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IBTEX No. 26 of 2019 February 04, 2019

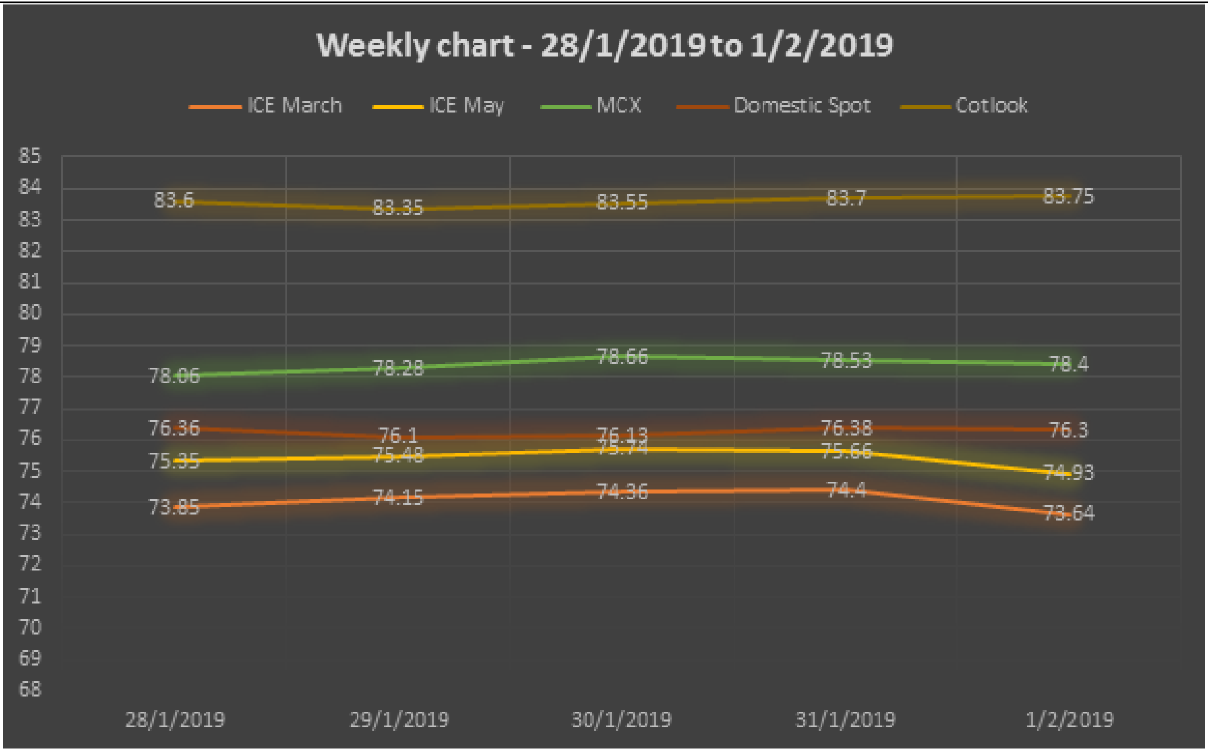
USD 71.66| EUR 82.02 | GBP 93.71 | JPY 0.65

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20287	42400	**75.37**
Domestic Futures Price (Ex. Warehouse Rajkot), February		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20900	43681	**77.64**

International Futures Price	
NY ICE USD Cents/lb (March 2019)	73.64
ZCE Cotton: Yuan/MT (May 2019)	15,250
ZCE Cotton: USD Cents/lb	102.56
Cotlook A Index – Physical	**83.75**

Cotton Guide: Another week gone by which showed a trading range of 73 to 75 cents/lb. The ICE March contract for the week traded in the range of 73.16 cents/lb to 74.85 cents/lb. The Cotlook Index A also did not see major changes during this week with no major fluctuations. The range to which cotlook Index A was adjusted was 83.35 cents/lb to 83.75 cents/lb.

The MCX February contract on the other hand ranged in the bracket of 20860 Rs/bale to 20990 Rs/Bale i.e. 78.06 cents/lb to 78.66 cents/lb, whereas the Domestic spot rates were in the range of 76.10 cents/lb to 76.38 cents/lb. Let’s have a look at the graphical representation of the above:



On Friday the ICE contracts were all in negative figures which ranged from -76 to -50 for contracts of March till Oct 2019. The reason which was attributed to this decline was a no show of positive results between the US China negotiators. The ICE March contract settled at 73.64 cents/lb with a decline of -76. Similarly the ICE May and ICE July contracts ended in negative figures by -73 points and -69 points settling at 74.93 and 76.21 cents/lb respectively. We expect the prices to still trend sideways and show range bound movement.

The MCX contracts on the other hand also matched its steps to the tune of the International ICE contracts. The changes were on the sloping end. The February contract ended at 20900 Rs/bale with a negative change of -80 Rs/bale. The MCX March contract ended at 21190 Rs/Bale with a negative change of -70 Rs whereas the March contract ended with a negative change of -90 at 21450 Rs/Bale.

Arrivals in India are estimated to be 170,000 lint Equivalent bales (private estimates). The Prices of Shankar 6 are around 42,400 Rs/Candy (average prices). Cotlook Index A has been adjusted higher to 83.75 cents/lb with a positive climb of +0.05 cents/lb.

The acting Finance Minister Piyush Goyal announced a new scheme in the Interim Union Budget today. The name of the scheme is Pradhan Mantri Kisan Samman Nidhi which will enable farmers (who own less than two hectares) to fetch a payment of Rs 6000/- per year under three installments. It is expected to benefit around 1.2 crore farmers.

ICE cotton futures almost retraced 38.2% of the range (82.00-70.70) during the month. In the weekly charts price is still trading in the downward sloping channel, with strong supports near 70.40-70.00 zones. Likewise crucial resistance seen around 75.18, followed by 76.50 levels.

For now price is moving in intermediate upwards sloping channel, failure to hold the channel could witness sharp decline in prices. However RSI in the daily charts at 38 implying weakness in strength. Only a sustained move above range could bring further buying in cotton futures towards higher levels of 76.50 cents/lb, followed by 77.20 cents/lb. On the downside immediate support exists around 73.00-72.80 zones, only decline below price could slip towards 72.28 and 71.90 levels. In the domestic markets trading range for Feb futures contract will be 20650-21280 Rs/Bale

Currency Guide

Indian rupee may witness choppy trade amid mixed factors but general bias may be on the downside. Rupee weakened 0.2% against the US dollar on Friday post Budget announcement. Indian government announced a populist budget targeting farmers, unorganized sector and middle class however this rekindled concerns that it will breach its budget deficit target for a second year. The fiscal deficit in the year ending March 31 is forecast at 3.4% of GDP versus a previous target of 3.3%. Also weighing on rupee is continued strength in crude oil price which will keep trade deficit concerns high. Brent crude is trading above $62 per barrel amid reports of decline in OPEC production and US-Venezuela tensions.

However, supporting rupee is general strength in global equity markets post upbeat US non-farm payrolls data. US non-farm payrolls report noted a 304,000 increase in US jobs in the month of January as against expectations of 165K increase. Also supporting rupee is Fed's dovish stance on monetary policy. Rupee may witness choppy trade as market players assess budget and its impact on the economy however general bias is weak on higher crude oil price and fiscal concerns. USDINR may trade in a range of 70.9-71.5 and bias may be on the upside.

Compiled By Kotak Commodities Research Desk , contact us : mailto:research@kotakcommodities.com or can contact: allwyn.stewart@kotakcommodities.com, Source: Reuters, MCX, Market source

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INTERNATIONAL NEWS

World cotton stocks to drop 5 per cent

Cotton stocks across the world are projected to drop to 17.6 million ton by 2018-19 end, reflecting a decrease of 5 per cent from the prior year and registering the fourth straight year of decline.

Consumption is expected to remain steady but production will decline by 3 per cent.

Cotton production in China is expected to increase by 1 per cent to 5.94 million ton, and when combined with a 7 per cent decline in India's production due to insufficient rainfall, China will regain the 'top producer' title it lost to India in the 2015/16 season.

Although cotton prices have come under pressure, current projections for global consumption are unchanged at 26.8 million ton with production projected to be slightly lower at 25.9 million tons.

Cotton prices are feeling the effects of uncertainty related to the global economic environment, as opposed to the impact of trade barriers.

Price fundamentals still look solid, as reflected in the price forecast.

Source: fashionatingworld.com- Feb 02, 2019

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'Massive' US tariffs hit Chinese economy 'very badly', says Trump

The massive tariffs imposed by America on import of products from China has badly hit the economy of the Asian nation, President Donald Trump said Sunday, with the clock ticking on a March 1 US-set deadline for Beijing to address trade concerns and avert an escalation in the tariff war between the world's two largest economies.

The US and China have been locked in an escalating trade spat since early 2018, raising import tariffs on each other's goods.

Last year, Trump imposed tariff hikes of up to 25 per cent on $ 250 billion of Chinese goods. The move prompted China to increase tariffs on $ 110 billion of American goods. During a meeting in Argentina on the sidelines of the G-20 Summit, Trump and Xi agreed to halt any further tariff increases for 90 days beginning January 1.

"We have put massive tariffs on China...it is hurting China's economy very badly. I want them to make a fair deal," Trump told CBS News.

If no resolution is reached by the March 1 deadline, tariffs on $ 200 billion of Chinese goods are set to increase from 10 per cent to 25 per cent, a prospect that has rattled the global market because of the inevitable economic damage.

China has offered to hike its US goods purchases to reduce the bilateral trade deficit and also offered to discuss regulatory changes to improve market access for international investors.However, it has been reluctant to reduce its chances of competing with America on innovation and advanced technologies and doubts remain about its willingness to cede much ground.

Trump said he is hopeful of making a deal with China.

"It looks like we are doing very well with making a deal with China...no two leaders of this country and China have ever been closer than I am with (Chinese) President Xi (Jinping). We have a good chance to make a deal...it's going to be a real deal...not going to be a stopgap (arrangement)," he said.

Source: business-standard.com- Feb 04, 2019

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Pakistan: Textile exports can double in five years: Aptma head

Pakistan's currency has cumulatively lost about 25 per cent of its value against the dollar since the beginning of 2018. Gas and electricity prices for the five export industries have been brought down to the level of average regional prices and textile exporters are now able to import duty-free cotton.

The government is also working on ensuring the early payment of refunds of more than Rs200 billion to improve the exporters' liquidity position. It also announced some incentives to boost investment in greenfield projects.

All these measures have been instituted to boost the country's collapsing exports, especially textiles and clothing, a phenomenon that has significantly contributed to the widening current account deficit and forced the government to accumulate a massive pile of expensive foreign debt over the last five years.

And yet textile and clothing exports, which fetched $13.5bn or almost 60pc of total export earnings last fiscal year, continue to struggle.

The industry's total shipments remain flat at $6.64bn during the first half of 2018-19 on an annual basis. This raises questions about the rationale for the subsidy worth billions of rupees given to the country's largest manufacturing industry that contributes 8.5pc to GDP and employs 46pc of non-farm labour.

"Do not be impatient," says Ali Ahsan, chairman the All Pakistan Textile Mills Association (Aptma), during an interview with this correspondent.

"Most pro-industry initiatives announced months ago are being implemented just now. Others will be executed in the next few months. Positive results will start appearing in the next few months. You'll see growth in our shipments when the government releases trade numbers for January.

I won't say it will be massive. But it will be enough to show that we are back on the growth trajectory. Most exporters are fully booked for the next six months. Even yarn shipments, which went down 17pc in the first half of 2018-19, have gone up in January," says Mr Ahsan.

He says it is not possible to turn around exports overnight. In textile trade, he explains, it takes at least six months before the results start coming.

"Our exporters have received massive orders at Heimtextil 2019."

Mr Ahsan has a lot of good words for the PTI government for its support for the industry and clean-up of the mess created by the preceding government.

"This government is listening to businesspeople and trying to tackle their problems. But it should also give a long-term export and growth policy to help boost investment in new projects in the downstream industry," he says.

He believes textile and clothing exports can easily double to $26bn in the next five years if the government continues to support the industry through a long-term policy.

"Those who are expecting instantaneous, massive growth in textile exports will continue to be disappointed. The government has done a lot in the last few months. But a lot more also needs to be done for sustainable, high growth in exports. The steps taken thus far can increase shipments only to an extent. We need to increase our capacity to create an export surplus and invest heavily in value-added sectors."

In the short term, he elaborates, it is crucial to remove upfront incidentals on the import of manmade fibres, which is short for industry consumption. This will enable the industry to diversify into products that are in high demand in foreign markets.

Further, the government must liquidate all outstanding refunds of the industry on account of sales tax, duty drawbacks and previous textile policies, withdraw gas infrastructure development cess (GIDC) arrears of pre-GIDC Act 2015, allow the payment of the post-GIDC Act arrears in instalments, and expedite new gas and electricity connections and tagging for the zero-rating of the industries by departments concerned, he says.

"The long-term export and growth policy should extend the long-term financing facility to indirect exports as well to boost investment in the value-added sectors, reintroduce industrial credit policy, invest in the garment industry infrastructure, enhance credit limits for new factories, discourage textile and clothing imports and stop smuggling to open up the domestic market to the local industry," says the Aptma chairman.

He is hopeful that at least half of the textile capacity closed in the last five years will return to production, thanks to the recent supportive measures by the government. The rest of the factories have already been sold out and machinery junked, he adds.

"Now we need new projects for export growth. We cannot do it without creating integrated textile and apparel parks to provide plug-and-play facilities for local and foreign investors. We export 30pc of yarn produced in the country.

We need to establish new weaving, processing and garment units to convert that yarn into value-added products to boost exports. We can generate additional exports of $20bn and create 1.5 million jobs by investing $7bn," he says.

Source: dawn.com- Feb 04, 2019

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US-China trade war brings good chance for Pakistan

Pakistan, which is struggling to achieve a dramatic turnaround by reining in excessive imports and boosting sluggish exports to fix the faltering economy, is likely to partially achieve the goal in the wake of opportunities emerging due to the US-China trade war.

The two biggest economies of the world have made 62 percent ($360bn) of bilateral trade expensive by slapping additional tariffs on thousands of each other's goods since July 2018 and have caused a slowdown in the global economy, according to the State Bank of Pakistan (SBP).

"For Pakistan, the imposition of these cross-tariffs offers some interesting opportunities as well as challenges. On a positive note, key food items, such as rice, seafood and soybean (both seeds and oil), have come in the crosshairs, which offer an opportunity to Pakistan to reduce its trade deficit," the SBP said in its first-quarter report on the state of economy for fiscal year 2018-19.

Among the thousands of goods on which additional tariffs have been imposed by the two countries, three product categories may provide benefit to Pakistan's exports which are seafood, rice and cotton (raw cotton, fabric and yarn).

"Specifically, American seafood exports to China are now much costlier as a result of the tariffs, as are Chinese exports of rice and cotton items to the US," the central bank said. China is a major global importer of seafood products and imported 16.3 per cent of its overall seafood imports from the US in 2017 (worth $1.3bn).

"It mainly imports lobsters, oysters, flatfish and sardines, all of which are now attracting additional tariffs, and all of which are also exported by Pakistan," it said. Pakistan's global exports of these products amounted to $338.9m in FY18 and constituted 75.1 percent of the country's overall seafood exports.

"As the US seafood exports to China have now become much costlier, Pakistani exporters might increase their presence in the Chinese market," the SBP said. China is the world's largest importer of soybean and the US is the second largest producer and exporter of the commodity, after Brazil. Importantly, soybean is the largest export product from the US to China.

Soybean was among the first items targeted by China when the first round of retaliatory tariffs went into effect in July 2018. China then shifted its demand for soybean to Brazil and Argentina. As a result, soybean export prices of Brazil and Argentina have spiked whereas those of the US have plunged.

"This presents an opportunity for edible oil mills in Pakistan to reduce their imports of soybean oil and seed in value terms by diverting their purchases to the US, where the prices are falling," the SBP pointed out.

Encouragingly, there are indications that this switch is already taking place. Brazil's share in Pakistan's overall soybean imports (both seeds and oil) fell to 49.5 percent in FY18 from 58.4 percent in FY17 whereas the share of the US rose to 45.4 percent from 32.1 percent.

“Further enhancing soybean imports from the US will yield more FX (foreign exchange) savings for Pakistan,” it said.

On the other hand, the volatility in iron and steel prices in recent months after the imposition of tariffs by the US presents a challenge from Pakistan’s perspective. In September 2018, with anti-trade measures in full swing, the US targeted the bulk (49.1 percent) of iron and steel products that it imported from China and imposed additional tariffs on them.

Steel prices in China were falling during the first half of 2018 as uncertainty loomed about the extent of the protectionist measures that would be adopted by the US. “All of this uncertainty has created challenges for Pakistan as the unit value of the country’s iron and steel imports (both scrap and finished products) has been rising, though with significant fluctuations.”

Source: thepeninsulaqatar.com- Feb 04, 2019

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Vietnam targets $40 billion in exports from textile and garment industry

Vietnam Textile and Apparel Association (VITAS) set the industry development target this year for export turnover at US$40 billion, which would mark a 10.8 per cent year-on-year increase.

The industry’s trade surplus is expected to reach $20 billion this year. Employment will be ensured and income for 2.85 million workers would be increased, said VITAS.

These targets were based on a successful year in 2018, when export turnover of garments and textiles products reached more than $36 billion, marking a year-on-year increase of 16 per cent. This level of growth would make the nation one of the top three largest exporters of textiles and garments in the world.

In addition, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which came into effect last month, was expected to help the economy grow by 1.3 per cent. It should boost export turnover by 4 per cent. The textile and garment industry is seen a key sector with many opportunities to expand the market.

Chairman of VITAS Vũ Đức Giang said the signs for order statuses for 2019 were also very positive. Many businesses already had orders for the first six months of this year and even the whole year.

"The sector has gradually completed the supply chain thanks to increasing flow of capital invested in the textile and dyeing industry, making its products more competitive," said Giang.

Import of raw materials should be reduced

According to Chairman of the HCM City Textile and Garment – Embroidery Association Phạm Xuân Hồng, CPTPP will have an impact on the sector. It will cut import tariffs and diversify products available in CPTPP member countries.

Hồng said that although the sector had prepared for the implementation of the trade deal, many businesses had not yet met the demands.

"Enterprises have tried to limit imports of raw materials but still have to import over 60 per cent of foreign raw materials, of which 50 per cent comes from China," Hồng said. "Therefore, enterprises need to understand the regulations, customs procedures and logistics laid out in CPTPP."

The State should support businesses by creating a fair playing field and minimising administrative procedures to raise competitiveness in domestic market," he said.

Cao Hữu Hiếu, Managing Director of Việt Nam National Garment and Textile Group (Vinatex), said the sector would have many opportunities to grow and challenges as the country started to implement the agreement this year.

Hiếu said with the strength of the country's capital, experience, technology and labour force, many foreign-invested enterprises would establish production chains from yarn, fabric and garments in Việt Nam.

"If businesses do not invest and improve capacity, it will be difficult for them to compete in the domestic market, especially with products coming in from CPTPP member countries," Hiếu said.

"They need to take initiative in producing raw materials and minimising dependence on imported materials to help the industry enjoy the benefits of CPTPP."

Hồng said that technical standards were not a big problem for Vietnamese garment enterprises. However, requirements for the origin of yarn, weaving and dyeing – which must be met under CPTPP – were a big challenge because Việt Nam imports more than 60 per cent of raw materials from outside CPTPP member nations.

He said solving raw material sourcing issues was not a simple task. "CPTPP is considered one of the factors attracting foreign investment in the raw materials manufacturing industry.

However, this industry carries risks of environmental pollution if outdated technology is used."

"Management agencies will have to carefully consider the benefits of raw materials for production and environmental impacts before granting investment licences," Hồng said.

Source: vietnamnews.vn- Feb 04, 2019

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Bangladeshi apparel makers to participate in Paris' Texworld

The fair is expected to display a global range of fashion products from the major manufacturing countries of Bangladesh, China, Cambodia, Korea, India, Indonesia, Taiwan, Thailand, Turkey and Pakistan

A total of 29 Bangladeshi apparel, fabric and leather manufacturers are slated to participate in Paris' Texworld trade show from February 11-14, according to a press release issued recently.

The fair is expected to display a global range of fashion products from the major manufacturing countries of Bangladesh, China, Cambodia, Korea, India, Indonesia, Taiwan, Thailand, Turkey and Pakistan.

Bangladesh will have direct exhibitors and a national pavilion organized by Export Promotion Bureau (EPB).

Among fabric manufacturers, Akij Textile, Experience Textile, Momtex Expo, Silver Composite and Zaber & Zubair Fabrics will be participating.

In denim, Aaron Denim, Argon Denims, Chittagong Denim Mills, Evince Textiles, NZ Textiles and Nice Denim are expected to display their products, while in apparel, Adams Apparels, Ama Syntex, Banga Garments, Blue Planet Knitwear, Delphitex Industries/Redwan Tex & Apparels, Euro Knitwear and other manufacturers will also be exhibiting their items.

Texworld Paris and Texworld Denim are international trade shows for fashion organized by Messe Frankfurt France (MFF).

The shows will be collocated with Apparel Sourcing, Avantex, Leatherworld and Shawls & Scarves Paris, which take place twice a year at the Le Bourget fairground and attract thousands of professional visitors from all over the world.

Taking place twice a year at Paris - Le Bourget, Texworld, with around 1000 exhibitors, offers professional buyers from all over the world a rich variety of products from basics to creative high-end fabrics of excellent quality.

It is a must for manufacturers specializing in: cotton, denim, drapery & tailoring, embroidery & lace, jacquard, knitted fabrics, linen & hemp, prints, shirting, silk, silky aspects, sportswear & functional fabrics, trims & accessories, wool and woolen materials.

The presence of a “Small Order Itinerary” which lists the exhibitors who can sell small quantities to designers is a real asset for small brands and capsule collections.

Following the eco-friendly attitude, Texworld showcases around 100 suppliers of organic cotton, linen, hemp, recycled material and other sustainable textiles.

Source: dhakatribune.com- Feb 03, 2019

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Pakistan: Joint ventures under CPEC needed to increase industrial base: Dawood

Adviser to Prime Minister on Commerce, Textile Industry, Production and Investment Abdul Razak Dawood said on Saturday that under the China-Pakistan Economic Corridor (CPEC), the country would now prefer to enter into joint ventures (JVs) with Chinese companies to increase industrial base.

“We are in talks with China to shift the focus from power plants and road networks and move into JVs which are badly needed to increase the industrial base in Pakistan and lead to job creation,” he said while addressing the business community of Karachi at an event hosted by the Rice Exporters Association of Pakistan (Reap) former chairman Abdul Rahim Janoo.

There is an urgent need for entering into JVs with Chinese companies which could help in transfer of technology and also improve our agriculture production which was badly suffering from low productivity, he said.

Responding to a number of issues raised by Reap Chairman Safdar Mekrai, the adviser stressed that by entering into JVs with Chinese companies many issues related to low farm productivity and high costs could be tackled by introducing technologies at different levels.

Mr Dawood regretted that almost all major crops including wheat and cotton in the country are facing similar issues as highlighted by Pakistan Agriculture Coalition's Dr Arif Nadeem in his presentation on rice.

There is an urgent need to work on backward integration in all major corps if higher productivity and low cost is to be achieved, he said. He hoped that once these issues were resolved, the target set by Reap for enhancing rice exports from current level of little over $2 billion to $5bn in five years could be easily achieved.

The adviser said he would try to immediately include rice sector (which is second largest exporter after textiles) as a new member among five export-oriented sectors.

"I am confident that rice exporters are committed to ensuring and securing interest of all the stakeholders and also have the vision to increase rice production and achieve $5bn exports within five years," he added.

Mr Dawood said that during his recent visit to Japan, the businessmen there showed keen desire to help Pakistan improve rice farming by introducing technology for improving quality and securing higher rice production.

He further urged the Reap chairman to participate in the forthcoming 'Biyani Festival' being organised in Jonesburg, South Africa.

Source: dawn.com- Feb 03, 2019

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NATIONAL NEWS

TEXPROCIL hails increase in allocation for ROSL scheme in budget; urges govt to include cotton yarn & fabrics under the scheme

Increase in revised estimate for the ROSL (Remission of State Levies) scheme in interim budget 2019, is a step in right direction, said Dr. K.V. Srinivasan, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).

He said Budget has increased the revised estimate for the ROSL (Remission of State Levies) scheme from Rs. 2164 crores to Rs. 3664 crores for 2018-19 and has also allocated Rs.1000 crores for the scheme for the fiscal year 2019-20, which is a step in the right direction, he added.

He urged the government to include cotton yarn and fabrics also under the ROSL scheme.

The interim Budget 2019 announced by the government is pragmatic and growth oriented, said

Besides, he appreciated measures like increase in standard deduction from the earlier Rs 40,000 to Rs 50,000 and individuals with net taxable income income up to Rs.5 lakhs need not pay any tax.

He said this will lead to an increase in the disposable income of the salaried class which will lead to more consumption including per capita consumption of textiles, which in turn will have a positive impact on the overall economy of the our country.

Source: knnindia.co.in Feb 03, 2019

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Budget: Textiles Min FY'20 allocation pruned to Rs 5,831.48 cr

Finance Minister Piyush Goyal has proposed Rs 5,831.48 crore budgetary allocation for the textile ministry for 2019-20, which is 16.01 per cent lower than the current fiscal.

As per the budget document tabled in Parliament on Friday, the revised expenditure (RE) for the textile ministry has been pegged at Rs 6,943.26 crore during 2018-19.

The original budget proposal was Rs 7,147.73 crore to fund various programmes and schemes for the textile sector.

"The low allocation for ATUF & ROSL schemes for textiles is worrisome as it is clearly not sufficient to meet obligations under the schemes, both backlog and expected fund requirements in 2019-20.

"However, since this is an interim budget, we hope more funds will be allocated for these schemes," Confederation of Indian Textile Industry Chairman Sanjay Jain told PTI.

According to the budget document, Rs 700 crore has been allocated towards the Amended Technology Upgradation Fund Scheme (ATUFS) for the next fiscal, as against Rs 622.63 crore for 2018-19.

Besides, a provision of Rs 1,000 crore has been made towards the Remission of State Levies (ROSL) as compared to Rs 3,663.85 crore in the revised estimate of 2018-19.

The government had earmarked Rs 2,163.85 crore for ROSL in the previous year's Budget.

Source: business-standard.com- Feb 03, 2019

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Full benefits of GST only from 2020-21: Interim Budget

The Interim Budget 2019-20 may have kept an ambitious growth target for the Goods and Services Tax for next fiscal, but it doesn't expect benefits from the indirect tax regime to flow in until 2020-21.

"Accrual of the full benefit of GST reforms and revenues is expected to take some more time and, therefore, the stabilisation phase is expected to continue in 2019-20 too," the Budget documents have noted, adding that the full benefits of GST reforms should start accruing from 2020-21 and completely stabilise thereafter to ensure sustainable fiscal path.

Noting that 2018-19 was the first full year of implementation of GST with numerous rate changes, the Budget has said the full potential of the tax system would be realised only after the transition period is over.

"These rate changes have reduced the tax burden on consumers and, in the long run, will lead to improvement in compliance, reduce classification disputes and make GST more equitable," it said, while Finance Minister Piyush Goyal had in the Budget speech pointed out that the GST mop-up increased to over ₹1 lakh crore in January.

The Interim Budget has lowered the target for revenue proceeds from GST by ₹1 lakh crore to ₹7.44 lakh crore to ₹6.44 lakh crore in 2018-19 in the Revised Estimates. For 2019-20, it expects the mop up from GST to increase by 18.2 per cent over the RE to ₹7.61 lakh crore but compared to the BE, the increase is just of 2.3 per cent.
Revenue collection

However, despite the expectation that GST would fully stabilise by 2020-21, the Budget document has said that the revenue collection would be "slightly muted" from then on. "Whereas direct taxes are expected to show a growth rate of 14.9 per cent and 15.3 per cent, the growth rate in indirect taxes is expected to be slightly muted at 8.4 and 11.1 per cent in the years 2020-21 and 2021-22 respectively," it said, adding that among the indirect taxes, the growth rates of GST are expected to remain roughly at the rate of growth of the economy.

Meanwhile, experts have called the growth projection in GST mop-up for 2019-20 a fairly ambitious one.

"A closer look at the estimate of various tax revenue components does not inspire confidence. The GST collection growth in 2019-20 is estimated at 18.2 per cent, whereas the 2018-19 Revised Estimate growth pegs it at 9.1 per cent. This is a tall order," said Devendra Kumar Pant, Chief Economist and Senior Director (Head – Public Finance), India Ratings.

In a research report, Radhika Rao, Economist, DBS Group, has noted that the recent reduction in GST rates, higher thresholds and wider umbrella of tax payers under the composition scheme are also likely to slow collections further in 2019-20.

Source: thehindubusinessline.com- Feb 04, 2019

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Skill training for 1.23 lakh unemployed youths

Training in agriculture, construction, soft skills

The Wayanad district administration is gearing up to organise a skill-development programme for as many as 1,23,741 unemployed youths in the district under the Transformation of Aspirational District project of the Central government.

The project envisages to ensure job opportunities for unemployed educated youths by imparting employability skills in various sectors, including agriculture, construction, soft skills, and service sectors in a phased manner, District collector A.R. Ajayakumar told The Hindu.

It was planning to train as many as 20,000 youths in farming-related sectors; 40,000 in the service sector; 23,000 in soft skills; and 40,000 in construction sectors in four years, Mr. Ajayakumar said.

"We give preference to short-term training programmes to ensure job opportunities for the youth," he said.
Training partners

Institutions such as Kerala Academy for Skills Excellence (KASE); Uralungal Labour Contract Cooperative Society(ULCCS); Nettur Technical Training Foundation, Thalassery; and Bharat Petroleum Corporation had offered their willingness, apart from the technical institutes in the district, to train the youth, he said.

The training programme will begin by the middle of February. Union Minister of State for Skill Development and Entrepreneurship Anantkumar Hegde will hold a videoconferencing on the project on Wednesday.

Those technical institutes wishing to participate in the programme should submit a proposal to the District Planning Office before Monday, he added.

The Niti Aayog has selected as many as 117 backward districts in the country for executing the project and Wayanad is the lone district from the State.

Source: thehindu.com- Feb 03, 2019

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Sircilla weavers get Bathukamma sarees order worth Rs 300 cr

Handlooms and Textiles Department officials have finalized 50 dark colored sarees with different designs.

The State government placed orders worth Rs 300 crore for production of 94 lakh sarees with Sircilla powerloom weavers.

To attract women, Handlooms and Textiles Department officials have finalized 50 dark colored sarees with different designs. Besides three types of borders in lace edge, there will be five strips in the border and three types of hems.

The two inch width border will cover 5 1/2 meter length of 6 1/2 meter saree. 80 cm cloth will be for jacket.

When the scheme of distribution of sarees to women on the occasion of Bathukamma festival was started in 2017, 3.75 crore meter cloth was produced in Sircilla due to shortfall of time. The remaining 2.36 crore meter was brought from Surat of Gujarat.

Thought government placed the order in the month of May last year, weavers and officials had to struggle to achieve the target. Taking previous experiences into consideration over delay in weaving of sarees, government placed order well in advance in February this year.

Now, weavers have enough time to produce 6.30 crore meter cloth since they got order three months before when compares to last year. Weavers working on 22,000 power looms will get employment in the coming six months period.

While 15,000 weavers would get employment directly, another 5,000 workers would get indirect employment up to September.

The most important thing is that the income of weavers had doubled with bulk order. Weavers who used to earn Rs 8,000 per month were getting Rs 16,000 to Rs 20,000 per month following Bathukamma saree order.

Weavers, who would usually earn Rs 1.90 per meter cloth, were getting an additional amount of Rs 3 per meter.

In order to give sufficient time to weaver to produce sarees, government placed order before eight months, Assistant Director, Handlooms and Textiles, RS Ashok Kumar told the Telangana Today.

Stating that enormous changes were taken place in the living condition of weavers with bathukamma order, he emphasised the need to continue same in the future too.

Besides bathukamma sarees, weavers will get 2 crore meters of RVM cloths production. Government was planning to give the order of Ramzan cloth and others to Sircilla weavers, it is learnt.

Source: telanganatoday.com- Feb 03, 2019

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