lots bringing the OI for January contract to 5790 lots.

The arrival figures are estimated to be around 157,000 lint equivalent bales (source cotlook) including 37,000 from Maharashtra, 35,000 from Gujarat, 29,000 from Andhra Pradesh. Cotlook Index A has been decreased to 83.30 cents/lb which is a (-0.50) decline.

The other factor that is a matter of concern is the price of WTI Crude which is currently trending low at around 53.64 USD/Barrel. However we think the price may touch 55.50/56 USD/Barrel range.

The Positive Points that have supported the price rise: Drier weather in Brazil, excessive rains in Argentina, smaller crop in India and the historical drought in Australia. Non-Chinese demand of US cotton style has also supported cotton price to trade higher.

On the Technical front, ICE cotton futures witnessed marginal decline after last week's recovery rally. Meanwhile price is hovering in the band of 73.60-74.45 zone, with RSI in the daily charts at 48 suggesting sideways trade for the day. Only a sustained move above range could bring further buying in cotton futures towards higher levels of 75.30, followed by 76.20. Likewise below 73.60 immediate support exists around 73.20 and 71.90 levels. In the domestic markets trading range for Jan future will be 20820-21180 Rs/Bale

Currency Guide

Indian rupee may witness choppy trade but overall bias remains weak against the US dollar. Weighing on rupee is recent rise in crude oil price. Brent crude fell marginally today but is holding above $62 per barrel supported by OPEC's production cuts and gains in US equity market. Also weighing on rupee is general recovery in US dollar against European currencies amid Brexit uncertainty and ahead of ECB monetary policy meeting this week. Also weighing on rupee are concerns about wider fiscal deficit as government plans for relief packages at the upcoming Budget. As per reports, additional annual expenditure for India's federal government on full roll out of the farmers' relief program likely to be about 700 billion rupees ($9.8 billion) annually. Adding to concerns about health of the economy, RBI Governor Shaktikanta Das flagged concerns about sticky core inflation. Global equity markets came under pressure today also as the International Monetary Fund cut its forecast for the world economy, predicting it will grow at the weakest pace in three years in 2019 and warning fresh trade tensions would spell further trouble. IMF however expects Indian economy to grow at 7.5% in 2019, which is a marginal 0.1 per cent above its previous projection. Also supporting rupee is reforms to boost investor interest. As per Bloomberg report, the government is looking to revise a rule that will allow limited mutual funds investment in foreign currencies. Rupee has fallen sharply in last few days and has turned choppy amid lack of fresh cues however general strength in crude oil price and global uncertainty will keep pressure on the currency. USDINR may trade in a range of 71-71.5 and bias may be on the upside.

Vibrant Gujarat Summit: Fabric traders make a killing at Farm To Fashion	**DNA India.com** https://www.dnaindia.com/ahmedabad/report-vibrant-gujarat-summit-fabric-traders-make-a-killing-at-farm-to-fashion-2710697

Organisers of the Farm to Fashion Expo at the Vibrant Gujarat Summit 2019 said that textile exhibitors have so far received orders worth Rs 2,500 crore, and the same is likely to cross Rs 3,000 crore by the time the expo ends on Tuesday.

“I got orders equivalent to contracts for about three months at Farm To Fashion. This is a major revival after after about two-year slowdown during which sales dropped,” director of Ahmedabad-based Prakash Textiles, a manufacturer of fabrics, Prakash Bagrecha said.

Prakash is just one of hundred odd fabric manufacturers and traders from Ahmedabad who exhibited their products at the five-day expo that began on January 18 in Gandhinagar, as a part of the summit.

Nearly 60 per cent of exhibitors have stopped accepting new orders. They have their hands full for over three months now. Orders have been pouring in from major cities of the country as well as from Nepal and African countries,” president of Ahmedabad Textile Processors Association, Naresh Sharma said. The association is a partner organiser of the expo along with Gujarat Chamber of Commerce and Industry (GCCI) and Maskati Kapad Market Mahajan (MKMM).

Majority of 105 exhibitors at the expo are from Ahmedabad. Orders poured in from about 1,500 buyers from Amritsar, Ludhiyana, New Delhi, Kanpur, Kolkata, Hyderabad, Bengaluru and Chennai among other cities. Buyers from Nepal and African countries also placed orders.”

After the Textile Policy of 2012, manufacturers had imported modern machinery, which improved quality of products in weaving, ginning and processing as well as product categories like denim, suiting and shirting. This improved export-worthiness of products. Under such circumstances, Farm To Fashion proved to be a game-changer in the sense that it brought buyers,” said Gaurang Bhagat, president of MKMM.

Ahmedabad is a major sourcing hub of cotton fabrics for wholesalers and retailers from across India and even abroad. However, sales dropped by about 25-30 per cent after demonetisation and roll out of GST as the business is based on cash and credit. Even as Diwali failed to bring back the lost charm Farm To Fashion has revived order-books, said business leaders.

Indian textile mills heading to Ethiopia to take on Bangladesh, Cambodia	Business Standard https://www.business-standard.com/article/companies/indian-textile-mills-heading-to-ethiopia-to-take-on-bangladesh-cambodia-119012100726_1.html

The African nation offers much cheaper labour and power, apart from easier access to key markets, plug-and-play infra for new plants, and friendly tax laws

KPR Mills, one of the major factories in the textile town of Tirupur, Tamil Nadu, said today that it has started a unit in Ethiopia to take advantage of lower labour cost, duty savings and shorter shipment time to the US and European markets.

KPR joins a clutch of other prominent textile players, such as Raymond, Arvind, Best Corporation and JJ Mills, that have set up shop in the East African nation largely because their Made-in-India products are finding it difficult to take on the competition from Bangladesh, Cambodia and other nations.

These companies are hoping their Africa investments would bring about a new wave of growth for them.

While KPR has invested $5 million to set up a capacity of 10 million units, providing employment for nearly 1,000 people, Raymond's Rs 130 crore plant in Ethiopia has a capacity of 2 million jackets. Best Corporation invested Rs 30 crore in its phase-I project. SCM Garments, Arvind and JJ Mills are some of the other companies to have set up factories in Ethiopia the past few years.

Ethiopia offers ready-to-use sheds, income tax breaks and training subsidies and offers tax-free gateway into US, Europe and China.

Besides the labour cost, which is 50 per cent lower compared to India, another big advantage in Ethiopia is that the Government already has the land and building readily available. So it is just a plug and play model with cheap power.

Power is available for three cents in Ethiopia, compared with 10-12 cents in India. Labour is cheaper, at $60 a month, compared with $130-150 in India, said an industry representative.

During the last analyst call, P Nataraj, MD, KPR Mill said while Bangladesh has Free Trade Agreements with major importing countries, the Indian industry is struggling to get into a similar arrangement.

The government has been negotiating for the past two or three years with the other countries, but to little avail, as any concession given to Indian textiles must come with commensurate concessions to other products that the textile importinf country might want to export to India.

Import duty generally ranges from 10 per cent to 18 per cent for most European products, but could go up to as much as 28 per cent for certain categories. In comparison, Bangladesh imposes little or no duty on the products it imports.

Despite this India isn't really out of the market, because of its inherent strength in terms of availability of cotton, a key raw material. Bangladesh, on the other hand, has to rely 100 per cent on cotton imports to feed its textile units -- and India is the only country with surplus cotton. In any case, its technical expertise and technology gives India an edge in textiles.

While incentives and concessions are available in India, actually getting them in takes a long time. Another major challenge is labour availability and attrition. Despite the fact that companies have invested huge sums of money, their factories are not able to run at even 50 per cent capacity.

One-Indian-One-Price among a slew of demands made by AIMO to boost MSMEs	**Business Standard** https://www.business-standard.com/article/companies/one-indian-one-price-among-a-slew-of-demands-made-by-aimo-to-boost-msmes-119012100285_1.html

Uniformity in stamp duties for property mortgages across states, GST exemption, interest on refunds from governments, early settlement of NPA are among other demands made by the trade body

Asserting that uniformity in pricing is the need of the hour, the All India Manufacturers Organisation (AIMO), which claims to have over 50 million MSME players in its fold, demanded a one-India-one-price mechanism across sectors.

In an apparent reference to the goods and services tax (GST), K E Raghunathan, National President, AIMO, said with the one-tax-one-country already having been brought in, the country should now have a uniform power tariff, toll charges, fuel prices and education fee structure. He called for the abrogation of differential pricing structures followed by the states and sought uniformity in pricing so that MSMEs become competitive and operationally profitable to survive in today's unpredictable business environment.

K E Raghunathan added the over 78 million traders and micro, small & medium enterprises present in the country are 'the engines of growth' for India. He claimed the MSME sector, which provides employment to more than 80 million people and contributes to over 11.3 per cent of GDP, has been neglected.

As per AIMO data, sectors requiring immediate revival or reconstruction include real estate, construction, match industry, printing, textiles, start-ups, tanneries, automobiles, power, stone, plastic, consumer products, service industry and infrastructure development.

Raghunathan claimed operational profits have decreased drastically in these units and called for the removal of cross subsidy-based hike in power rates.

He said renewable energy sources ought to be subsidised and called for IT rebates offered to individuals, apart from seeking uniform power charges for industries. AIMO has proposed the setting up of a separate compliance forum and mechanism along the lines of banking ombudsman for better utilization under the credit guarantee scheme.

Uniformity in stamp duties for property mortgages across states, GST exemption, interest on refunds from governments, early settlement of NPA were some of the other demands the trade body made.

AIMO also called for the abolition of trade licences, and sought board-level appointment of an MSME representative in all nationalised banks and PSUs.

It stressed on the need to put an end to 'frivolous claims' made out by tax administrators, stating this was a singular cause of loss of productive time of MSME owner-executives.

With every transaction of every business being captured 'online' in GSTN and other digital forms of collection, there is actually an information overload with GOI, AIMO claimed, adding that industries needn't be asked to feed any additional information through the Central Statistical Organisation.

AIMO said the burgeoning problem of job losses in MSMEs needs to be arrested as they provide employment opportunities for the unorganised sector.

The trade body feels the best solution for this is to provide salary subsidy to MSME for employing fresh engineers or graduates for the first six months. It also demanded the minimum wages prescribed as per the Act for MSMEs and start-ups to be lowered, and permission granted to MSMEs to use 50 per cent of their workforce as apprentice, in order to enhance skill development in the country.

AIMO also recommended that start-ups be exempted from payments of ESI and PF contributions, GST (both input and output) and income tax for the first five years. Every start-up must be given a conditional grant equal to the amount invested by the promoter, based on an auditor's certificate.

Raghunathan also asked the government to create a Rs 2,000 crore fund to invest in startups.

Gujarat's textile sector attracted investments worth Rs 30,934 cr since FY'15: Govt	**Financial Express** https://www.financialexpress.com/economy/gujarats-textile-sector-attracted-investments-worth-rs-30934-cr-since-fy15-govt/1450679/

The clarification came amid reports of the investment figures in the state's textile sector not matching up.

The government Monday said investments worth Rs 30,934 crore have flown into the textile sector of Gujarat since 2014-15, as a reaffirmation of investor confidence. The clarification came amid reports of the investment figures in the state's textile sector not matching up.

"It is reaffirmed through Office of Textile Commissioner that upon perusal of project costs submitted by 7,182 units in Gujarat, Rs 30,934 crore as investment into textile sector in Gujarat was brought to the notice of Textile Commissioner office after scrutinising and confirming each project by banks for which Unique Identification (UID) has been issued," the textile ministry said. The Centre sanctioned and released Rs 1,855 crore to aid 2,109 units through 60 banks, it added. The ministry said the reaffirmation is to ensure that investor confidence and prospects of textile sector in Gujarat do not receive a setback due to rumour-mongering.

India needs renewable energy policy to achieve 175GW solar capacity by 2022 :CSE	**Business Line** https://www.thehindubusinessline.com/news/science/india-needs-renewable-energy-policy-to-achieve-175-gw-solar-capacity-by-2022-cse/article26052265.ece

The CSE report recommended increase in the share of distributed renewable generation — solar rooftops and mini-grids -- besides encouraging ‘smart grids’ that use communications infrastructure, control systems and information technology for efficient delivery

India would fall short of the government’s target of achieving 175 GW of solar capacity by 2022, city-based think tank Centre for Science and Environment (CSE) said on Monday.

CSE Director General Sunita Narain said this at a national conference where she released a report titled the “State of Renewable Energy in India 2019“.

Emphasising the need for a renewable energy policy to meet the needs of the poorest people in the country, she said there were several challenges like air pollution, climate change and lack of clean fuel for cooking for which renewable energy was essential.

“We believe that India needs a renewable energy policy that is less about industry and more about ensuring supply to meet the needs of the poorest in the country. It should be a means to both de-carbonise the economy and provide access to large numbers of people who are energy-deprived.

“Renewable energy is not just another infrastructural challenge, rather this sector is important to achieve the challenges of modern era,” Narain said.

During the two-day conference on renewable energy, International Solar Alliance Director Upendra Tripathy said the ISA is going to propose a new bank exclusively for financing energy access to billions.

Citing a recent World Bank report, Tripathy said 600 million people would not have access to energy even in 2040.

The existing banks do not focus on universal energy access and those still deprived are the poorest of the poor. Thus, out of the ambit of these banks, special finance mechanism is needed to target these people, he said.

Priyavrat Bhati, advisor, Energy group, CSE, said that renewable energy got a boost in 2015 when India decided to install 175 GW capacity of such energy by 2022, but the momentum seems to have slowed down in the last year.

Bhati, while referring to the key concerns identified by the report, said inconsistent policy has been the bane of the renewable energy sector

“Nothing can be more disruptive for an emerging sector that seeks to attract global investors, than ad hoc and abrupt policy changes,” he said.

The CSE report recommended increase in the share of distributed renewable generation — solar rooftops and mini-grids -- besides encouraging ‘smart grids’ that use communications infrastructure, control systems and information technology for efficient delivery.

It also suggested investing in developing inexpensive energy-storage capacity, adding that an indigenous research can improve existing technology in terms of cost and performance.

Seven designers showcase the best of Indian textiles at a show on the banks of Sabarmati	**Times of India** https://timesofindia.indiatimes.com/life-style/fashion/seven-designers-showcase-the-best-of-indian-textiles-at-a-show-on-the-banks-of-sabarmati/articleshow/67625076.cms

At the ninth edition of Vibrant Gujarat Global Summit in Gandhinagar, Fashion Design Council of India (FDCI) presented a fashion show highlighting the best of Indian craft and textiles. Seven designers participated in the show based on the theme 'Make In India', The show was held on the banks of Sabarmati on January 19. The designers who showcased their collections were Anju Modi, Gaurang Shah, Namrata Joshipura, Payal Jain, Rahul Mishra, Rajesh Pratap Singh and Shyamal & Bhumika.

In her collection 'Raas Leela', Anju Modi showcased mashroo, Banarasi brocade and matka silk along with techniques like gold foil print, gota patti work and zardozi embroidery. Gaurang Shah presented 'Chitravali', featuring kalamkari. It was inspired by Ajanta paintings on Kanjeevaram weaves. Namrata Joshipura showcased contemporary silhouettes with traditional brocades. Payal Jain's pristine white 'Blanc' collection had tone-on-tone usage of chikankari, appliqué, mirror-work, resham embroidery, mokaish, zardozi and glass beading on silk jamdani, chanderi, katrua and khinkhab. Rahul Mishra showcased traditional chikankari from Lucknow in his collection 'Charbagh'. Khadi from Gujarat and Rajasthan mixed with ikat was presented by Rajesh Pratap Singh. Designer duo Shyamal & Bhumika curated 'Vayanti', a couture collection incorporating brocade from Gujarat. Talking about the show, FDCI president Sunil Sethi said, "We are delighted to be back in Ahmedabad for such a major event, after three amazing shows in this city in the past. We, at FDCI, and our designers are excited to showcase at the Sabarmati riverfront. We would like to thank the Gujarat Government, Gujarat Chamber of Commerce and Industry (GCCI) and the Ministry of Tourism for giving us this opportunity."

GTTES 2019, by India ITME witnesses full-house turn outs	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/gttes-2019-by-india-itme-witnesses-full-house-turn-outs-246868-newsdetails.htm

The 2nd Global Textile Technology & Engineering Show (GTTES) turned out to be a grand success with more than 9,000 attendees, its organiser the India ITME Society said. GTTES 2019 proved to be an optimum business platform with more business leads and new customers offering best sourcing solution to the textile industry's demand in India and across the globe.

GTTES is a global relationship builder in textile industry that provides a platform to the textile & textile technology segment to facilitate meaningful business relationships. These services inspire, empower and connect the most promising companies with latest technologies, corporations, investors, industry experts, and international media, with the goal to increase their rate of economic success and have positive impact on the textile Industry, said a press release by ITME.

"GTTES 2019 has risen above the expectations and no doubt is the best business event of the textile industry for the year 2019. GTTES 2019 is the platform which looks forward to showcase the textile potential," said Mario Cortopassi, editor Textilia Brazil.

As a trend setting exhibition organiser, India ITME Society strives to assimilate and disseminate more knowledge and power to the textile industry through futuristic technology and trending topics. The conference sessions by Indian Technical Textiles Association Society on ‘International Conference on Nonwoven Technical Textiles’ and by Society of Dyers & Colourists International India Pvt Ltd on ‘Educating the Technology Innovations in Textile Colouration’ were held on January 19th and 20th respectively at GTTES 2019.

GTTES 2019 and ITME AFRICA 2020 together with ITME 2020 series organised by India ITME Society are all set to empower the textile industry and catapult it to glorious future.

IMF cuts global growth outlook, cites trade war and weak Europe	**Live Mint** https://www.livemint.com/news/world/imf-cuts-global-growth-outlook-cites-trade-war-and-weak-europe-1548076851960.html

The International Monetary Fund on Monday cut its world economic growth forecasts for 2019 and 2020, due to weakness in Europe and some emerging markets, and said failure to resolve trade tensions could further destabilise a slowing global economy.

In its second downgrade in three months, the global lender also cited a bigger-than-expected slowdown in China's economy and a possible "No Deal" Brexit as risks to its outlook, saying these could worsen market turbulence in financial markets.

The IMF predicted the global economy to grow at 3.5% in 2019 and 3.6% in 2020, down 0.2 and 0.1 percentage point respectively from last October's forecasts.

The new forecasts, released ahead of this week's gathering of world leaders and business executives in the Swiss ski resort of Davos, show that policymakers may need to come up with plans to deal with an end to years of solid global growth.

"Risks to global growth tilt to the downside. An escalation of trade tensions beyond those already incorporated in the forecast remains a key source of risk to the outlook," the IMF said in an update to its World Economic Outlook report.

"Higher trade policy uncertainty and concerns over escalation and retaliation would lower business investment, disrupt supply chains and slow productivity growth. The resulting depressed outlook for corporate profitability could dent financial market sentiment and further dampen growth."

The downgrades reflected signs of weakness in Europe, with its export powerhouse Germany hurt by new fuel emission standards for cars and with Italy under market pressure due to Rome's recent budget standoff with the European Union.

Growth in the euro zone is set to moderate from 1.8 percent in 2018 to 1.6 percent in 2019, 0.3 percentage point lower than projected three months ago, the IMF said.

The IMF also cut its 2019 growth forecast for developing countries to 4.5%, down 0.2 percentage point from the previous projection and a slowdown from 4.7 percent in 2018.

"Emerging market and developing economies have been tested by difficult external conditions over the past few months amid trade tensions, rising U.S. interest rates, dollar appreciation, capital outflows, and volatile oil prices," the IMF said.

The IMF maintained its US growth projections of 2.5% this year and 1.8% in 2020, pointing to continued strength in domestic demand.

It also kept its China growth forecast at 6.2 percent in both 2019 and 2020, but said economic activity could miss expectations if trade tensions persist, even with state efforts to spur growth by boosting fiscal spending and bank lending.

"As seen in 2015–16, concerns about the health of China's economy can trigger abrupt, wide-reaching sell-offs in financial and commodity markets that place its trading partners, commodity exporters, and other emerging markets under pressure," it said.

Britain is expected to achieve 1.5 percent growth this year though there is uncertainty over the projection, which is based on the assumption of an orderly exit from the EU, the IMF said.

The rare bright spot was Japan, with the IMF revising up its forecast by 0.2 percentage point to 1.1% this year due to an expected boost from the government's spending measures, which aim to offset a scheduled sales-tax hike in October.

The IMF has been urging policymakers to carry out structural reforms while the global economy enjoys solid growth, with its managing director, Christine Lagarde, telling them to "fix the roof while the sun is shining". The IMF has stressed the need to address income inequality and reform the financial sector.

However, as growth momentum peaks and risks to the outlook rise, policymakers must now focus on policies to prevent further slowdowns, the IMF said.

"The main shared policy priority is for countries to resolve cooperatively and quickly their trade disagreements and the resulting policy uncertainty, rather than raising harmful barriers further and destabilizing an already slowing global economy," it added.

China's economic growth rate slowest since 1990	**Business Standard** https://www.business-standard.com/article/news-ians/china-s-economic-growth-rate-slowest-since-1990-119012100104_1.html

China's economy grew 6.6 per cent in 2018, the weakest annual performance since 1990, confirming a slowdown in the world's second-largest economy that could threaten global growth, according to official data on Monday.

China's growth in 2018 was down from 6.8 per cent growth in 2017.

The country's economy grew 6.4 per cent in the fourth quarter from a year earlier, levels last seen in early 2009 at the height of the global financial crisis.

"We see that there are changes in stability, concern about these changes. The external environment is complicated and severe," Efe news quoted Ning Jizhe, director of China's National Statistic Bureau, as saying in a media conference on Monday.

"The economy is facing downward pressure," Ning added.

Adding to the gloom was the ongoing trade conflict with Washington, according to the data.

The uncertain outlook for Chinese exporters caused companies to delay investing and hiring and in some cases even to resort to layoffs - a practice that is often discouraged by China's stability-obsessed Communist Party rulers.

The official jobless rate ticked up to 4.9 per cent last month from 4.8 per cent in November.

In the southern technology and export-manufacturing centre of Shenzhen, for instance, many private makers of electronics, textiles and auto parts furloughed workers more than two months before the Lunar New Year holiday, which begins in February, according to business owners and local officials.

The neighbouring city of Guangzhou saw growth slump to 6.5 per cent last year - well short of the 7.5 per cent annual target set by the city government - as trade tensions hit the city's manufacturing sector hard.

Some economists and investors have said China's economy is far more anaemic than the government's 6.6 per cent rate of expansion for 2018.

They said the government's move on Friday, just ahead of Monday's data release, to cut the 2017 growth rate to 6.8 per cent from 6.9 per cent, which they said provides a slightly lower base, giving a slight boost to the fresh 2018 data.

Monday's economic data also included some indications that this year's downturn may not be as severe as initially thought, reports the Guardian.

The country's industrial output rose 5.7 per cent, while retail sales increased 8.2 per cent in December, compared to a year earlier.

Chinese Vice Premier Liu He will visit the US on January 30-31 for the next round of trade talks with Washington.

US President Donald Trump said on Saturday there has been progress toward a trade deal with China, but denied that he was considering lifting tariffs.

Government suspends tax stamp policy on textile	Ghanaweb.com https://www.ghanaweb.com/GhanaHomePage/business/Government-suspends-tax-stamp-policy-on-textile-716882

Government has suspended plans to begin the implementation of the tax stamp policy for the textile industry which is slated for this month.

The move is to ensure additional security features are added to the stamp.

Government revealed last year of its plans to extend the tax stamp policy to textiles in order to curb smuggling of the product in the country and to increase jobs in the sector.

The Tax Stamp Policy emanates from the Excise Stamp Act, 2013 (Act 873).

The policy requires that specified excisable products are affixed with tax stamps with specific features designed and supplied by the Ghana Revenue Authority before they are delivered ex-factory, cleared from any port of entry and presented for sale.

Speaking to Starr Business, the Head of Tax Policy at the Finance Ministry Daniel Nuer said the policy will only be extended to the textile industry after modalities for its implementation are addressed.

“Now we are drawing up a timetable to come out with the modalities that are needed to implement the system,” he said, adding the Finance Minister will soon come out with an executive instrument giving the exact time for implementation as determined by law.

“Until we sort out the modalities…it’s teamwork. So we need to hear from the technical team because there are some technicalities to be sure that all the modalities are in place then we can fix a date,” he added.

The Industrial and Commercial Workers Union believes the delay will inure to the benefit of players in the textile industry.

The General Secretary of the ICU, Solomon Kotei said: “Government has remained focused on this matter.

Representatives of business community urge EU not to withdraw trade preferences for Cambodia	Xinhuanet.com http://www.xinhuanet.com/english/2019-01/21/c_137763111.htm

Forty representatives of Cambodia's business community and workers on Monday called on the European Union (EU) not to withdraw trade preferences for Cambodia, saying that such a withdrawal would adversely affect millions of people.

The call came after the EU said in October last year that Cambodia could lose its special trade access to European markets under the Everything But Arms (EBA) preferential trade scheme, citing concerns over human rights and labor rights in the country.

EU would take at least 18 months to decide whether to withdraw the EBA preferences for Cambodia or not.

EU is a major trading partner for Cambodia, especially for textiles and footwear sector. As a Least Developed Country, Cambodia has enjoyed exports of all products, except arms and ammunition, to European markets with duty-free for decades.

"The consequences of such a decision will impose serious economic damage on Cambodia," said a joint letter addressed to EU Trade Commissioner Cecilia Malmstrom.

The letter was jointly signed by Kith Meng, president of Cambodia Chamber of Commerce, Van Sou Ieng, president of Garment Manufacturers Association in Cambodia, and Arnaud Darc, chairman of European Chamber of Commerce in Cambodia, among other business and union leaders.

It said over the past decades, Cambodia has managed to leverage itself out of humanitarian and economic turmoil to become a world leader of GDP growth, by servicing global markets with the support of multilateral partners and favorable trade preferences.

"However, the withdrawal of this arrangement will jeopardize this progress, by directly harming the livelihood of millions of workers and their families that rely on employment within the garment sector, placing them once again at risk of returning to poverty," the letter said.

The letter added that the cumulative effect of this decision will threaten the income of another 3 million people, including dependents and service providers from the hospitality, transportation and accommodation sectors.

"We appeal to the European Commission and European member states to continue in its unwavering support of Cambodia's development by refraining from taking any action that will harm the interests and livelihoods of the country's people," the letter said.

Cotton USA shares sustainability story at HKDF	Fibre 2 Fashion https://www.fibre2fashion.com/news/textile-news/cotton-usa-shares-sustainability-story-at-hkdf-246841-newsdetails.htm

Cotton USA shared US cotton’s sustainability story at the recently held Hong Kong Denim Festival (HKDF), sponsored by CreateTHK and organised by Vocational Training Council (VTC) and Hong Kong Design Institute (HKDI) in PMQ, Central and Sham Shui Po fabric wholesale district. Cotton Council International (CCI) is the marketing arm of the US cotton sector.

The festival is a three-week cultural and design event that aims to promote denim culture and generate impactful cultural movement for the creative development of denim art and design. To impart US cotton’s importance in denim, CCI director of China & Northeast Asia, Karin Malmstrom delivered a presentation about sustainable sourcing and global denim trends at the denim seminar.

The festival features a dynamic series of activities including a denim bazaar, exhibition, design workshop and seminar to embrace the culture and experience of denim from the past, present and future. These activities were designed to stimulate people's emotional attachment with denim chronologically, by revisiting old denim stories and new experiences of denim design, attracting participants from all walks of life, including the general public, artists, designers and industrialists.

Cotton USA licensees, including Advance Denim, H.W. Textiles, Cone Denim, Panther Textiles, Mou Fung and Teelocker, along with global denim brands such as Levi's, 45R, Bauhaus, Scotch & Soda, Chevignon, G-Star and Koyo, also sponsored and supported the denim festival.

Organisers expect the HKDF to become an iconic art and design event that unites the local denim industry, derive new directions by drawing design experts regionally and internationally, and become a nurturing ground for denim design visionaries.