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NEWS CLIPPINGS –20-09-2018

India's largest MMF exhibition to be held in city from September 21	**Times of India** https://timesofindia.indiatimes.com/city/surat/indias-largest-mmf-exhibition-to-be-held-in-city-from-sept-21/articleshow/65877844.cms

About 200 buyers from leading textile and garmenting companies over 35 countries will be in the city for three days from September 21 to crack deals with firms from Surat and other centres at the second edition of "Source -India-2018", India's largest man-made fibre MMF Exhibition.

Union Minister of Textiles Smriti Irani will be inaugurating the exhibition on Friday in the presence of leading textile company owners at the Surat International Exhibition and Convention Centre SIECC at Sarsana.

The exhibition organized by Synthetic Rayon Textile Export Promotion Council SRTEPC, has set the target of the business turnover at Rs 1,400 Crore. This global buyer-seller meet focus on showcasing Surat's MMF value chain on the international buyers and establish it as the leading centre production for MMF and textile products in India.

"The first edition saw business turnover of $75 million. This time around we are targeting the turnover of over $100 million. About half of the foreign buyers from 40 countries will be visiting Surat for the first time". said Narain Aggarwal chairman of SRTEPC.

Around 100 textile exhibitors will be showcasing their products during the exhibition. Over 50% exhibitors belong to Surat and surrounding areas.

Aggarwal added, "The exhibition will show a comprehensive range of Indian MMF products including, fabrics, made-ups, home textile, technical textiles, fashion accessories, yarn and fibre to the International buyers.

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
22278	46600	81.45
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
22440	46939	82.04
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		81.31
ZCE Cotton: Yuan/MT (Jan 2019)		16455
ZCE Cotton: USD Cents/lb.		92.52
Cotlook A Index - Physical		91.30
B. Currency		
USD/INR	Close	Previous Close
Spot	72.975	72.509

Cotton Guide:

Finally Cotton price plunged and broke past the sideways range that was observed for almost a month. The range of 80.50 to 84.25 is eventually broken down. On Tuesdayduring ICE session the December future ended at 78.52 cents per pound. The same counter is further trading lower this morning in early Asian session at 77.98 cents. Since that the trend is set clear, out of the range momentary sell in the counter is being noticed. We think some more weakness in the price could be seen this week. The next immediate technical support that we perceive immediately is at 77.50 and then 77 cents. We also expect by the time price hit down towards 77 it may appear to reach to oversold phase in the daily price chart which may eventually revive the losses in the price.

With the major price fall the trading volumes were high. On Tuesday volume was 56,426 contracts. That was the biggest volume since August 13th (57,560 contracts) and the second biggest volume in 3 months.

The reason that we are attributing sell off in cotton was determined after the US-China talk rushed. New push by the US to add $200 billion dollars of tariffs on Chinese goods got the blame for triggering the fall. These tariffs are not good for cotton.

In addition, talk of less damage than feared from Hurricane Florence in the Carolinas also encouraged sellers. Even with expected losses of some 200,000 bales plus additional quality damages, estimates for US production remained optimistic. Offsetting have been improvements from good weather, particularly in the Delta. Plus technical traders got a long term sell signal as Dec went sailing through its 200-day moving average which ended yesterday at 8041.

In the similar lines, China's ZCE futures ended at their lowest level since July 9th. Their drop was small Tuesday however; early Asian session on Wednesday the counter is trading down by more than 500 points at 15925 Yuan/MT. Chinese State Reserve cotton on Tuesday's auction had a turnover rate of 81.41 percent, spinners only. Offered were 30,243.404 tons (138,908 bales); and sold were 24,620.8618 tons (113,084 bales). The cumulative turnover rate is 58.96 percent (offered versus sold). This auction series started at 24.1 million bales and 13.25 million bales remain.

On the domestic front the Indian cotton price has been very resilient. The spot price traded steady with marginal weakness near Rs. 46750 per candy ex-gin for old crop. However, new crop is quoted marginally higher by Rs. 400 to Rs. 500 per candy. Rates for old crop Punjab J-34 are lower at an average of Rs. 4,588 per maund (77 cents per lb). New crop J-34 is quoted at between Rs. 4,600 and Rs.4, 610 per maund. However, the MCX cotton future price despite so many declines in the global counterparts fell minimally to end the session for October future at Rs. 22440 down by Rs.140 from previous close.

We think the market may remain weak on today's trading session. As discussed above the ICE is trading lower along with ZCE and the domestic Indian rupee slightly stronger at 72.75. The trading range for October MCX cotton future would be Rs. 22600 to Rs. 22280 per bale.

Currency Guide:

Indian rupee has opened 0.35% higher to trade near 72.71 against the US dollar. Rupee has opened on a firmer note after hitting a record low level of 72.975 in previous session. Rupee has benefitted from general stability in global equity market and in expectations that government may announce measures to support the currency. Global equity markets have stabilized as US-China trade announcements are being seen as less severe than expectations. After US imposed 10% duty on $200 billion Chinese goods, China has retaliated with 5-10% duty on $60 billion US goods. This is less than previous announcement of 25% import tariffs. Indian government announced spate of measures last week to bolster Indian currency but market players expect to see more measures in form of restriction on imports etc. Rupee has opened on a firmer note but the gains are unlikely to sustain as trade worries, higher crude price and concerns about emerging markets will continue to weigh. USDINR may trade in a range of 72.5-73.1 and bias may be on the upside.

High crude oil prices, weak rupee to make synthetic textiles costlier	**Business Standard** https://www.business-standard.com/article/markets/high-crude-oil-prices-weak-rupee-to-make-synthetic-textiles-costlier-118091900223_1.html

Operating with a wafer-thin margin, synthetic textile players to pass on the raw material price hike to the consumer

Synthetic fabric and textiles are likely to become costlier by 2-5 per cent due to an unabated increase in their production cost on rising raw material prices following crude oil move and a weak rupee.

Synthetic yarns are made from petrochemicals like DMT, PTA, which are refined from crude oil and usually domestic makers of these raw materials also price them at import price parity. Therefore, Prices of these raw materials for synthetic yarns are rising in the Indian market.

The spurt in raw material price is a clear indication of a proportionate increase in cost pressure for user industries. Apart from a steep depreciation in rupee against the dollar is set to make import of raw materials costlier, leaving thereby no room for synthetic textiles manufacturers but to raise their product prices.

“Rising raw material prices and rupee depreciation are going to make the entire textile products costlier. Synthetic textile industry is already working with a wafer thin margin. Since there is no room for the industry to absorb the raw material price hike, the cost-push, therefore, has to be passed on to consumers,” said O P Lohia, Managing Director, Indo Rama Synthetics (India) Ltd, one of India’s largest producers of synthetic textiles.

The benchmark Brent crude oil prices have jumped by a staggering 12.9 per cent in the previous one month to trade at $78.9 a barrel on Tuesday. Also, the rupee has depreciated by 4.1 per cent in the last one month to quote at 72.9 against a dollar on Tuesday.

Meanwhile, the Union Ministry of Agriculture has estimated India’s cotton output at 34.89 million bales (of 170 kgs each) for the crop year 2017-18 (ending September 2018), a rise of 32.58 million bales from the previous year. For the ongoing kharif sowing season, however, pink bollworm attack is set to affect India’s cotton crop area by 10-20 per cent of the total area sown of 12.06 million hectares as of September 14.

Demand from China is set to increase in favour of India following a heavy import duty levied on cotton imports from China and also a 20-25 per cent of cotton output in Pakistan expected to decline by a fourth, the fibre prices are likely to remain elevated.

“With limited supply in the market during H1 cotton season 2018-19 on account of increased orders from China, prices are expected to register a growth of about 5-7 per cent and reach Rs 122-125 per kg during this period and average at about Rs 127-130 per kg for the season 2018-19 registering a y-o-y growth of about 9-11 per cent,” said Madan Sabnavis, Chief Economist, Care Ratings. But, given that analysts forecast crude oil price to remain firm, synthetic fibre and yarn prices may also remain firm with its consumption to partly replace by derivatives of the natural fibre.

“An improvement in cotton price to polyester staple fibre price spread is likely to result in volume growth of synthetic textiles and support the profitability of the synthetic value chain,” said Prakash P, Analyst, India Ratings and Research.

ICICI Bank to provide loans to MSMEs based on their GST returns	Your Story https://yourstory.com/2018/09/icici-bank-provide-loans-msmes-based-gst-returns/

ICICI Bank, one of India's largest private sector banks, on Wednesday announced the launch of a new working capital facility that will enable MSMEs (micro, small and medium enterprises) to get an overdraft (OD) based on the turnover reported in their Good and Services Tax (GST) returns. Christened 'GST Business Loan', the facility is available to any MSME, including non-customers of ICICI Bank, for up to Rs 1 crore. According to the bank, this facility brings in the improved convenience of availing quick OD facility, by doing away with the requirement of paper-intensive assessment of financial documents including balance sheets of previous years.

Further, the process for sanction of the OD is reduced to two working days. Sharing his view on the launch, Anup Bagchi, Executive Director, ICICI Bank, said,

"Since GST takes in to account comprehensive business flows, we believe that GST returns will change the lending paradigm for MSMEs with faster and hassle-free access to working capital finance from financial institutions.

He further added, "With over one crore MSMEs registered in the GSTN network, we believe that this facility will give a boost to the MSME industry as a whole and open new avenues for business expansion for them. This new proposition resonates our effort in developing pathbreaking innovations for MSME customers, thereby offering them with solutions that cater to all their business needs." The 'GST Business Loan' facility is a collateral loan that can be availed by an MSME against mortgage of residential, commercial or industrial property. The amount of the loan varies from Rs 10 lakh and goes all the way to Rs 1 crore.

To avail the loan, customers are required to submit the GST return of the past six months, with no requirement of submitting financial statements. OD is sanctioned up to 20 percent of the turnover reported in the GST returns. The bank also said that 'GST Business Loan' is renewable on an annual basis, depending on the repayment track record of the overdraft facility by the customer. However, ICICI Bank is not the first bank to launch this facility. YES Bank had launched a similar facility for MSMEs in April 2018.

Monsoon stays put in mixed blessing	Daily Pioneer https://www.dailypioneer.com/2018/pioneer-exclusive/monsoon-stays-put-in-mixed-blessing.html

The India Meteorological Department (IMD) has predicted that the southwest monsoon will remain here till October 1. There is no chance of start of withdrawal of monsoon till October 1 due to the passage of western disturbance and the formation of a potential depression and low pressure area in Bay of Bengal caused by the erstwhile Pacific super typhoon Mangkhut. Both the systems are likely to infuse a fresh surge of monsoon.

The official date for the commencement of withdrawal of southwest monsoon is September 1.

The prolonged stay of monsoon season may sound as good news, but it comes with some repercussions. "The delay in the withdrawal of monsoon will further delay the onset of the next season. The delay will also push forward the onset of winter. And with El Nino all set to make appearance by the end of the year, it may impact the upcoming season, which turn mild due to all these factors," IMD officials said.

Private weather forecaster Skymet too predicted that southwest monsoon will prolong its stay at least till September end.

Due to this, low pressure and depression over the Bay of Bengal from east to northwest India are likely to record moderate to heavy showers. A few areas might see some heavy downpour. Besides this, monsoon will also revive along the West Coast and Mumbai, which has been dry for last many days.

Officials said southwest monsoon is primarily governed by low pressure and depression.

The IMD said a preparatory cyclonic circulation sent in from the West Pacific lies over the central Bay of Bengal and neighbourhood. As a result, rain will start lashing coastal parts of Odisha, Madhya Pradesh and adjoining Andhra Pradesh by September 20 and 21; Chhattisgarh & Telangana on September 20 and 21; over Madhya Pradesh on September 21 and 22, and over parts of northwest India on September 22 and 23. East Rajasthan and north India will receive rainfall on September 23 and 24.

The US National Weather Services agency said depression would erupt in intensely heavy precipitation over North-West India: South Rajasthan, West Madhya Pradesh, East and North Gujarat, Delhi and West UP. This is likely to pan out over the next 12 to 15 days.

As per IMD data, monsoon withdrawal was most delayed in 2017 and had begun on September 27. In 2016, monsoon withdrew on September 15. Monsoon withdrew on September 4 in 2015 while in 2014 it withdrew on September 23. Monsoon withdrawal saw on September 9 in 2013 while it had withdrew on September 24 on 2012. Prevalence of dry weather for five straight days and reduction in moisture content are among the main factors considered for announcing monsoon's withdrawal. Another condition is the setting of anti-cyclonic circulation over western Rajasthan. Agriculturists said the late retreat is not a cause for worry as rains aren't heavy now and hence would help paddy, cotton and coarse cereals, though crops ready for harvesting may face some damage.

Presently, rainfall deficiency is over 10 per cent till September 19. The monthly deficit has increased from 5 per cent in June, to 5.8 in July and 7.6 in August. The country witnessed 750.5 mm rainfall as against the normal of 834.5 mm till date.

Out of total 36 sub-divisions, as many as 26 have witnessed normal rains, while nine continue to remain rain-deficient and only Kerala has recorded excess rain. Despite deficiency the sowing of paddy has been carried out over an area of 1,053 lakh hectare (lh) as against 1,046 lakh hectare covered in the corresponding week last year. Rice, oilseeds and sugarcane have reported a jump in acreage, while the planting of pulses and cotton is marginally lower. At 383 lakh hectare, rice planting is 2.28 per cent higher than that reported in the same week last year.

North Orissa Chamber of Commerce & Industry organised seminar On Export Awareness & Documentation	Orissa Dairy http://orissadiary.com/north-orissa-chamber-commerce-industry-organised-seminar-export-awareness-documentation/

Odisha has lot of potential of exporting various commodities like, mineral, engineering, handicraft, textile, handloom, marine products etc. The Odisha products has a separate identity in foreign market. In this context Odisha performed exceptionally well in exports during 2016-17 by transacting business worth Rs. 40,872 crore – a 114 per cent increase over the previous financial year.

All the infrastructural facilities like inland container depot, full fledged Air Cargo Terminal at Bhubaneswar, International Cargo Terminal at Paradip will increase the potentiality of exports from the State. A full fledged testing laboratory set up by MPEDA & EIA also help the exporters to test their products.

A seminar on "Export Awareness and Documentation" was organized by Federation of Indian Exports Organisations (FIEO), Odisha Chapter in association with North Orissa Chamber of Commerce & Industry (NOCCi), and ICICI Bank Ltd. on 19th September 2018 at the NOCCi Business Park, Balasore. Sri Kunal Kumar, IRS, Asst. Commissioner of CGST, CE, Balasore Range inaugurated the seminar as the chief guest, presided by Shri Ramesh Kumar Mohapatra, State Head, FIEO, Odisha Chapter who also delivered the welcome address.

Sri Satya N Padhi, Regional Head, ICICI Bank, Bhubaneswar, Sri S. K. Jena, Branch Head, ECGC Ltd., Sri Dillip Kumar Mohapatra, Regional Head, ICICI Bank, Balasore spoke on various technical aspect like the rules & regulations related to different Govt. authorities like Customs & GST, Commercial Taxes, Directorate General of Foreign Trade, Export Credit Guarantee Corporation of India Ltd (ECGC) & Plant & Quarantine to guide them for handling their business in hassle free, apart from creating awareness amongst potential exporters. Expert Speakers delivered detailed presentation on the subject. The senior officials from FIEO and ICICI bank interacted with the participants and replied on doubts asked by the participants. Entrepreneurs, representatives from export units, officials from banks, Start-ups, participated in this seminar. Sri Harish Patel, Secretary NOCCi offered a vote of thanks to all.

Foreign ecommerce companies rush to register for GST in all states	Economic Times https://economictimes.indiatimes.com/industry/services/retail/foreign-ecommerce-companies-rush-to-register-for-gst-in-all-states/articleshow/65877830.cms

NEW DELHI: Amazon, Google, Apple and other foreign companies operating in the ecommerce space will have to register themselves for goods and services tax (GST) in all the states in the next 10-12 days.

The government has said ecommerce companies need to collect tax at source from October 1. To comply with tax collected at source (TCS) rules, ecommerce players need to register with every state. This provision applies to foreign players as well to cater to Indian consumers.

The industry has pitched for single registration in place of multiple state registrations as it would increase their compliance costs, but the government has so far maintained that they need to register in all states. Industry is pinning hopes on government permitting single registration.

Under the provisions, notified entities have to deduct up to 1% state GST and 1% central GST on intrastate supplies of over Rs 2.5 lakh. In the case of interstate supplies of over Rs 2.5 lakh, TDS will be 2% integrated GST. These provisions are aimed at checking tax evasion as TDS/TCS will leave a trail of transactions. In the case of foreign ecommerce platforms, there will be no TCS liability if the seller is based outside India.

A clarification to this effect was given at a meeting between ecommerce players and the Central Board of Indirect Taxes and Customs held on Tuesday, according to a person privy to the deliberations of the meeting.

Though, the provision mentions the rate as up to 1%, the rate for now will be 0.5% each for state and central GST.

For ecommerce companies, this implies a deduction of 1% from the payments to their suppliers for goods sold on their platforms that will have to be deposited with the government. Tax experts said the government should provide for centralised registration for foreign ecommerce players.

There is no exemption from registration for foreign ecommerce companies," said Pratik Jain, national indirect taxes leader at PwC. "Further, as per the current provisions, even foreign companies will have to take registration in each state where the vendors might be supplying from. It would mean significant increase in compliances," he said.

Post GST rate cuts, Centre & States keen to boost revenue mop-up	**Business Line** https://www.thehindubusinessline.com/economy/post-gst-rate-cuts-centre-states-keen-to-boost-revenue-mop-up/article24979818.ece

Kerala, Maharashtra working on measures to check evasion, mis-reporting

Big bang rate cuts in Goods and Services Tax are unlikely to take place for sometime as the Centre and States are now keen to shore up revenue collections and touch, if not exceed, a monthly mop-up of ₹1 lakh crore.

The Centre and States are working on a number of anti-evasion measures aimed at improving compliance as they look to increase revenue mop-up under the new indirect tax regime. "It has been over a year since GST was rolled out. The tax has now stabilised to some extent and assessees are quite familiar with it. Improving compliance is now the top priority," said an official familiar with the development, adding that more rate cuts will further hit revenue collections. Centre and State officials are understood to be discussing ways to improve collections while the GST Network has been asked to use more data analytic tools to check leakages and mis-reporting.

States like Kerala and Maharashtra have already started working on such measures. Kerala has started cracking the whip on benami GST registrations.

In the wake of the recent floods, the State has asked its tax officials to work on curbing tax evasion practices and leakage of revenue by ensuring that they conduct field visits as soon as a registration application is filed on the GST Network. It has also asked officials to be vigilant in registration of "evasion prone" commodities like plywood, veneer and packing material.

Timely filing of GST monthly returns, monitoring of input tax credit and checking e-Way bills for consignments are other measures that the States are adopting to prevent leakage of revenue.

Maharashtra has now alerted its tax officials to a case where ₹1.12 lakh crore was wrongly availed by a company as credit for GSTR -3B. While a team of tax officials that visited the company made it reverse the credit, officials are now keeping a close watch on such issues as well, said another source.

Revenue collections from GST dropped to ₹93,960 crore in August from ₹96,483 crore in July because of the impact of large- scale duty cuts and more of this may be felt in September.

The Finance Ministry had set a monthly target of ₹1 lakh crore from GST revenue but it was only in April that the gross GST collection rose to ₹1,03,458 crore.

New Sectors Are Contributing To Indian Economy: JPMorgan's Nicolas Aguzin	**Bloomber Quint** https://www.bloombergquint.com/global-economics/2018/09/19/a-wave-of-efficiency-is-hitting-indian-economy-jp-morgans-nicolas-aguzin#gs.GSVtOfg

India's world-beating GDP growth numbers are riding the wave of an "unlocking" of efficiency due to contribution from sectors that weren't easy to track in the past, said Nicolas Aguzin, chairman and chief executive officer, JPMorgan Asia Pacific.

"India's growth over eight percent with relatively low inflation merits attention," Aguzin said in an interaction with BloombergQuint. "Newer sectors that weren't easy to track in the past are being considered. We don't account for those efficiencies."

He said that Asia's third-largest economy tends to overestimate the impact of inflation and underestimate growth.

Key highlights from the conversation:

Impact Of U.S.-China Trade War

Trade activity, growth rates fairly strong despite all the noise around trade, exchange rates and rout of emerging markets.

Underlying structure of economies still seems to be solid.

Headlines around trade, Federal rates yet to have full impact.

Recession 2.0 On Cards?

Lot of indicators normal, but care needed on investor sentiment and appetite.

Need dialogue between U.S. and China over resetting current environment.

Intra-Asia Trade Activity

Surprisingly, there’s a lot of activity from Japanese corporations trying to leverage growth in the pan-Asian region.

North Korea softening its stand on nuclear bases will positively help in overcoming risks around Asia.

India's Headline GDP Numbers

India overestimates the impact of inflation and underestimates growth.

Indian business and investor community tends to be conservative. In reality, numbers end up working out pretty well.

GDP numbers translating into meaningful investments: Walmart acquiring Flipkart and UPL buying Arysta are significant transactions.

Effects Of Trade Deficit, Rupee Slide

Factors played a role in investors turning more cautious.

Rupee devaluation caused by investors reallocating their portfolio away from domestic bonds.

Indian apparel body urges central govt to extend exemption on IGST payment	**Apparel Source** https://apparelresources.com/business-news/sourcing/indian-apparel-body-urges-central-govt-extend-exemption-igst-payment/

The Indian textile and apparel body, Tirupur Exporters Association (TEA) has requested the central government to extend the exemption from the payment of IGST while importing machinery under EPCG scheme, which is currently valid till the end of this month.

Raja M Shanmugham, President, TEA marked out that if the exemption is not extended, exporting units will come under the additional burden of paying IGST. “Upfront payment of IGST will affect the working capital of the exporting units as the refunds of GST through ITC refund route will take time to reach in hands of the exporter,” the president added.

The textile and apparel body elucidated that since over 80 per cent of the exporting units is (Micro Small And Medium Enterprises) MSMEs, it is difficult for them to meet their financial requirements, which eventually affects their day to day operations.

Shanmugham added that constant modernization is the need of the hour for the apparel exporting units, as nowadays the buyers are demanding consistent quality and installation of state of the art machinery.

Notably, TEA's president said that he has sent letters to the central government urging it to extend the IGST payment exemption on urgent basis.

'In Tiruppur, today's labourer is tomorrow's owner'	**The week end leader** http://www.theweekendleader.com/Headlines/15833/-in-tiruppur-today-s-labourer-is-tomorrow-s-owner-.html

The thriving small town of Tiruppur in Tamil Nadu, which is now the knitwear capital of India, was just a tiny village around four decades ago. It used to be part of Mangalam panchayat and Palladam taluk, but today these two places are subsumed under Tiruppur, which has emerged as a district headquarters of the eponymous district.

Raja M Shanmugam, president of Tiruppur Exporters' Association and founder of Warsaw International, a garment export company, shared the story of Tiruppur at an award function in VIT Vellore, and shared its special characteristic as a town that birthed a number of entrepreneurs.

"In Tiruppur there is a saying, 'today's labourer is tomorrow's owner'," said Shanmugam, in his address after receiving The Weekend Leader – VIT Amazing Entrepreneur Award from Dr D Ashok, Dean, VIT Business School.

Shanmugam said Tiruppur had created many entrepreneurs, and it was unlike Sivakasi, an industrial hub in Tamil Nadu, known for its printing and firecracker industries, where the complete business was in the hands of a few families.

Tracing his journey as an entrepreneur, Shanmugam, 53, said he started Warsaw International in 1989 along with his brother M Ramaswamy after he failed to achieve his dream of entering the civil services and becoming an IAS officer.

Since 1992 they began to export. For several years the company supplied to a single international client, but now has added multiple clients.

Tiruppur, Shanmugam said, was a resilient town and the industry bounced back from a difficult period in 2011 when more than 700 dyeing and bleaching units were shut down on pollution grounds following a court order.

"The industry implemented Zero Liquid Discharge facilities and resumed operations," he said, answering a student during a panel discussion with VIT Business School students.

Responding to another query, Shanmugam said the industry faced challenges post-demonetisation and Tiruppur's turnover declined from Rs 46,000 crore to Rs 44,000 crore in 2017-18. This year, the industry is back on the growth track, he said.

The panel discussion was moderated by P C Vinoj Kumar, editor, The Weekend Leader. – TWL Bureau

With cut in input cost, textile sector vows to double exports	Tribune India https://tribune.com.pk/story/1806734/2-cut-input-cost-textile-sector-vows-double-exports/

The textile industry, which earns 60% of total export proceeds, was jubilant on acceptance of a long pending demand of a massive cut in input costs and vowed that it would double the exports in the next five years.

The Pakistan Tehreek-e-Insaf (PTI) government, which is in the phase of reshaping economic policies, announced on Tuesday a reduction in regulatory duty on the import of raw material by the export industry, especially for the five zero-rated sectors.

The cut in duty on 82 items would give a benefit of Rs5 billion to the textile industry in remaining months of the current fiscal year 2018-19.

This is in addition to the Rs44-billion benefit the industry, especially that located in Punjab, is being provided through gas subsidy to make the utility price uniform across all four provinces in the country.

Finance Minister Asad Umar, while presenting the Finance Supplementary (Amendment) Bill 2018 in the National Assembly, said nearly 500,000 workers were jobless in Faisalabad and machinery was being sold at the price of scrap.

“We wanted to revive it (textile industry). We have, therefore, provided Rs44-billion benefit for the textile industry in Punjab so that they can retain their competitiveness among regional countries. We will also work to ensure more benefits for the zero-rated sectors in our electricity policy,” Umar said.

“The announcements from the government will help in reviving the $3-4 billion textile industry in Punjab,” All Pakistan Textile Mills Association (Aptma) Secretary General for Punjab Chapter Anisul Haq told The Express Tribune.

“Besides, the entire textile industry chain (starting from raw material manufacturers to value-added textile units) is estimated to invest around $7 billion over the next five years,” he said.

“The targeted revival of the industry along with new investment will help double textile exports in the next five years.”

The industry earned $13.53 billion in export proceeds in the previous fiscal year ended June 2018 that came to around 58% of total exports of $23.22 billion in the year, according to the Pakistan Bureau of Statistics (PBS).

In the first two months (July-August) of the current fiscal year, the industry fetched $2.26 billion in exports or 62% of the total export proceeds of $3.66 billion.

He elaborated that the gas tariff has been set at Rs600 per million British thermal units (mmbtu) for the entire textile industry across the country irrespective of the fact that the industry utilises locally produced gas or the imported one (RLNG or Re-gasified Liquefied Natural Gas). Earlier, industry in Sindh was using locally produced gas priced at Rs600 per mmbtu, while the same industry in Punjab was mostly utilising RLNG whose current tariff stands at Rs1,520 per mmbtu, he elaborated.

"The government has also promised on the National Assembly floor on Tuesday it would reduce electricity tariff for the industry to the regional competitive level," Haq added. Besides, the government is also working on an export package separately as well, he remarked.

Topline Securities said in a commentary on the mini-budget "reduction on regulatory duty on imported inputs of textile is positive for textile companies."

To note, in its commitment to increase exports, the government did not increase gas prices for the textile sector in Monday's Economic Coordination Committee meeting, it added.

Cotton output soars 76pc	**The herald** https://www.herald.co.zw/cotton-output-soars-76pc/

AFTER making a huge come back, the curtain comes down on the 2018 cotton marketing season with production hitting 130 000 tonnes, the highest output in nearly five years.

This year's output — achieved on the back of Government support through the Presidential Inputs Scheme — is 76 percent higher than last year's national output.

For the Cotton Marketing Company of Zimbabwe, which runs the government input programme, intake volumes grew 140 percent from 54 000 tonnes it bought last season.

Most private companies – ditched by farmers over exploitative contract schemes – did not participate last season arguing it would not make economic sense to run a viable scheme parallel to the government's free inputs support programme.

"We have few deliveries trickling in the Lowveld but we should be done end of this week," Pious Manamike, managing director of Cottco told The Herald Business yesterday.

According to the Reserve Bank of Zimbabwe cotton exports are projected to increase by up to 240 percent this year, on the back of growth in raw cotton production.

At least $85 million is expected this year from ginned cotton — also known as lint — from $25 million earned last year, Dr John Mangudya, central bank governor said recently.

Cotton, once one of the country's largest foreign currency earners had lost glitter as farmers shunned the crop due to lack of funding and poor prices offered by producers.

Meanwhile, the Tobacco Industry and Marketing Board yesterday invited bids from companies to supply inputs under the $85,3 million facility for lending to small-scale farmers, as it seeks to boost output of the country's biggest single foreign currency earner. The new fund, set up by the Reserve Bank of Zimbabwe and other banks, comes at a time when tobacco deliveries hit a record 249 million kilogrammes this year, the highest in nearly two decades. The RBZ is offering the facility to TIMB through Agribank to finance procurement of inputs and working capital to increase production.

Of the facility about $66,2 million will go towards procurement of inputs for production covering about 51 000 hectares. The inputs worth $15,3 million to cover 11 000 ha have already been purchased and distribution was underway. In a statement yesterday, the TIMB invited bids from companies to supply fertilisers, chemicals, packaging materials, coal for curing tobacco and provision for storage facilities.

Yarn and Fabric Stay on Trump's Tariff List Despite Crafters' Pleas	**Washington Post** https://www.washingtonpost.com/business/on-small-business/yarn-and-fabric-stay-on-trumps-tariff-list-despite-crafters-pleas/2018/09/18/e6de3fb0-bb72-11e8-adb8-01125416c102_story.html?noredirect=on&utm_term=.5b6b29e3ca2d

Joann, the crafting and arts supplies chain, took the rare step last month of recruiting its millions of customers to help thwart President Trump's tariffs on Chinese goods.

That didn't work out so well.

The closely held retailer highlighted 30 categories of products with proposed tariffs -- everything from cookie cutters to yarn and fabric -- that it wanted to be spared. But only two were left off the finalized list released on Monday. The 10 percent duties will go into effect on Sept. 24 and will increase to 25 percent next year.

The company, which dropped Fabrics from its name earlier this year, tried to make the case that many small businesses shop at its stores for supplies to make locally produced goods, leading it to dub Trump's tariffs a "made-in-America tax." Chief Executive Officer Jill Soltau even testified before the administration on the duties.

"Our customers, many of whom are nonprofit organizations and small businesses that operate on tight budgets, could not tolerate the increased pricing resulting from the tariff costs," Soltau said during a hearing on Aug. 23.

The retailer, with 870 locations across 49 states, generates 50 percent of its sales from fabric and sources from China because no U.S. manufacturer can meet its quality or volume needs, Soltau said during the hearing. A variety of fabrics, including knit and woven, will be receiving tariffs. One of the few reprieves for Joann was the removal of fleece fabric.

In a statement released Tuesday, the company thanked the administration for "removing some codes that would have negatively impacted American makers and small businesses."

Nonetheless, "several codes still remain on the list, which will hurt American crafters, business owners and charities," Joann said in an email. "We hope the administration will reconsider including these as negotiations go forward."

The Need for Apparel Manufacturers in Kenya and South Africa to become super vendors	Pulse https://www.pulse.ng/feat/apo/the-need-for-apparel-manufacturers-in-kenya-and-south-africa-to-become-super-vendors-id8873996.html

After marking its presence in 15 countries, ThreadSol (www.ThreadSol.com) is all set to explore the African apparel industry to transform manufacturers to super vendors. This move comes at a time where the president of Kenya has decided to dedicate his energy in achieving the big four agenda as a way to improve the economy of Kenya and create more job opportunities. Manufacturing is one of the pillars in the big four agenda, and Threadsol has the opportunity to help in raising the share of this industry by providing better processes for manufacturers.

ThreadSol – the innovative garment tech company, participated in Origin Africa event 2018 held in Kenya. During the fair, ThreadSol presented its range of innovative software solutions for the African apparel manufacturers. ThreadSol is also set to participate in the next African event of ATF (International Apparel, Textile and Footwear trade exhibition) from 20th to 22nd November in Cape Town, South Africa to present the solutions.

ThreadSol's innovative solutions work towards transforming the manufacturers to super vendors. The solutions: intelloCut and intelloBuy, helps in reducing the planning time by almost 80%, reduce fabric sourcing cost by acting on data and insights. These solutions are powered by the latest IT technologies of artificial intelligence, Big Data, and Mobility. Consequently this solution reduces lead time and cost for manufacturers making them to be able to handle more styles, cater to in-season change and at the same time, improve the topline and bottom line of their businesses.

"The current global sourcing trends are based on 3 major things: trend injection- the reactive approach of the brand to competition's product range, read & react- small SKUs to test market response, and in-season chase- revise manufacturing POs to focus on fast selling goods", says Suhrud Panigrahi, Key account manager at ThreadSol.

To keep up with these trends of fashion brands, the apparel manufacturers need agility. An interesting term used by Mr. Panigrahi is 'Super Vendors'. "A super vendor is a manufacturer who can work upon these trends by not only controlling costs of manufacturing, but also innovate the products to take pressure off the brands. Another compelling characteristic of a super vendor is to postpone or disrupt the order bookings for reactive trend injections", adds Mr. Panigrahi. The innovative solutions by ThreadSol have been implemented by over 150 apparel manufacturing facilities and they have reduced cost for manufacturers and improved on their output. Since the requirements of high and fast sourcing models are on a rise, which aims at smaller lead time and shorter order runs, it is becoming very difficult for countries like Bangladesh to keep up with these trends. The same can happen in Africa, if the manufacturers do not act towards becoming a super vendor.

"The African manufacturers HAVE to become super vendors", says Mr. Anas Shakil, Head of Emerging Geographies and Senior Partner at ThreadSol. "They need to reduce lead times and cost better to handle more styles, cater to in-season change and at the same time, improve the topline and bottomline of their businesses", adds Mr. Shakil

Brazilian cotton prices down as trading pace slows	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/brazilian-cotton-prices-down-as-trading-pace-slows-244633-newsdetails.htm

Cotton quotes dropped in Brazil in the first fortnight of September due to slow trading pace in the spot market. However, the decline was not as much as seen in previous weeks. From August 31 to September 14, the CEPEA/ESALQ cotton Index, with payment in 8 days, decreased a slight 0.23 per cent, closing at 3.1822 BRL per pound on September 14.

"While purchasers were searching for high quality batches at lower prices, sellers were supplying heterogeneous batches, which increased the competition between agents," Center for Advanced Studies on Applied Economics (CEPEA) said in its latest fortnightly report on the Brazilian cotton market.

A large volume has already been sold and, as harvesting and processing advance, cotton farmers focus on the deliveries, which, in some cases, are late. Besides, the recent dollar appreciation against real fastened the delivery pace and strengthened price fixing for contracts this month, the report added.

Meanwhile, data from IMEA (the Mato Grosso Institute for Agricultural Economics) indicate that, until September 14, harvesting of the 2017-18 crop in Mato Grosso, the largest cotton producing province in Brazil, had reached 99.47 per cent of the state area. This is above the last five years average of 93.38 per cent.

Conab (the National Company for Food Supply) has revised its estimate for the 2017-18 Brazilian crop upward by 2 million tons. Conab expects Brazil's 2017-18 crop to be 31.1 per cent higher than the previous season, chiefly due to a 25.1 per cent increase in the area sown with cotton, which touched 1.17 million hectares. The average productivity is also projected 4.8 per cent higher than 2016-17 to 1,708 kilos per hectare in 2017-18.

In terms of international trade, cotton shipments from Brazil turned positive after dropping for nine consecutive months, according to Secex (the Secretariat of Foreign Trade). In August 2018, cotton exports were 21,400 tons, around three times of 8,700 tons exported in July 2018, but still 68.6 per cent lower than in August 2017

Trends from Asia-Pacific on show at Intertextile Apparel	**Knitting Industry** https://www.knittingindustry.com/trends-from-asiapacific-on-show-at-intertextile-apparel/

Visitors at this month's Intertextile Shanghai Apparel Fabrics are encouraged to check out country and region pavilions from Hong Kong, Japan, South Korea and Thailand, in addition to pavilions from India and Pakistan, and two Taiwan Pavilions to learn about the latest trends.

"While New York, Milan, Paris and London have traditionally been seen as the most prominent fashion capitals in the world, apparel brands and consumers are increasingly turning to Asian trends. Although Tokyo has long been known for stand-out street style, it's only recently that the Seoul effect – a rise of South Korean popular culture, such as Kpop – has led to even more globally influential trends from the Asia-Pacific region," the show organisers explain.

From 27-29 September, an exciting array of leading exhibitors will join the country and region pavilions. With the Asia-Pacific region's apparel industry booming, economic growth can extend throughout the supply chain, creating unlimited opportunities for textile innovation. Highlighted exhibitors will show the latest fabrics and fabric technologies on the market, designed with global trends and catwalks in mind.

Four new Japanese trends

The popular Japan Pavilion will return this year, predicted to once again be packed with buyers seeking the latest Japanese styles and trends. The Japan Fashion Week Organisation will display high-quality fabrics from 31 Japanese companies, while the accompanying Japan Pavilion Trend Forum introduces four new trends: *Egoist's Essence*, *Lost in Utopia*, *Rustic Logics* and *Fashionista – Instagram*. In touch with Japan's unique sense of style and technologies embedded in a long history of fashion development, the Autumn/Winter 2019-20 trends each explore blended palettes and balance soft hues with vivid colours, presenting a must-see insight into the world of Japanese fashion.

Highlighted Japanese exhibitors include Amaterrace's high-performance functional fabrics and Crystal Cloth's woven cotton, silk and print textiles. Daiichi Orimono will bring its super-high-density woven fabrics. Another must-see exhibitor is Sanyu Trading, featuring its wide range of in-stock, high-quality denim, knit fabrics, synthetic fibre fabrics and yarns.

Korea Pavilion

Not forgetting another emerging centre of fashion is the nearby Korea Pavilion, organised by the Korea Fashion Textile Association (KFTA), which will bring a variety of leading South Korean exhibitors. Alphafabric will showcase innovative fabrics and accessories with unique finishing for fashion trends, such as fancy jacquard, digital prints and colourful tweed. Great Duksan will showcase an array of woven and knit fabrics, while Hyochang's one-stop knitting and dyeing service and Yesung Textile International's 100% premium cotton and cotton-mixed fabrics are predicted to attract plenty of visitors.

The Korea Pavilion will also feature a trend area, with its Autumn/Winter 2019-20 theme set as *Redefine* – a focus on sustainability in fashion and creative individualism in minority groups.

More sourcing options

What's more, the Taiwan Pavilion exhibitors will be conveniently situated in hall 4.1's Functional Lab. E. Textint will showcase its rainbow-coloured reflective heat transfers, suitable for outdoor and performance fabrics, and Honmyue Enterprise will bring sustainable 100% recycled polyester, which is water and oil repellent. Tiong Liong Industrial will display its triacetate conjugate fibre, which has been developed to expand and retract under different heat and moisture conditions for ideal breathability and ventilation.

In hall 5.1, the Taiwan Pavilion has arranged its own trend forum, which like the Korea Pavilion will place emphasis on sustainability. *Think Taiwan for Textiles* is Taiwan Textile Federation's slogan, as the forum is set to gather around 300 textile samples for visitors sourcing products with excellent sustainability, innovation and functionalities.

More fashion fabrics can be sourced at the Hong Kong Pavilion, organised by the Hong Kong Trade Development Council, with highlights including Chun Wing Hing Textile's synthetics and synthetic blend fabrics, Tak Shing Hong's fashion lace and garment accessories, and Tak Hing Textile's high-quality imported woven fabrics from Europe and Japan, plus its own fabrics from the company's China and ASEAN region production lines.

Textile exports increase to $2.26 billion in two months	**The News** https://www.thenews.com.pk/print/370892-textile-exports-increase-to-2-26-billion-in-two-months

Textile exports marginally rose four percent to $2.26 billion in the first two months of the current fiscal year of 2018/19 as value-added sector recorded increase in export revenue during the period with knitwear witnessing double-digit growth, official data showed on Wednesday. Pakistan Bureau of Statistics (PBS) data showed that textile exports amounted to $2.18 billion in the corresponding period a year earlier.

Knitwear exports surged 11.3 percent to $488.82 million in the first two months. Exports of bedwear increased 2.7 percent to $394.98 million. Towel exports rose 7 percent to $125.2 million. Exports of readymade garments increased 4.1 percent to $435.4 million in the first two months of the current fiscal year.

Knitwear garment exporter Jawed Bilwani said the growth stemmed from orders shifted from Bangladesh where workers rumbled on low wages.
Textile workers lodged protests against new wage announcement by the government and warned go-slows threatening the industry that fetched $30 billion in exports revenue, accounting for 83 percent of the country's total exports in 2017/18.

"We are currently receiving spillovers," Bilwani said. "Actual orders are still not coming."

Bilwani said government's decision to exempt export-oriented sector from a recent gas tariff hike would give some respite.

The government announced up to 143 percent increase in gas tariffs in a move to reduce outstanding receivables of state-run Sui Southern Gas Company and Sui Northern Gas Pipelines Limited, which swelled to Rs152 billion.

Textile exports surged 26 percent month-on-month and increased 7.3 percent year-on-year to $1.26 billion in August. Bilwani, who is also chief coordinator of Pakistan Hosiery Manufacturers and Exporters Association, said the cost of production in the country is high. Industrialists in Karachi receive water at two dollar/gallon compared to 35 cents/gallon in other parts of the country.

The new government expressed readiness to resolve critical issues, including stuck refunds, facing the industry.

“If this happens exports would further increase,” Bilwani said. “Textile industry has potential to earn $25 billion in annual revenue.” Analyst Mirat Hyder at brokerage Taurus Securities said surge in exports is a promising early sign of the country’s external sector benefitting from its devalued currency.

“Since August 2017, the US dollar has appreciated 17.55 percent,” Hyder added. PBS data further showed that total exports increased 5.1 percent in the July-August period. Food exports soared 10.6 percent to $568.5 million during the two months period. Of the total, rice exports amounted to $223.9 million, almost flat compared to corresponding months a year earlier. Sugar exports soared 58 percent to $51.1 million in the July-August period.

In July-August, imports stood at $9.83 billion, slightly up compared to $9.73 billion in the corresponding period a year ago. Oil imports rose 30.1 percent to $2.64 billion in the first two months of the current fiscal year. The second biggest import bill was of machinery, which stood at $1.59 billion, down 19 percent year-on-year in the period under review. “In the long run, we can see that strengthening Brent corresponds with a weakening rupee, which predictably erodes a negative balance of trade as exports become competitive and imports become expensive,” Hyder said. “In the short run, we can see that a weakening Brent can relieve some of the pressures of our import bill.”