TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU
TEXPROCIL

TEXPROCIL
NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 183 of 2018 September 04, 2018

USD 71.26| EUR 82.68 | GBP 91.67 | JPY 0.64

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
22517	47100	**84.86**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
22760	47609	**85.78**

International Futures Price

NY ICE USD Cents/lb (Dec 2018)	82.22
ZCE Cotton: Yuan/MT (Jan 2019)	15,760
ZCE Cotton: USD Cents/lb	**88.89**
Cotlook A Index – Physical	**93.3**

Cotton Guide: Cotton futures were closed yesterday on account of the Labor Day holiday. In the early the active Dec future is trading higher by 42 pints at 82.64 cents. The aggregate open interest is holding at 253 thousand lots. Money managers have cut their bullish bets on the long cotton positions as the latest CFTC data showed the net long position down by 2712 lots.

No major change in the fundamentals or any fresh cues are witnessed in the market.

Market was anxious to understand the ramped up threat of another $200 billion worth of tariffs on Chinese goods which would mean over 50 percent of Chinese imports would carry a tariff.

In spite of the trade war USDA Weekly Export Report for the week ended August 24th was decent. It included 96,400 bales sold to China, bringing their 2018-19 total commitments to 1,943,200 bales; and 2019-20 to 516,600 bales. Of those, 67,200 bales have been shipped. Total 2018-19 and 2019-20 net sales combined for the week were 210,800 bales (upland 200,200; Pima 10,600). That included 4,300 bales in cancelations. Weekly shipments were 175,000 bales (upland 172,600/pima 2,400). Total shipments stand at 633,600 bales (upland 613,400/pima 20,200). 48-1/2 weeks remain in the season.

On the technical front, market continues to trade in the given range of 81 to 84 cents however, slowly forming an upward channel which can be also termed as bear flag pattern, any slippage below 81 cents would pull the price to 80 and then 79 cents. However, long term support is seen at 79 cents to keep the market overall positive.

On the domestic front the spot price continues to trade steady near Rs. 47700 per candy ex-gin, S-6 variety for the remaining 2017-18 crop which translates to 86 cents per pound given the currency price. The MCX cotton October future slipped to make an intraday low of Rs. 22680 and closed at Rs. 22770 down by Rs. 90 from previous close. The trading for the day would be Rs. 22500 to Rs. 22900 per bale.

Indian rupee has opened weaker to hit a fresh record low level of 71.3725 against the US dollar. Rupee remains under pressure amid higher crude oil price, weaker risk sentiment amid trade war worries and contagion risks amid financial crisis in Turkey and Argentina. Brent crude trades near $78 per barrel amid concerns about tighter global market and supply risk owing to storm activity in the Atlantic.

Trade worries are high as US and Canada is at loggerheads over terms of revision of NAFTA agreement however talks are set to resume. On the China front, President Donald Trump may announce implementation of tariffs on as much as $200 billion in additional Chinese products as soon as Thursday. The US dollar is also supported by general optimism about US economy and Fed's monetary tightening outlook. Rupee may remain under pressure until we see stability in global financial markets. 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, Source: Reuters, MCX, Market source

Indicative Prices of Overseas Ring Spun Cotton Yarn in Chinese market:

Indicative Prices of Cotton Yarn in China Date: 02/09/2018 ***Prices in US$ FOB***		
Country	**20s Carded**	**30s Carded**
India	2.80	3.10
Indonesia	2.56	2.85
Pakistan	2.41	2.80
Turkey	3.20	3.45
Source: CCF Group		

China yarn

As PSF price kept rising, prices of polyester yarn and blended one made of PSF went upward further. Rayon yarn price followed up. Price of cotton yarn moved up slightly while cotton/rayon yarn dipped.

International yarn

In the cotton yarn market, a bearish mood has been in evidence in Pakistan and cotton yarn demand has failed to improve.

The value of Indian textile and apparel exports increased by 11 percent year on year in July.

Spinners in Turkey have expressed concern as regards currency and macro-economic challenges in the country

Source: CCF Group

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	The real reason behind Trump's trade war
2	US, Canadian manufacturers support trilateral agreement
3	Brazil gives nod for cultivation of WideStrike 3 cotton
4	Australian wool may fall five per cent
5	South Korea hungry for Vietnamese garments
6	Vietnam's cotton imports surpass 2 billion USD during Jan-Aug
7	Bangladesh Textiles & apparel lures max FDI during Jan-Mar '18
	NATIONAL NEWS
1	India, Singapore launch next round of free trade agreement review
2	RCEP agreement likely in November, may help India deepen partnership with ASEAN
3	Textile Ministry issues draft BIS-based quality standards for cotton bales
4	Cotton prices set to rise this year
5	FICCI President stresses on need to further trade, investment ties between India, Asean
6	Maersk: Conducive dynamics driving India's trade growth
7	Govt 'could have done a lot' of economic reforms, says EAC-PM member Shamika Ravi
8	Growing global competition affecting India's textiles exports
9	External factors behind fuel price rise: Pradhan
10	Concor disrupts container logistics market with 45-day free storage period to importers/exporters
11	This organisation is bringing weavers into the digital era
12	GST Council seeks ways to ensure MSMEs pay taxes every month
13	Fix yarn price on monthly basis: power loom owners

INTERNATIONAL NEWS

The real reason behind Trump's trade war

The US President wants to maintain the dollar's reserve currency status and retain US' monopoly in hi-tech

With the Turkish lira in free fall, Chinese yuan down by 8 per cent in July alone, and ₹70 required to buy one dollar, experts warn that the trade war might soon escalate into trade plus currency war. But the 'law of unintended consequences' may not be at work here. Securing the interest of the US currency may be a less discussed yet real agenda behind the current trade war.

Trump is trying to deal with two serious concerns facing the American economy: Counter the threats to the dollar's status as the reserve currency, and retain the near monopoly in Digital and Hi-Tech space. These issues, central to the US power and eminence, are now under serious challenge.

First the dollar issue. The dollar's status as a reserve currency the world trusts is the primary reason for the US economic supremacy. Other countries need to export something to earn dollars. Not the US, which can print as many as it wants and buy any property, technology or pay for its massive imports. Also, it can invest a large amount of venture capital to buy any firm anywhere. Individual countries may face inflation if they print more local currency, not the US as the excess dollar is absorbed happily by the world.

Consider China-US trade. China sells all type of products to the US. In return, the US just prints dollars and gives them to China, which beyond a point has no use of these. So China deposits unspent trillions of dollars again with the US Treasury or buys firms and properties around the world.

The dollar has become the reserve currency because over 70 per cent of world trade happens in dollars. This may look strange as the US share in world trade is less than 15 per cent.

The US manages this by ensuring that large trade contracts for commodities like crude oil are always denominated in dollars. Also, large US banks operating globally ensure that most export contracts are made in dollars even though it is not the currency of the buyer or seller.

Iraq example

And the US goes great lengths to deal with any threat to the reserve status of the dollar. In 2003, the US army captured Iraq and hanged its President Saddam on allegations that Iraq had Weapons of Mass Destruction (WMD). No WMDs were ever found. And we soon learned that Saddam started the process of denominating oil contracts in Euro and other currencies.

The dollar's position as the reserve currency is under strain again. Many countries including China are taking steps to denominate their trade contracts in local currency and reduce dependence on the dollar. China plans to denominate all Belt and Road Initiative (BRI) contracts in local currencies. No wonder China is the primary target in the trade war.

The Saudi royal family has since the 1970s ensured that all OPEC oil contracts are denominated in US dollars. In return, the US ensured the continuation of the royal rule and fought Saudi enemies in the Gulf region. And this explains Trump's action of isolating Iran. Since Iran is an enemy of Saudi, Trump announced sanctions to cripple Iran. Anyone buying from Iran after November would also face sanction.

Threat to hi-tech

Trump's second concern is to retain the US lead in digital and high tech space. It is under threat from China which is going all-out to become a leader in Artificial Intelligence and high technology by 2025. Loss of US monopoly in digital space is a worry too.

Many of China's home-grown firms are large unicorns ready for global operations in direct competition to the US firms. Worse, the China model of not allowing entry to Google and Facebook is being copied by Russia, Brazil, and many others. The EU is also thinking of creating an EU wide internet. All this would mean an end of the dominance of the US firms in digital space.

The US tariffs on imports from China will impact not only its exports to the US but to all countries. Most of China's exports are produced in the tariff-free global supply chains (GVC) where collaborative manufacturing happens among a group of countries.

Tariffs by partner countries will delay numerous Customs clearances and significantly reduce the effectiveness of GVCs. The US would love to think that this will rock the Chinese boat and force them to a compromise.

Discrediting WTO

The question remains, why discredit the WTO which served the cause of world trade well and pursued the earlier US priorities. A smart strategy is at work here.

Trump is using tariffs as primary tools for trade war because raising tariffs requires no investments and they do the most damage in a world where trade accounts for more than a quarter of world GDP.

He needs to raise tariffs, but doing so violates the WTO rules because the US has in 1995 tied its hands by agreeing to maintain very low tariffs (less than 3 per cent). So the solution is clear. Raise the tariffs, but discredit the WTO as being unfair to the US.

So these could be the real reasons for the trade war. Reasons such as imports posing a threat to national security or the US exports facing high trade barriers may just be used by Trump to buy peace with the WTO, humour rust belt voters and distract everyone else.

The US reasons for the trade war may look selfish, and harm world trade, production, and employment globally. But that’s what the US script is. And no other US President could have played this better. It required the persona of Trump to make everything look so real.

Source: thehindubusinessline.com- Sep 03, 2018

HOME

****

US, Canadian manufacturers support trilateral agreement

US and Canadian manufacturers firmly support moving forward at full speed to seize the opportunity to forge a new trade deal between the United States, Canada and Mexico, the US National Association of Manufacturers (NAM) president Jay Timmons and Canadian Manufacturers and Exporters (CME) president Dennis Darby said in a joint statement.

"There is an unprecedented volume of goods flowing between the three countries and significant integration of operations, which makes a trilateral agreement an imperative. Such an agreement secures the jobs of our manufacturing workers and strengthens the critical US-Canada trading relationship," the statement said.

"We must also stand together with our regional allies to ensure competitors like China do not reap the rewards of unfair anti-market trade practices. Because of our two countries' nearly $700 billion trading relationship, our economies are inextricably linked, and our manufacturing workers depend on a strong deal that keeps us all growing and prospering for generations to come," it added.

Source: fibre2fashion.com- Sep 03, 2018

HOME

****

Brazil gives nod for cultivation of WideStrike 3 cotton

Corteva Agriscience, Agriculture Division of DowDuPont, has announced that the Brazilian National Biosafety Technical Committee (CTNBio) issued a positive technical opinion authorising the cultivation and commercialisation of WideStrike 3 cotton in Brazil. This technology will be available for launching in the 2019 growing season in Brazil.

WideStrike 3 is an advanced insect protection pyramid which contains three proteins: Cry1Ac and Cry1F proteins plus a vegetative insecticidal protein (Vip3A) from Bacillus thuringiensis (Bt). It provides superior season-long protection throughout the cotton plant from a wide spectrum of damaging lepidopteran pests, such as fall armyworm and the American bollworm. Multiple mode of actions can improve resistance management and durability of the technology.

"Brazilian growers need access to advanced technologies with improved performance to maximise yields and extend the longevity of technology," said Larry Robertson, Corteva Agriscience global portfolio leader – Oilseed Crops. "Widestrike 3 is a new tool to meet growers' expectations."

WideStrike 3 has received commercial approval in several countries, and most recently in Brazil. CTNBio is the Brazilian National Biosafety Technical Commission under the ministry of science, technology, innovations and communications (MCTIC).

It is responsible for the evaluation of biosafety requirements for genetically modified organisms (GMOs). CTNBio has completed its evaluation of the WideStrike 3 Insect Protection Trait for commercial release and its positive technical opinion authorises the cultivation and commercialisation of this technology in Brazil, said Corteva Agriscience in a press release.

"CTNBio has completed a thorough scientific and technical assessment," said Robertson. "We are excited to be able to offer Widestrike 3 for use in cotton."

As part of the responsible development and deployment of leading Bt technologies, Corteva Agriscience is committed to working with Brazilian customers to include cotton products containing the WideStrike 3 as part of an insect resistance management program (IRM).

IRM practices include refuge adoption, certified seeds, burndown, seed treatment, scouting for insect pests and controlling insect pests with sprays. Properly managing Bt cotton technology is essential to preserving it as a useful crop protection tool for years to come.

Source: fibre2fashion.com- Sep 03, 2018

HOME

****

Australian wool may fall five per cent

Australian shorn wool production is expected to fall 5.7 per cent this year. The fall reflects an expected reduction in both the number of sheep shorn and average wool cuts per head as a result of the dry seasonal conditions across most of the country.

Adverse seasonal conditions in many sheep producing areas across Australia have resulted in a high turn-off of sheep and lambs.

t will also mean lower average fleece weights in several states. How the season progresses over the next couple of months will be very important for overall production levels this season.

There have been 11.3 per cent reductions in weight of wool tested between 19.6 and 24.5 micron while there was an 11.7 per cent increase in weight of wool tested between 16.6 and 19.5 micron as well as over 26.6 micron. Production of 16.5 micron wool fell 10 per cent last season.

The impact of the season can be seen through a ten per cent increase in sheep and lamb turn-off last season compared to 2016-17.

Dry seasonal conditions over much of the second half of the season resulted in lower than expected fleece weights in 2017-18.

Conditions have worsened in many wool producing regions across Australia.

Source: fashionatingworld.com- Sep 03, 2018

HOME

****

South Korea hungry for Vietnamese garments

Vietnam expects the growth of textile and garment exports to South Korea to continue until the end of the year after strong results in the first seven months of 2018, according to the General Department of Customs.

Up until July, Vietnam showed an on-year increase of 24.88 percent in textile and garment export value to $1.5 billion to South Korea, marking a strong breakthrough in those products to the market.

In July alone, the export value of those products to the Northern Asian market reached $270.7 million, a rise of 24.18 percent compared to June and 24.06 percent compared with July 2017.

China and Vietnam were the two-largest garment suppliers to the South Korean market, accounting for 34.46 percent and 32.67 percent, respectively.

Vietnam's garment exports to the market have accelerated rapidly, reducing the gap between the market shares of China and Vietnam in the South Korean garment market at 40.18 percent and 29.52 percent, respectively, three years ago.

According to Vietnam's General Department of Customs, South Korea has become the fourth-largest export market of Vietnam, reaching $2.7 billion in 2017.

The Ministry of Industry and Trade said the strong growth in exports to South Korea was mainly due to the high competitiveness of Vietnam's garments and higher spending of consumers in this market.

In addition, the Vietnam-South Korea free trade agreement encouraged Vietnam's textile and garment products to enter the South Korean market, the ministry said. According to the FTA, 24 products of Vietnam enjoy lower taxes compared to other countries in the ASEAN region.

By the end of the year, Vietnam's textile and garment exports to South Korea are expected to increase by 20 percent on-year. The textile and garment export value is estimated to rise 22 percent on-year to $3.2 billion for the entire year, reported vneconomy.vn.

Vietnam is considered to have many advantages in supplying textile and garment products to South Korea. It is likely to become the largest garment supplier to the market.

The General Department of Customs said that in the first seven months of this year, Vietnam gained $10.2 billion won from the total export value to South Korea, an on-year increase of 32.13 percent.

Of the amount, three categories -- phones and components, textile and garment, and computers and electronic products -- achieved export value of over $1 billion each, accounting for over 40 percent of Vietnam's total export value of goods to the South Korean market.

Source: koreaherald.com- Sep 02, 2018

HOME

****

Vietnam's cotton imports surpass 2 billion USD during Jan-Aug

Vietnam spent more than 2 billion USD on importing cotton in the first eight months of 2018 – the biggest-ever spending of the garment and textile sector.

Of the total, imports from the US exceeded 1 billion USD, according to the Vietnam Customs.

The increase in spending on cotton imports was attributed to growth in garment and textile exports, as Vietnam depends on nearly 100 percent of imported cotton materials.

Vietnam estimates to use more than 3 billion USD to buy cotton this year, up 700-800 million USD against the previous year.

The country also set a target of earning 34-35 billion USD from exporting garment and textile products.

Last year, the textile and garment industry gained a year-on-year increase of 10.23 percent in the export value of textiles and garment to 31 billion USD, higher than its target set at the beginning of the year at 30 billion USD.

Source: en.vietnamplus.vn- Sep 01, 2018

HOME

****

Bangladesh Textiles & apparel lures max FDI during Jan-Mar '18

Textiles and apparel sector lured the maximum amount of foreign direct investment (FDI) during the first four months of 2018, continuing the trend of a sharp rise in the inflow of foreign funding throughout the year 2017.

Table 4: FDI Gross Inflows classified by Major Countries and Major Sectors for the quarter Jan-Mar, 2018

(In million US$)

Country \ Sector	Textile and Wearing	Banking	Power	Telecommunication	Leather and Leather Products	Food	Trading	Gas & Petroleum	Chemicals and Pharmaceuticals	Computer Software and IT	Fertilizer	Cement	Insurance	NBFI	Vehicle and Transport Equipment	Other Sectors	Total Gross FDI Inflows
United Kingdom (UK)	8.28	43.02	40.66	0.04	---	24.59	2.05	---	9.68	0.01	0.21	---	---	1.15	---	7.18	**136.87**
South Korea	48.77	2.36	---	---	4.00	---	2.84	---	---	---	---	---	---	---	---	1.97	**59.94**
Hong Kong: SAR of China	31.72	0.79	0.12	---	5.91	---	1.71	---	---	0.16	---	1.66	---	---	---	11.81	**53.88**
Taiwan: Province of China	5.46	---	---	---	30.80	0.08	3.61	---	---	---	---	---	---	---	---	7.53	**47.48**
India	5.85	12.75	12.22	---	---	---	1.03	---	1.56	0.26	0.07	---	---	---	---	13.08	**46.82**
United States of America (USA)	2.43	5.50	0.53	0.05	---	0.04	2.88	20.44	---	2.99	0.01	---	6.80	0.13	---	3.91	**45.71**
Norway	---	---	---	43.04	---	---	---	---	---	0.03	---	---	0.01	---	---	1.56	**44.64**
Netherlands	3.28	0.03	4.34	---	1.48	0.44	1.88	0.16	---	---	0.20	2.36	---	---	4.25	20.06	**38.48**
Singapore	1.18	---	1.85	0.31	---	1.26	0.80	1.39	0.27	0.40	0.58	---	---	---	---	22.65	**30.69**
Japan	0.60	---	0.52	---	0.11	---	0.50	---	0.02	0.08	3.88	---	---	---	0.13	19.75	**25.59**
China People's Republic (P.R)	13.15	---	1.25	---	0.85	---	3.84	---	---	---	---	---	---	---	---	5.66	**24.75**
Germany	0.98	0.03	---	---	0.11	---	1.52	---	0.21	0.04	0.11	0.76	---	0.02	---	16.83	**20.61**
British Virgin Islands	14.49	---	0.14	---	---	---	---	---	---	---	---	---	---	0.09	---	1.05	**15.77**
Sri Lanka	2.54	3.55	1.04	---	---	0.80	0.16	---	---	0.08	0.16	---	---	2.38	---	0.68	**11.39**
United Arab Emirates (UAE)	1.94	4.43	0.66	---	---	0.10	0.35	---	---	0.11	0.05	---	---	0.18	---	3.07	**10.89**
Mauritius	7.75	---	0.79	---	---	---	0.50	---	---	---	---	---	---	---	---	0.65	**9.69**
Switzerland	---	---	0.25	---	---	6.33	---	---	1.25	0.12	---	---	---	0.48	---	0.62	**9.05**
Bermuda	7.61	---	---	---	---	---	---	---	---	---	---	---	---	---	---	0.04	**7.65**
Malaysia	2.04	---	---	---	---	---	---	---	---	4.47	---	---	---	---	---	0.66	**7.17**
France	0.09	---	---	---	---	0.74	0.02	0.99	---	---	0.05	---	---	---	---	4.47	**6.36**
Other Countries	9.48	5.72	2.04	---	0.06	0.24	2.32	1.26	2.25	1.66	4.70	5.20	---	0.43	---	7.07	**42.43**
Total Gross FDI Inflows	**167.64**	**78.18**	**66.41**	**43.44**	**43.32**	**34.62**	**26.01**	**24.24**	**15.24**	**10.41**	**10.02**	**9.98**	**6.81**	**4.86**	**4.38**	**150.30**	**695.86**

Source: Foreign Investment & External Debt (FIED) Division, Statistics Department, Bangladesh Bank

According to data released by the Bangladesh Bank recently, the gross FDI inflow during the January-March 2018 in the textiles and apparel sector amounted to over US $ 167 million. This occupied over 24 per cent of the total FDI flowing in to Bangladesh – over US $ 695 million – over the same period of time.

In the calendar year 2017, Bangladesh witnessed over US $ 421 million in FDI in its textile and apparel sector – which was nearly 16 per cent rise from the US $ 364 million back in 2016. Experts and stakeholders attributed the rise to various steps taken by the government to entertain foreign investors.

Back to the latest data, South Korea was the number one investor in this sector – putting over US $ 48 million in FDI, followed by Hong Kong with US $31 million and British Virgin Islands with US $14 million. India had an investment of over US $ 5.8 million.

It is to be noted that Bangladesh's Planning Minister AHM Mustafa Kamal is very optimistic on 2018 – in the prospect of drawing FDI; after Bangladesh has knocked on the doors of Singapore, India, Japan, China, Thailand and other countries to invest.

Speaking at a press briefing at his ministry office on August 13, 2018, Minister Kamal said Bangladesh is expecting an FDI inflow of about US $7 billion during the fiscal of 2017-18. This is a huge jump, considering that the highest Bangladesh received in recent years is US $2 billion.

Additionally, this can be attributed to the development of 100 Economic Zones by the Government of Bangladesh. The country has spent most of the last half drumming about the Economic Zones and seeking investment from other countries.

Source: apparelresources.com- Sep 03, 2018

HOME

****

NATIONAL NEWS

India, Singapore launch next round of free trade agreement review

India and Singapore Saturday launched the next round of review for their existing free trade agreement with a view to further boost bilateral trade and investments between the countries, the commerce ministry said.

The free trade agreement, officially dubbed as the Comprehensive Economic Cooperation Agreement (CECA), came into force in 2005.

In a FTA review, two trading partners normally discuss ways to further relax norms and rules to promote trade and investments.

The review round was launched by Commerce and Industry Suresh Prabhu and Minister of Trade Relations of Singapore S Iswaran.

“The launch of the review signals further deepening of business, economic and trade collaboration between the two countries,” the ministry said in a statement.

Singapore is the second largest trading partner of India within ASEAN and India is the largest trading partner of Singapore in South Asia, with a bilateral trade of USD 17.7 billion in 2017-18.

Prabhu, who was in Singapore, also participated in the 15th ASEAN Economic Ministers-India Consultations. In the meeting, India reaffirmed the need for review of ASEAN-India Trade in Goods Agreement.

During his bilateral meeting with Hiroshige Seko, Japan’s Minister of Economy, Trade and Industry, Prabhu sought greater Japanese investments in automobiles, cargo aircrafts and manufacturing sectors.

Source: financialexpress.com- Sep 01, 2018

HOME

****

RCEP agreement likely in November, may help India deepen partnership with ASEAN

The broad agreement on the world's biggest trade deal, called the Regional Comprehensive Economic Partnership (RCEP), may be reached at a summit of leaders from participating nations in November this year, Singapore hinted after a meeting of regional economic ministers. This will be six years after the negotiations began during the 21st ASEAN summit in Phnom Penh, Cambodia in November 2012.

After the meeting held on 30 and 31 August in Singapore, trade ministers of 16 nations instructed their negotiators to "exert utmost efforts" for early conclusion of the talks for the proposed mega trade deal. RCEP aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights.

RCEP includes the 10 members of the Association of Southeast Asian Nations (ASEAN), Australia, India, Japan, South Korea, New Zealand and China.

The deal does not include the United States, which is locked in a trade spat with China and had pulled out of another broad, international trade agreement in 2017 called the Trans-Pacific Partnership (TPP). The White House has said that US president Donald Trump would skip the November gathering of leaders in Singapore.

With Trump considering another round of tariffs on Chinese goods, Philippines' secretary of trade and industry Ramon Lopez told CNBC that it has "actually given us the urgency" to press on with negotiations to reach an agreement.

At the 6th RCEP ministerial meeting, ministers adopted a package of year-end deliverables developed by the trade negotiating committee and welcomed the plans to achieve the targets set out in the package, a joint statement said. Commerce and industry minister Suresh Prabhu also participated in the meeting.

"The ministers tasked negotiators to leverage on the positive momentum to expeditiously bring negotiations to a mutually beneficial and fair conclusion.

"To this end, the ministers instructed negotiators to exert utmost efforts to achieve each of the targets in the package by the end of this year," it said.

They expressed hope that completion of the package would signify the substantial conclusion of the negotiations this year.

The statement also said that the ministers agreed to keep the lines of communication open to provide prompt guidance and support to the negotiations, including through intensified domestic consultations, so as to achieve the targets set out in the package.

Further they underscored the significance of establishing the world's largest free trade area among 16 countries under RCEP amidst the escalating trade frictions.

The 16 RCEP participating countries account for almost half of the world’s population, contribute about 30 percent of global GDP and over a quarter of world exports. When completed, the RCEP would account for about one-third of the global economy.

India and RCEP

India is holding comprehensive stakeholder consultations with industry as well as different ministries and departments on the pact as the grouping includes China, with which India has a huge trade deficit.

Sectors including textiles, steel and food processing have raised serious objections over removal or significant reduction of customs duties on these items under the pact. They want these segments to be out of the purview of RCEP.

They have apprehensions that removal of duties would led to flooding of Chinese goods in the Indian market. But without any Free Trade Agreement (FTA), India has a trade deficit of $63.12 billion in 2017-18 with China as compared to $51.11 billion in the previous year.

RCEP members want India to eliminate or significantly reduce customs duties on maximum number of goods it traded globally. India's huge domestic market provides immense opportunity of exports for RCEP countries.

But lower levels of ambition in services and investments, a key area of interest for India, do not augur well for the agreement that seeks to be comprehensive in nature.

India has a trade deficit with as many as 10 member countries, including China, South Korea and Australia, of the RCEP grouping. According to the commerce ministry data, India's trade deficit – the difference between imports and exports – with seven countries (Indonesia, Thailand, China, Japan, South Korea, Australia and New Zealand) of RCEP has in fact increased in 2017-18 as compared to the previous fiscal.

However, as The Hindu noted, walking out of the talks at this stage would cut India out of the rules-making process for RCEP and give China further space in the regional trade and security architecture.

RCEP is significant for India and as an industry expert told PTI, trade deficits is only for goods. "India would get greater market access in other countries not only in terms of goods, but in services and investments also."

The deal would also complement India's existing FTAs with ASEAN nations and as The Diplomat pointed out, it would also help India achieve its goal of greater economic integration with countries east and south east of India through better access to a vast regional market ranging from Japan to Australia.

ASEAN also sees the accord as a catalyst for deepening the partnership with India, according to Livemint. At the ASEAN-India Pravasi Bharatiya Divas (non-resident Indian) conference, Singapore's foreign minister Vivian Balakrishnan said, "India will be positioned as the largest country in terms of population and the largest source of growth with its middle-class for the next 20 years. And because India remains young, for the next two-to-three decades, this is a historic opportunity for India."

RCEP would also help India in its 'Act East' policy. As The Diplomat report pointed out, this is important because India is not a party to two either the Asia-Pacific Economic Cooperation or the Trans-Pacific Partnership.

The RCEP would, hence enable India to strengthen its trade ties with Australia, China, Japan and South Korea, and reduce the potential negative impacts of TPP on the Indian economy.

TPP and RCEP

Trump formally withdrew from the TPP in January last year saying, "great thing for the American worker, what we just did." His decision to withdraw from the 12-nation deal that had been negotiated under former president Barack Obama brought the focus back on RCEP.

According to a private bank Brown Brothers Harriman, it's hard not to view China as the main beneficiary of Trump's decision.

The bank said, in a report, the US' apparent retreat from the liberal global order it was instrumental in creating left a leadership vacuum that also works in China's interest, according to a CNBC report. This necessarily brought the RCEP, advocated by China, into the mainstream again.

After the TPP turned out to be a disappointment, countries want a deal they can sign to boost their economic growth and RCEP fills that vacuum.

"Vietnam believes that when (RCEP) comes into effect, it will create a new momentum for economic and commercial cooperation among countries, thus contributing to the integration of the Asia-Pacific region," the foreign ministry was quoted as saying by Financial Times in Hanoi.

Source: firstpost.com- Sep 03, 2018

HOME

****

Textile Ministry issues draft BIS-based quality standards for cotton bales

Industry experts say this would help Indian cotton to get better prices in the long run and, in turn, benefit farmers

The Union Ministry of Textiles has issued a draft notification prescribing quality standards for cotton bales as per Bureau of Indian Standards (BIS) norms. Industry experts say this would help Indian cotton to get better prices in the long run and, in turn, benefit farmers.

According to the notification cotton Bales shall conform to IS 12171:2013 and shall bear the Standard Mark under a licence from the Bureau of Indian Standards as per Scheme–II of schedule II of BIS Conformity Assessment) Regulations, 2018.

Nothing in the Order shall apply in relation to Cotton Bales meant for export, which conform to any specification required by the foreign buyer.

The Bureau of Indian Standards shall be the certifying and enforcing authority. In addition, an officer not below the rank of General Manager, District Industries Centre in the Department of Industries of the State Government shall also be the enforcing authority.

Penalty for Contravention: Any person who contravenes the provisions shall be punishable under the provisions of the Bureau of Indian Standards Act, 2016, said in the notification.

Cotton Association of India (CAI) president Atul Ganatra said that this was in line with the Prime Minister's vision to double farm income in India.

Today, Indian cotton is sold at a discount of 10-15 per cent to international prices due to quality issues in ginning, processing, and labelling stages. Nearly 18 types of trash contamination creep into Indian cotton, which, in turn, affects the spinning mills.

If this all issues of trash contamination are sorted out at the ginning stage itself then spinning mills may also be willing to pay a better price.

Once the new quality standards kick in, Indian cotton may command a higher price globally. While that may still not be at par with international prices in the short term, the farmers will stand to gain.

Ganatra says the customer would not mind paying extra percentage for quality cotton.

According to the Cotton Advisory Board, total domestic consumption of cotton in 2017-18 is estimated at 31.55 million bales.

Further, in order to provide remunerative prices to growers, the government has fixed the Minimum Support Price (MSP) of cotton for 2018-19 season at Rs 5,150 per quintal for medium staple and Rs 5,450 per quintal for long staple.

Total production and consumption during the current crop year 2018-19 is not available, but state-wise estimated production, as per the Third Advance Estimates for the year 2017-18 is 34.86 million bales, say reports.

Source: business-standard.com- Sep 03, 2018

HOME

****

Cotton prices set to rise this year

In June, India's market share in home textile exports to the US (sum of all products) decreased to 29 per cent. In the same month, its market share in cotton sheets exports to the US (in dollar terms) increased YoY to 49 per cent, while market share in terry towels declined significantly to 33 per cent.

India's exports to the US (in dollar terms) in terry towels and cotton sheets declined 16.5 per cent/7.2 per cent YoY year-to-date, respectively.

Meanwhile, extension of MEIS (4 per cent export benefit), the rupee depreciation (10 per cent year-to-date) and settling of market place disruption in the US are a welcome relief to the home textile exporters. High cotton prices (Rs 134 per kg) remain a key concern.

Recovery in export volumes, increase in export subsidy and cotton price movement in the new season starting October are the key monitorables. We remain positive on the space.

In June, India's cotton sheet market share (in dollar terms) increased YoY to 49 per cent. The market share stood at 51 per cent year-to-date. In the same month, China raised its market share to 26 per cent, while Pakistan's share remained flat YoY at 17 per cent.

India's share in the terry towels segment in June declined significantly to 33 per cent, driven by exceptional performance in June 2017. The market share declined to 38 per cent year-to-date. In the same month, China increased its market to 27 per cent, driven by weak performance in June 2017, while Pakistan raised YoY share to 22 per cent.

Overall, India's market share in June declined to 29 per cent. In the same month, China's market share increased to 41 per cent, while Pakistan's share remained flat at 17 per cent.

The US department of agriculture projects global cotton production to decline by 2.4 per cent YoY to 26.2 million tonnes for 2018-19. Global consumption is estimated to increase 4 per cent YoY to 27.8 million tonnes, resulting in global cotton deficit of 1.5 million tonnes.

Cotton inventory in China is expected to decline further by 24.2 per cent YoY, driven by reserve sales and strong consumption growth.

China, the world's largest cotton consumer, had earlier imposed a tariff of 25 per cent on uncombed cotton from the US, the world's largest exporter. This initially led international cotton prices to correct from June's season-high of 101.7 cents per pound, but strong demand in Asia and Southeast Asia has aided the price to rebound in August.

Domestic cotton prices have increased 18.6 per cent since January to Rs 134 per kg currently.

Cotton inventory held by the home textile players for consumption up to October is expected to provide partial relief from the increasing cotton price.

However, cotton price from the new season starting October will be a key monitorable. Yarn prices have increased in tandem to Rs 223 per kg, implying a yarn-cotton price spread of Rs 89 per kg.

Source: mydigitalfc.com- Sep 03, 2018

HOME

****

FICCI President stresses on need to further trade, investment ties between India, Asean

Industry chamber FICCI President Rashesh Shah on Saturday underlined the importance of growing trade, investment and connectivity with the Asean countries.

Market access and air connectivity with the Association of South East Asian Nations (Asean) were some of the issues that need to be addressed, he said.

Except for Bangkok and Singapore, India's air connectivity with Asean members Indonesia and the Philippines was on the low side, Shah said on the sidelines of India-Asean meetings being held in Singapore this week.

"Asean is a very important market for Indian companies because 650 million people - almost half of the size of India and economic growth of 4-5 per cent a year - makes a very strong base," said Shah.

A lot of issues are on the table including air connectivity and market access.

Once these issues are resolved, Shah sees more ease of doing businesses, promoting trade and investments across Asean and Indian economies.

As of now, bilateral trade between India and Asean has grown to USD 80 billion. But this is till small and should be raised to USD 200 billion, he said.

India, he sees, increasing exports of IT services, pharma products, textile to the Asean markets.

He also sees Indian companies working on infrastructure projects in Myanmar and Laos.

Shah sees India and Asean working on digital technologies, mobile payments and fin-tech sector.

"Trade and investment go hand in hand," he pointed out, calling for help for Indian companies to set up investments in Singapore and use it to leap frog into the region for exports.

He said there were good opportunities for Indian companies to work in the Asean region, but "we have to convert these opportunities" into businesses.

Shah's comments came as India and Singapore launched a third review of the Comprehensive Economic Cooperation Agreement (CECA), a trade pact that offers India opportunities to venture into the Asean region.

Commerce and Industry Minister Suresh Prabhu and Singapore's Minister for Communication and Information S Iswaran launched the 3rd review of India-Singapore CECA on Saturday.

The second review was concluded two months ago.

Source: economictimes.com- Sep 02, 2018

HOME

****

Maersk: Conducive dynamics driving India's trade growth

Fluctuating rupee, growing industrial production and ongoing infrastructure developments are said to drive the country's containerised trade. Logistics industry and trade sources foresee huge untapped opportunity in containerised segment.

"India is on a transformation path, particularly with the introduction of GST, infrastructure developments such as dedicated freight corridors and so on. Most of the landscape today is a hotbed of opportunities. Around 60 per cent goods and services in India are containerised as against 70-75 per cent in developed markets. There is huge opportunity to tap in this segment," said Ajit Venkataraman, Managing Director, APM Terminals, South Asia.

He added that the biggest challenge — both for the trade in general and container in particular — is lack of infrastructure. The incorrect loading of refrigerated cargo into reefer container or incorrect setting can prove disastrous for the consignment. But this is far more promising as a segment as the wastage of perishables is huge.

The cold chain, if developed near the source (where the produce is washed, segregated, packed and transported) in temperature controlled trucks, ir could help in seamless supply, and reduce wastage.

Maersk report

A trade report by AP Moller-Maersk has confirmed that North India leads (among all four regions) in growth with exports clocking 13 per cent growth during the first half and substantial rise in imports as well, taking the overall growth to 23 per cent.

Textiles, apparels, plastic and chemicals have been exported from the North to the US and Saudi Arabia. Turkey also emerged as a top export destination for Indian-made vehicles, plastic and rubber commodities. However, the weakening of the Lira may put this under pressure in the future, the report notes.

"There have been no major hiccups in the country's export-import trade. The impact of GST has now largely subsided. There are mixed reports though about the timeliness and velocity of GST refunds.

Potential trade opportunities have been converted with competitive pricing, quality product and growing domestic demand. India has been actively buying raw materials such as plastic, rubber and metal to safeguard its manufacturing and infrastructure sectors," said Steve Felder, Managing Director for Maersk Line, South Asia.

Other findings

The findings further revealed that China's restrictions on waste paper imports and dynamic trade relations with the US favoured India's export-import market.

The automotive sector is said to have made a strong start with significant upsurge in exports as the demand for auto and auto ancillaries grew in the US, Turkey and Egypt.

"India is emerging as an automobile export hub piggybacking on factors such as skilled resources, labour cost, quality of automobile manufacturing and engineering.
The government's focus on improving port infrastructure would further contribute to the automobile sector's export competitiveness," explains Felder.

The high import growth was fuelled by import of paper, scrap metal and recyclables into North India from the US and North Europe, as the cost of producing paper is high in India and due to the rising domestic demand for newsprint, packaging and writing paper.

Commenting on the development, Felder said the government's efforts at strengthening its economic and strategic relations with Southeast Asian nations (ASEAN) and rising digitisation is playing a significant role in catalysing the export-import growth opportunities in the coming months.

Source: thehindubusinessline.com- Sep 03, 2018

HOME

****

Govt 'could have done a lot' of economic reforms, says EAC-PM member Shamika Ravi

The government has taken a host of reforms, but much more could have been done over the past four years, said Economic Advisory Council to the Prime Minister (EAC-PM) member Shamika Ravi.

The Modi government has introduced Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC) and considerably eased the foreign direct investment regime in four years, Ravi said. However, she noted that “the government could have done much more”.

“I think the country had an appetite for big bang economic reforms. We could have done a lot,” Ravi told PTI in an interview.

“On the economic front, Modi’s election, I think, was a mandate for development and economic reforms,” she said. She further pointed out that the government could have done much more on liberalisation. “Starting with the ITDC Hotels, Air India, in fact we had list of PSUs that we should have definitely pushed ahead (for stake sale),” Ravi, also a senior fellow at Brookings India, said.

Stating that there is a thriving private airlines business in the country, she questioned the government’s intention of reviving national carrier Air India. “I have lesser faith in government to run businesses...What is the business plan for turnaround of Air India and why should we do it? We have a thriving private airlines business in this country,” she noted.

Opportunities ahead

Replying to a question on the ongoing global tariff wars, Ravi said that it’s a great opportunity for India. “We should be stepping up and trying to fill the gap,” she observed.

On March 9, US President Donald Trump imposed heavy tariffs on imported steel and aluminum items following which China and EU hit back by imposing retaliatory tariffs against the American products.

Noting that India has to compete in the global market, Ravi said that the country will have make its corporate tax rate equivalent to countries like Vietnam.

“Despite the fact that there is push back in globalisation everywhere, markets today are far more unified and interlinked than they have ever been... To compete with countries like Vietnam, of course our taxes have to be reduced,” the EAC-PM member insisted.

She emphasised that India will have make its manufacturing sector attractive to compete in global markets.

Source: thehindubusinessline.com- Sep 03, 2018

HOME

****

Growing global competition affecting India’s textiles exports

India’s textile and clothing industry has entered a phase of stress and duress with increasing global competition from peer countries such as Vietnam, Bangladesh, China and Pakistan.

India’s export competitiveness has been further eroded by increasing cotton prices and a free fall in the currencies of Turkey and Pakistan versus the dollar.

Countries like Cambodia, Myanmar, Ethiopia and Kenya export apparels to the US and EU riding on benefits like lower industrial wages and nil duty under GSP or AGOA agreements.

With no concessions over duty on imports of apparel, India is facing a double whammy, with increasing cotton prices, and thus yarn/fabric costs, which make India’s exports uncompetitive for most international buyers.

The response, increasing the minimum support price for cotton by almost 30 per cent to 35 per cent, made the cost of essential textile inputs such as yarns and fabrics more expensive pro rata.

The current slowdown started nearly a year and a half back, with a decline in the productivity of India’s textile and clothing sector.

Demonetisation had far-reaching consequences. The move impacted the already tight cash flow of the textile and clothing industry, especially small and medium units.

GST disrupted sectoral balances and made Indian yarn and fabric products uncompetitive with the imports, especially fabrics from China and garments from Sri Lanka and Bangladesh.

Source: fashionatingworld.com- Sep 03, 2018

HOME

****

External factors behind fuel price rise: Pradhan

Union Petroleum and Natural Gas Minister Dharmendra Pradhan Sunday blamed "external factors" for the rise in domestic prices of petrol and diesel, but said the increase is temporary.

Talking to reporters on the sidelines of a conclave organised in Surat, Pradhan said the factors responsible for drop in production of crude oil have caused a spike in fuel prices in India.

"I would like to mention two points, and both these subjects are external. OPEC (Organisation of the Petroleum Exporting Countries) had promised that it will raise production by one million barrels per day, which was not raised.

"Apart from that, crises in countries like Venezuela and Iran are increasing. There is a pressure on oil prices due to decrease in production. Secondly, global currencies have weakened against the US dollar," he said.

Pradhan was in Surat to inaugurate a textile and plastic investors conclave, where he addressed entrepreneurs, industry stake-holders and professionals from the plastic and textile industry.

The conclave showcased opportunities in textile, polymer and downstream sectors in Odisha and eastern India.

"This is a matter of concern for the world economy, and the Indian economy is also affected. But considering these factors, the Indian government is planning to put diplomatic pressure.

"A high-level American delegation is visiting India, and India's two senior representatives - defence minister and external affairs minister - will talk to them. All these factors will be discussed.

I consider this period (of high petrol, diesel prices) temporary," he said, referring to the 2+2 dialogue between the two countries in Delhi this week.

Fuel prices have been on the rise since August 16 after the rupee dipped to its lowest value against the US dollar.

Petrol and diesel prices had gone up by almost a rupee per litre within a fortnight last month.

Later tweeting about the event, Pradhan said, "Surat, today, is one of the largest man-made fibre clusters in India, processing more than two crore metres of fabric a day. The entrepreneurial spirit of the people of Surat has developed the city into a thriving economy based on textile and various other industrial clusters".

"It fills me with great pride that people from my home state of Odisha have played a key role in this economic transformation journey and a huge number of karigars in Surat today belong to Odisha.

"Government's decision to increase import duty on polyster fibre and yarn will further give impetus to domestic producers," he said in another tweet.

"Odisha provides an excellent investment opportunity, being close to the demand pockets of eastern UP and West Bengal with unique coastal position to caret export demand," the minister tweeted.

Source: business-standard.com- Sep 02, 2018

HOME

****

Concor disrupts container logistics market with 45-day free storage period to importers/exporters

Market leader Container Corporation of India Ltd (Concor) is seeking to disrupt the container logistics market by offering 45-day free storage period to exporters and importers at its facilities handling EXIM containers.

From September 1, India's biggest rail hauler of containers started offering 45 days free storage period to import/direct port delivery (DPD) loaded containers, export/direct port entry (DPE) loaded containers and 90 days for empty containers across its 46 EXIM terminals.
46 terminals re-designated

After the free storage period, Concor will levy uniform terminal service charges (TSC) per day at all EXIM terminals depending upon its category.

For levying TSC, Concor has re-designated its 46 EXIM terminals into four categories – six in category A, which includes its flagship Tughlakhabad inland container depot (ICD) and Dadri ICD, 11 in Category B, 9 in Category C and 20 in Category D.

In Category A terminals, the TSC has been set at ₹2,000 per import loaded twenty-foot equivalent units (TEUs) per day while empty TEUs will attract ₹1,000 per day.

The TSC for Category B terminals will be ₹1,500 per loaded TEU per day and ₹750 per TEU per day for empty containers.

In Category C, the TSC will be ₹1,000 for a loaded TEU per day and ₹500 for an empty TEU per day.

In category D, the TSC will be ₹750 for a loaded TEU and ₹375 for an empty TEU, according to a trade notice issued by Concor. BusinessLine has reviewed a copy.

Concor will not levy TSC at four terminals under 'Other category', the notice said.

Prior to the notification, Concor was offering free days ranging from 5 to 7 days depending on the type of EXIM containers and the TSC after the free storage days was levied slab wise.

“We are taking the fight to the rival camp. This will be a game changer,” said a Concor official. Private ICDs were giving competition to Concor by offering many freebies. “With the customers now benefiting from a longer free storage period, they will again think of coming to us instead of going to private ICDs,” he added.

“This will disrupt the trade,” said an official heading a private container freight station near Jawaharlal Nehru Port Trust. “When a longer free storage period is given, customers would not like to use any ICDs which has maximum seven days free period after which charges will kick in,” he said.
May hit private ICDs

Concor’s move will have a substantial impact on private ICDs.

One more thing that will happen subsequent to this decision is customers will start using Concor facilities as temporary warehouses, he said.

With shipping line detention typically lasting 14 days and importers still evacuating their DPD boxes via CFS, Concor will now offer customers its containers to de-stuff the material on paying de-stuffing charges after which they can keep the cargo at Concor’s facilities free of cost for as much as 45 days, the CFS official said.

“45 days is a very long period. By that time, customers should clear the cargo, thus obviating the need to pay storage charges at all,” the Concor official said.

ICDs earn most of their money from escalating storage charges after the free period.

“If the storage charges becomes nil, there is hardly any margins on handling charges alone,” he said, adding that private ICDs closer to Concor’s Tughlakhabad and Dadri facilities will be impacted by the Concor decision.

Source: thehindubusinessline.com- Sep 03, 2018

HOME

****

This organisation is bringing weavers into the digital era

Thread spinning on a wooden charkha, yarn created from cotton bolls to be dyed, and woven into intricate patterns, with precision and skill that knows no parallel.

During his extensive travels across India's countryside, former journalist Osama Manzar always found himself fascinated with the amazing prowess of weavers and handloom artisans. At the same time, he found the duality of beauty and poverty that characterised these handloom village clusters utterly unfair.

To ameliorate the dire conditions, Manzar felt that these villages needed to come into the 21st century. And one way to do that would be to arm them with digital information and social media platforms to design, archive and market their creations.

Hence the Digital Empowerment Foundation (DEF), founded in 2002, first started their work with their first handloom cluster in 2008.

Chanderi in Madhya Pradesh is home to some 3,500-odd weaver families that were earning less than Rs 2,000 per month, in spite of their exquisite designs. This village became the first of 10 handloom clusters that the DEF worked with. They were taught photography and software skills so that they could document the motifs used in their weaves.

In a culmination of their success, the DEF worked in tandem with designers Three, Indigene and Naushad Ali at Lakme Fashion Week Winter/Festive 2018. While Indigene made use of exquisite ikat from Odisha in their kurtas, khalatas and elaborate chappans – typical of Central Asia, Ali used a colour palette of greens and browns that reminded him of the Musuri cluster of Tamil Nadu he had worked with.

Reworked stripes, checks and ikat characterised the material of his minimal, contemporary designs. Three's layered, geometric and timeless designs using handcrafted material from Saidanpur in Bihar are meant to be a part of the wardrobe, irrespective of fads and seasonal fashions – a true doffing of the hat towards the durability aspect of sustainability.

The journey, though fulfilling, has not been an easy one for Manzar and his team. "The weavers, used to being treated as little-paid labourers, had stopped having any faith in their own artistry. It was difficult to change that mindset," recalls Manzar, adding that he also found it difficult to encourage weavers to learn digital software and computer skills during vital time that they would rather devote to their work. Manzar also found it challenging to convince vendors and merchants to treat the weavers as skilled equals.

"Logistically, we had to figure out a way to digitise very remote areas. Electricity a scarce in many of these places, so installing WiFi centres was not easy," adds Manzar.

While power back-ups and inverters go a long way towards ensuring a steady trickle of electricity, sometimes even charging the inverters is a tricky feat. In such circumstances, the centre stays open well into night. Trainers also carry laptops and chargers on their bikes to the houses for women, who aren't as comfortable coming to the centre.

Despite the many roadblocks, the effect of digitisation in these areas has been nothing short of remarkable. Chanderi, the first of the 10 clusters, has evolved from a Rs 60 crore industry to a Rs 150 crore one and have archived over 10,000 designs. Social media and e-commerce portals have also helped the youth in these villages directly market their products online. Household incomes have also increased by 30 per cent.

"Now that we have got the kind of exposure that Lakme Fashion Week could give us, we are going to continue collaborating with the weavers to create contemporary clothing with age-old weaving techniques and are planning to create more opportunities for shows," says Manzar, adding that two showrooms in Puducherry and Delhi are also in the works.

Source: dnaindia.com- Sep 02, 2018

HOME

****

GST Council seeks ways to ensure MSMEs pay taxes every month

Tax authorities are considering ways, including the levy of interest on tax dues, to ensure that micro, small and medium enterprises (MSME) pay taxes every month, two officials aware of the matter said.

Nearly 93% of taxpayers with annual sales up to ₹5 crore need to file only quarterly returns, according to a recent decision of the Goods and Servie Tax Council (GST Council). The government is trying to prevent any cash flow problems for the exchequer from this politically crucial segment, the people cited above said on condition of anonymity.

“The law committee of the GST Council is examining how to ensure that taxpayers pay tax every month. The monthly tax payment has to approximate a third of the quarterly tax payments. If the variation is beyond a percentage, the taxpayer may be asked to pay interest on that part,” said one of the two officials.

Such safeguards are being introduced to address concerns of states over any potential revenue leakages from easing of compliance burden on firms.

“MSMEs may also be asked to give a break-up of monthly sales data to check if the monthly tax payments made are commensurate to sales,” said the second official.

The central government is keen to give relief to the MSME sector, which suffered from the November 2016 demonetisation and the July 2017 GST rollout. Small businesses and traders are also politically relevant as they form a key support base for political parties, including the ruling Bharatiya Janata Party.

According to data available with the MSME ministry, there are more than 63 million MSMEs engaged in manufacturing, services and trade, more than half of which are in rural areas. These enterprises account for about 110 million jobs and contribute about 29% of the country’s economic output, the ministry said, citing the National Sample Survey 73rd round conducted during 2015-16. The role of SMEs in employment creation makes it a priority for the government to make it easier for them to do business and comply with regulations.

Besides quarterly filing of tax returns, the GST Council is also exploring the option of providing partial tax relief to MSMEs from GST. This may be done through a refund mechanism for a certain percentage of the tax payment.

The GST Council, in its previous meeting in August, had decided to set up a panel to look into issues faced by MSMEs and come up with suggestions before the next GST Council meeting on 28-29 September in New Delhi.

Source: livemint.com- Sep 04, 2018

HOME

****

Fix yarn price on monthly basis: power loom owners

Petition submitted to District Collector

Urging the district administration to fix the price of yarn once in a month instead of twice a day, members of Erode Vhisaithari Urimayalargal Sangam (Erode Power Loom Owners Association) submitted petition to the Collector here on Monday.

Major sector

The petition said that power loom industry was a major sector in the district next to agriculture and over 30,000 looms were functioning at Veerappanchatiram, Chithode, Lakkapuram and other areas.

Most of the looms produced materials using rayon yarn that was purchased from companies.

Though the cost of raw materials for making rayon yarn was fixed once in a month, these companies hiked the price of yarn twice a day and also depending upon the demand.

"The price of yarn had increased from Rs. 202 per kg to Rs. 224 per kg in the past 15 days," the members said.

They wanted the price of yarn to be fixed monthly so that the sector that provided job to over one lakh workers would survive.

They also wanted the textile cooperative mills to import rayon yarn and supply it directly to the power loom owners so that they need not purchase the yarn at higher price from private mills.

Reservation

The members said that modern looms were currently used for producing garments and hence they wanted reservation of articles for production in power looms.

"Like handlooms, only if reservation is introduced for power looms, the sector will survive the competition from modern looms," they added.

Source: thehindu.com- Sep 04, 2018

HOME

****