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The Cotton Textiles Export Promotion Council [TEXPROCIL]
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IBTEX No. 92 of 2018 May 05, 2018

USD 66.82| EUR 80.03 | GBP 90.40 | JPY 0.61

Cotton Market (4-05-2018)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19648	41100	**78.66**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
20750	43404	**83.07**

International Futures Price

NY ICE USD Cents/lb (July 2018)	84.50
ZCE Cotton: Yuan/MT (May 2018)	15,010
ZCE Cotton: USD Cents/lb	**91.39**
Cotlook A Index – Physical	**93.2**

Cotton guide: Market continued to move in the same range. Every time it had attempted to break 85 or around 85.10/85.20 cents has corrected back down to 84.50. The entire this week saw the same move. The most active July future ended at 84.50 cents down by 18 points from previous day. However the other months December and subsequent contracts were on the positive tone. December made contract high and settled at 79.59 up by 16 points from previous close.

The spread between July and December continues to be around 500 to 550 points. Around 20 to 25% of total trading volumes are from the spread trading. On an average daily volume this week has been between 20 to 25K contracts. The aggregate open interest is actually increasing. From the fundamental front no major development except that another weekly export report released from the US which showed robust increment by 500K bales in the total exports.

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The total exports this year so far has been 16, 42, 9,800 bales up by 2.46 million bales from the same period last year. The major buyers have been Vietnam, Indonesia, China and Turkey. However we saw no major change in the market post the data was out. We still feel market require more unconventional bullish factors to break and sustain above 85 cents to move further north.

Currency Guide:

Indian rupee trades little changed near 66.65 levels against the US dollar. The US dollar index has come under pressure post FOMC decision as the central bank maintained gradual rate hike stance despite inflation nearing target levels. Also supporting rupee is RBI's move to widen the scope of investment for overseas investors. However, weighing on rupee are concerns about impact of higher crude oil price and worries about investor outflows.

As per Bloomberg data, overseas funds sold a net 16.1 billion rupees of local debt Wednesday, and cut holdings of stocks by 5.3 billion rupees. Rupee has turned range bound amid lack of clear cues but overall sentiment remains weak in lieu of higher crude price. USDINR may trade in a range of 66.45-66.85 and bias may be on the upside..

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

NEWS CLIPPINGS

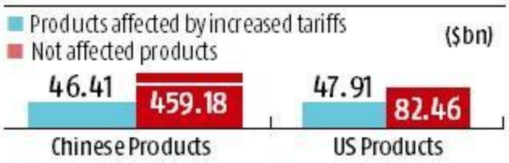
INTERNATIONAL NEWS

US asks China to slash trade surplus by $200 billion

The talks ended with China's Xinhua news agency describing them as "constructive, candid and efficient" but with disagreements that remain "relatively big."

The US has demanded that China cut its US trade surplus by $200 billion, end subsidies for advanced technology industries and sharply cut import tariffs to US levels, two people familiar with US-China trade talks said Friday.

TIT-FOR-TAT TARIFFS



Impacted industries

Products ($billion)	Chinese Products
Colour Television	3.89
Optical Photographic	0.33
Medium Car	1.42
Base Metals and Articles of Base Metal	1.08
Products of the Chemicals or Allied Industries	0.32

Products ($billion)	US Products
Large Airplanes	9.470
Big four-wheel drive vehicles	5.430
Vegetable Products	13.930
Plastics and Rubber	0.368
Products of the Chemicals or Allied Industries	0.775
Textiles	0.983

Sources: Office of the United States Trade Representative; U.S. International Trade Commission; China Customs; Reuters
Compiled by BS Research Bureau

The lengthy list of demands was presented to Beijing prior to the start of talks on Thursday and Friday between top-level Trump administration officials and their Chinese counterparts to try to sort out disputes that have threatened a damaging trade war between the world's two largest economies.

The talks ended with China's Xinhua news agency describing them as "constructive, candid and efficient" but with disagreements that remain "relatively big." The US side has yet to give its account of the talks, and there was no sign that President Donald Trump would back off on his threat to impose tariffs on up to $150 billion in Chinese goods over allegations of intellectual property theft. Speaking with reporters in Washington on Friday, Trump said he was determined to bring fairness to the US-China trading relationship.

"We're going to have some incredible trade deals announced," Trump said, adding he had "great respect" for China's President Xi Jinping. "That's why we're being so nice, because we have a great relationship."

The US delegation, led by Treasury Secretary Steven Mnuchin, has left China. China during the meetings asked that the US ease crushing sanctions on Chinese telecom equipment maker ZTE, people with knowledge of the matter said. Washington's demand for a $200 billion cut from China's US goods trade surplus doubles Trump's previous request for a $100 billion cut. China had a record goods trade surplus of $375 billion in 2017.

Trump has also demanded "reciprocity" between US and Chinese tariffs, frequently complai ing about China's 25 per cent passenger vehicle tariff while the equivalent US tariff is 2.5 per cent.

The US team demanded that China lower tariffs to levels no higher than those imposed by the US, the people familiar with the demands said.

The delegation also asked China to halt subsidies for advanced technology linked to its "Made in China 2025," the sources said. The 2025 industrial plan seeks to upgrade China's manufacturing sector to more advanced products, including information technology, semiconductors and aircraft — sectors where the US is highly competitive. Chinese officials believed the US proposal was "unfair," the Wall Street Journal reported, quoting people with knowledge of the negotiations.

"I think the US is asking for the impossible. Reducing the deficit by $200 billion by 2020 is quite an unrealistic demand, but it may also be a negotiation tactic to start high first," said Tommy Xie, economist at OCBC Bank in Singapore. In a proposal submitted by the Chinese side, Beijing offered to increase US imports and lower tariffs on some goods, including cars, according to the sources. But China requested that the US treat Chinese investment equally under national security reviews, stop issuing any new restrictions on investments, and halt a proposal to implement 25 per cent tariffs under its "Section 301" probe. China also offered to reconsider anti-dumping duties on US sorghum, according to the proposal.

Xinhua's statement said there had been exchanges of opinion on intellectual property protections, expanding US exports and bilateral services trade. It gave no indication of what actions might be taken but said the two sides committed to resolve their trade disputes through dialogue. The state news agency said US negotiators agreed to bring up the ZTE sanctions with Trump after new representations from the Chinese side.

ZTE was hit last month with a seven-year ban on American companies selling components and software to it after the U.S. Commerce Department found ZTE failed to comply with an agreement to settle breached U.S. sanctions on Iran.

"My impression was that (the talks) didn't go well given the rhetoric," said Kevin Lai, senior economist at Daiwa Capital markets in Hong Kong. "I think the divide is still very big." In an editorial on its website, widely read Chinese state-run tabloid the Global Times cited people close to the talks as saying the Chinese "hit back hard" at U.S. criticism, letting them know that China won't give in. The United States has proposed tariffs on $50 billion of Chinese goods under its "Section 301" intellectual property probe. Those could go into effect in June following the completion of a 60-day consultation period, but activation plans have been kept vague.

China has said its own retaliatory tariffs on US goods, including soybeans and aircraft, will go into effect if the US duties are imposed. Trump on Thursday praised his relationship with Chinese President Xi as the US delegation began their talks, which were held at a state guest house in the western part of the Chinese capital. US complaints about Chinese intellectual property abuses are at the core of the current dispute.

The Trump administration says US companies lose hundreds of billions of dollars annually to China's theft of trade secrets.

Some economists noted that the deficit with China was the natural result of the large amount of manufacturing assembly of U.S. products, such as iPhones, that takes place in China.

"As long as China remains the assembly hub of the world, it's always going to have a large trade surplus with developed consumer countries like the U.S. and the E.U. and that's not necessarily a problem," said Julian Evans-Pritchard, senior China economist at Capital Economics.

Source: business-standard.com- May 05, 2018

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USA: Exports Hit All-Time High as Trade Deficit Sees Significant Drop

The U.S. trade deficit in goods and services plummeted 15.3 percent in March to $49.0 billion, its first decline in seven months, according to trade statistics released by the Department of Commerce.

Exports rose 2.1 percent to a record $208.5 billion while imports fell 1.8 percent to $257.5 billion. For the year to date, the total deficit is up 18.5 percent from 2017 as a 6.8 percent rise in exports has been outpaced by a 9.1 percent increase in imports.

Country/Region	Deficit	% Change	Surplus	% Change
China	$35.4 billion	+2.0		
European Union	$12.4 billion	-19.0		
Mexico	$7.0 billion	+6.1		
Japan	$5.9 billion	-1.7		
Germany	$5.0 billion	-25.4		
Italy	$2.3 billion	-17.9		
France	$1.5 billion	+7.1		
India	$1.4 billion	-26.3		
Taiwan	$1.3 billion	-13.3		
South Korea	$1.2 billion	+9.1		
Saudi Arabia	$0.3 billion	-25.0		
Canada	$0.2 billion	-50.0		
Hong Kong			$3.3 billion	+6.5
South/Central America			$3.1 billion	-8.8
United Kingdom			$1.2 billion	+100.0
Brazil			$0.8 billion	-11.1
Singapore			$0.3 billion	-40.0

The deficit in goods trade tumbled 9.7 percent to $69.5 billion in March. Imports of goods were down 1.7 percent to $210.4 billion, including decreases of $700 million in toys, games, and sporting goods, $700 million in televisions and video equipment, and $500 million each in computer accessories, telecommunications equipment, and semiconductors.

Exports of goods grew 2.7 percent to $140.9 billion, including increases of $1.9 billion in civilian aircraft, $500 million in soybeans, and $400 million in crude oil.

The services surplus jumped 6.8 percent to $20.5 billion. Imports lost 1.9 percent to $47.0 billion and exports edged up 0.6 percent to $67.6 billion.

Source: strtrade.com- May 05, 2018

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USA: Textile and Apparel Imports See Sharp Monthly Decline

The Department of Commerce's Office of Textiles and Apparel reports that monthly imports of cotton, wool, manmade fiber, silk blend, and non-cotton vegetable fiber textile and apparel products totaled 4.68 billion square meter equivalents in March, down 11.5 percent from February but up 4.7 percent from March 2017.

	SME	Monthly change %	Annual change %	$ Value	Monthly change %	Annual change %
China	1.81 billion	-28.7	+14.2	$2.18 billion	-28.5	+13.4
India	475.2 million	+17.4	+1.8	$676.9 million	+5.8	-7.8
Vietnam	345.6 million	-13.5	+0.3	$834.7 million	-18.2	+0.4
Mexico	221.4 million	+8.8	+1.4	$371.1 million	-2.3	-8.4
Pakistan	218.8 million	+9.7	-1.4	$225.8 million	+5.2	-6.1
Bangladesh	201.3 million	-6.4	-8.4	$439.4 million	-6.3	-5.8
Korea	158.1 million	+16.8	+12.1	$74.3 million	+15.4	+4.5
Indonesia	133.8 million	-5.6	-15.0	$357.5 million	-13.5	-15.0
Canada	104.9 million	+21.8	+18.2	$116.1 million	+8.3	+6.9
Turkey	90.2 million	+50.3	+46.2	$157.3 million	+28.3	+44.9
Honduras	86.0 million	+6.7	-16.0	$207.2 million	+6.0	-6.5
Cambodia	83.7 million	-13.6	+1.6	$191.5 million	-3.6	+11.1
El Salvador	75.8 million	+15.7	-2.1	$175.0 million	+14.0	-2.5
Taiwan	55.4 million	-9.0	-14.0	$42.9 million	-14.4	-10.0

Textile imports totaled 2.83 billion SME, down 6.0 percent for the month but up 11.4 percent from the previous year, while apparel imports of 1.85 billion SME were down 18.9 percent from March and 4.3 percent from a year before.

Overall Imports. Total year-to-date imports were 15.6 billion SME, up 6.4 percent from the previous year, as textile imports gained 10.0 percent to 9.0 billion SME and apparel imports rose 1.7 percent to 6.5 billion SME.

For the year ending in March imports were 65.8 billion SME, up 4.4 percent from a year earlier, as textile imports increased 7.1 percent to 38.6 billion SME and apparel imports rose 0.8 percent to 27.2 billion SME.

Source Countries. OTEXA has reported the following statistics on textile and apparel imports from major source countries for March 2018.

Source: strtrade.com- May 05, 2018

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Indonesia and Brazil work on bilateral ties

Indonesia and Brazil want to strengthen their strategic partnership and bilateral business relationship. The value of bilateral trade between the two countries is around $3.5 billion a year.

Indonesia exports yarn, rubber, palm oil, footwear, iron and steel, dry coconut, vegetable oils and fats, cocoa, electronics and automotive parts to Brazil. Imports from Brazil are soybean oil, sugar, cotton, tobacco, iron ore and corn.

The countries target at increasing the volume and variety of tradable products.

Indonesia and Brazil already have a significant defense relationship, with defense being one of the areas of cooperation the two emerging powers have pursued under their broader strategic partnership, established in 2009. This has included the sale of Brazilian defense equipment to Indonesia.

Technical cooperation between the two countries, boosting agribusiness, environmental protection and technology transfers are also part of long-term goals. The two countries have maintained amicable diplomatic relations since 1953 and Brazil is Indonesia's main trade destination in South America.

Indonesia is mulling beef imports from Brazil. The type of Brazilian beef most likely to be imported will be frozen, bone-out manufacturing beef for supply into the wet market, low to mid end food service and retail in Indonesia.

Source: fashionatingworld.com- May 05, 2018

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Sri Lanka attracts US$ 465 Mn FDI in 1Q

Sri Lanka has attracted US $465 million in Foreign Direct Investment (FDI) in the first quarter of 2018 (1Q18), exceeding the Board of Investment (BOI) target of US $378 million for the period, Development Strategies and International Trade Minister Malik Samarawickrama told reporters in Colombo, yesterday.

He said during the three months, the BOI approved US $ 1 billion worth of new projects, with the BOI giving approval for a US $ 500 million LNG project by China Machinery Engineering Corporation (CMEC) in Hambanthota.

According to BOI data, infrastructure projects have brought in US $201 million worth of FDI to the country while utilities projects have attracted US $157 million followed by manufacturing, tourism & leisure and apparel, at US $42 million, US $46 million and US $16 million, respectively.

Speaking on the new export processing zones in the pipeline, Minister Samarawickrama said that the government is planning to finalise the agreement with the Thailand-based Rojana, a joint venture between Japan's Nippon Steel and Thailand's Vinichbutr Group, to develop the Milleniya free trade zone.

He also noted that the government is seeking Japanese investors to develop the 400-acre Bingiriya free trade zone and the 165-acre Mawathagama free trade zone, where the construction is set to begin within this year.

Meanwhile, Samarawickrama also revealed that merchandise exports recorded a 6.3 percent growth in 1Q18 to reach US $ 2.91 billion against US $2.74 billion recorded in the corresponding period a year ago, achieving the 22 percent export target of the year set by the Export Development Board (EDB).

The overall exports, which include service exports, grew by 6.7 percent to US $3.93 billion. The government has set a target to achieve US $17.4 billion in overall exports this year.

According to EDB figures based on Customs data, apparel and textiles exports during 1Q18 grew by 4 percent year-on-year (YoY) to US $1.324 billion from while tea exports grew 5.2 percent YoY to US $ 363.15 million.

Rubber and rubber-finished products exports grew by a healthy 9 percent YoY to reach US $236.9 million while coconut and coconut-based products exports grew marginally by 0.8 percent to reach US $147.5 million.

Electrical and electronics exports grew by 10.7 percent YoY to US $100.6 million while exports of petroleum products grew by 45.5 percent YoY to reach US $79.3 million.

Exports to the United States (US) recorded a growth of 6 percent to reach US $782 million while exports to the United Kingdom (UK) declined by 1.09 percent YoY to US $270 million.

Exports to Germany, India and China grew by 23 percent, 5.8 percent and 0.3 percent YoY to US $153.9 million, US $182 million and US $ 51.7 percent, respectively.

Samarawickrama noted that since the Yahaplayana regime came into power in 2015, the overall exports have grown from US $12 billion in 2015 to US $15.15 billion in 2017.

Bilateral trade talks steaming ahead

Meanwhile, the Secretary to the Development Strategies and International Trade Ministry, Chandani Wijewardane said the Sri Lankan and South Korean governments are planning to start negotiations for a trade and investment agreement shortly, which could potentially lead to a free trade agreement (FTA).

Responding to media queries, Wijewardane said that the seventh round of Sri Lanka-China FTA talks is likely to be held in June after almost 9 months while the Economic and Technology Co-operation Agreement (ETCA) talks with India are scheduled to commence by the end of May.

The FTA talks between Sri Lanka and Thailand are also scheduled to commence in June with the scoping session.

Minister Samarawickrama stressed that Sri Lanka-Singapore FTA, which is set to come into force from May 1st, has sent a strong message to the world that Sri Lanka is open to reforms and committed to liberalisation of its economy.

Source: dailymirror.lk - May 05, 2018

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Pakistan: Cotton output rises by just under one million bales

The country produced 11.58 million bales during the cotton season 2017-18 which closed on May 1, against 2016-17 when 10.72m bales were produced till April 15, 2017. The previous cotton season was short by two weeks.

The final cotton production figures released by Pakistan Cotton ginners' Association (PCGA) on Thursday divulged that Punjab produced 7.32m bales – up from 6.94m bales until April 15, 2017.

Sindh's performance was way better, by well over 50 million bales. The province produced 4.25m bales, significantly higher over the previous season's production of 3.67m bales.

During the extended cotton season 2017-18, textile mill picked up cotton in larger quantity – at 11.08m bales. Last season (2016-17), textile industry purchased 10.25m bales till April 15, 2017. It clearly reflects that the textile industry is heavily reliant on local cotton to a large extent, only importing lint for finer-count yarn production.

Ginners are presently holding unsold stocks of around 279,894 bales from cotton season 2017-18. Last season (2016-17) the ginners held unsold stocks of 265,597 bales up to April 15, 2017. As the current season extended by a fortnight (April 15 to May 1), the flow of phutti during this period was recorded at 2,753 bales.

Source: pakistantoday.com.pk - May 04, 2018

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Pakistan, Kenya look to boost trade

Pakistan wants to increase trade and economic cooperation with Kenya, which is the gateway to many African countries, where there is a big demand for Pakistani goods.

Both countries are looking for strong socio-economic development through exchange of information and technologies and sharing experiences in various fields.

Pakistan and Kenya have old cultural ties. Pakistan is opening trade centers in Kenya and other African states since getting more access to new international markets for Pakistani goods through diversification and value addition is essential to ensure better and sustained economic growth.

Kenya is the first African country to have engaged in business-to-business contacts with Pakistan. Pakistan hopes to support Kenya in modernization of agriculture and in the development of the fishing sector.

Pakistan has overtaken Uganda as the largest buyer of Kenyan goods. Private sectors in both countries will play a role in promoting bilateral trade and economic cooperation.

Both countries will stress exchange of training and institutional research. Both countries have agreed to form a joint trade committee which would meet twice a year.

In search of new potential markets, Pakistan already launched the Look to Africa initiative in November 2017. Incentives are being given to exporters.

Source: fashionatingworld.com- May 04, 2018

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Cotton quotes continue to rise in Brazilian market

Cotton prices continued to soar in the Brazilian market in April due to low cotton supply along with high purchasing interest. Between March 29 and April 30, the CEPEA/ESALQ cotton Index rose 10.1 per cent, closing at 3.3373 BRL (0.9519 USD) on April 30, reaching the highest level since April 20, 2011.

The Index has increased a sharp 25.2 per cent this year.

From buyers' perspective, processors and traders seemed to be interested in new purchases in the spot market, but the competition regarding price and quality hampered trades. Some processors purchased batches while trading companies showed flexibility and retracted from the market.

Other purchasers remained searching for new batches and increasing bidding prices to close trades.

Meanwhile, some processors were away from the market, working with the cotton stocked or to be delivered, Center for Advanced Studies on Applied Economics (CEPEA) said in its latest report on the domestic cotton market.

During the period under consideration, sellers were not very active in the domestic market.

While some growers did not have any cotton to supply in the spot market, other growers were firm regarding asking prices, even for lower quality batches.

Trading companies, however, were attentive to the oscillation of international prices.

Source: fibre2fashion.com - May 04, 2018

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US-Africa trade created 60,000 jobs in Africa: USAID

Trade relations between US and Africa has created over 60,000 jobs in the continent, according to the US Agency for International Development (USAID).

The agency said that it is committed to provide the required assistance to African nations for development through investments and trade and the US government's intervention has yielded substantial results.

Alex Deprez, mission director for West Africa, USAID, said that the agency has worked towards increasing trading activities between the US and Ghana, and created multiple opportunities in the African country.

He added that USAID has successfully brought in $300 million in new finance and close to $1 billion under African Growth and Opportunity Act (AGOA) exports.

A US-Ghanaian joint venture in the apparel sector that was founded in 2014, has employed over 1,500 workers, a majority of them being women. It has exported close to 6 million garments to the US under AGOA, said Deprez while speaking at an AGOA workshop on capacity building and skill development in Accra.

The mission director also said that USAID offers support for vocational training and finance and are expecting such units to quickly expand their numbers. Such firms are also expected to come up in other African countries like Benin, Nigeria, Senegal and Cote d'lvoire.

West Africa has an emerging middle class constituting over 70 million people and thus presents huge trade and investment opportunities for African firms, said Ghanaian media reports quoting Deprez. He added that regional barriers need to be broken down to tap these opportunities.

Source: fibre2fashion.com- May 04, 2018

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Market access issue hamper CEPA

The 15th Comprehensive Economic Partnership Agreement (CEPA) between Indonesia and the European Free Trade Association (EFTA), held from April 23-27, 2018 in Banten, was hampered by market access issues. The talks discussed a number of issues related to trade in goods, services and investments. The CEPA negotiations with EFTA are expected to bring economic benefits, including wider market access, increased exports of goods and services, and investment.

Cooperation programs are also expected to be obtained from EFTA member countries in particular to enhance Indonesia's competitiveness in Europe as well as the global market. In addition to market access, trade agreements can also aid the entry of Indonesian export products into the EU market.

Source: fashionatingworld.com- May 04, 2018

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Dhaka to host 8th Bangladesh Denim Expo on May 9

Bangladesh, will host the 8th edition of Bangladesh Denim Expo on May 9-10, 2018 at International Convention City Bashundhara, Dhaka.

The fair, while attracting international denim players, will focus around the theme ‘Equality’.

It will underline the importance of guaranteeing equal rights for workers and employers and ensure that both are treated with respect. This edition expects to host 14,000 pre-registered visitors. There are 61 already confirmed exhibitors, which include 46 from abroad and 15 domestic denim companies.

The event will offer exhibitors and visitors an opportunity to get a comprehensive insight into the Bangladesh denim industry and discover latest trends and gain specific knowledge through seminars and expanded Trend Zone area.

Source: fashionatingworld.com- May 04, 2018

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NATIONAL NEWS

GST Council: New returns system, fully state-run GSTN get nod

Current system to stay for six months, the next half-year will see system of provisional credits.

The Goods and Services Tax Council on Friday approved a new comprehensive return-generation system and full government ownership of GST Network (GSTN) — the IT backbone for GST — while referring a proposal to impose a cess on sugar and an incentive scheme for digital transactions to two separate groups of ministers (GoMs) for further deliberations.

As reported by FE earlier, despite the council's nod, the new returns system can be implemented fully only after a year. The system will allow taxpayers to just upload invoice-wise details of sales while the system will generate the returns. The IT system will also calculate the tax liability and input tax credit (ITC) availability on behalf of the assessee and provide for a semi-automatic reversal of credits.

For the next six months, finance secretary Hasmukh Adhia said, taxpayers will continue to file summary return GSTR-3B and GSTR-1 (outward supply details). After that, he said, the new system will be put in place but assessees will be allowed to claim provisional input tax credit for a period six months, which means a taxpayer can seek the credit even when the supporting invoices aren't uploaded by the seller.

During this (provisional credit) phase, a dealer will be constantly fed with information about the gap between credit available to him as per invoices uploaded by the sellers and the provisional credit claimed. In the next phase, the system will not allow provisional credit claim as ITC would be available only on the basis of invoices uploaded by the sellers, Adhia added.

However, the buyer will be made responsible for credit claimed on purchases for which the supplier has defaulted in tax payments. "We will use legal methods to recover tax from the seller but in circumstance where its not possible, reversal of credit from the buyer will also be an option," the finance secretary said.

Earlier, a group of ministers headed by Bihar deputy chief minister Sushil Modi had recommended the returns model, by combining the features of two other models, including one mooted by Infosys non-executive chairman Nandan Nilekani.

Separately, citing the ‘state functions’ performed by GSTN, the council approved a proposal for the Centre and states to jointly (and equally) acquire the entire 51% of equity held by the non-governmental institutions in GSTN amounting to Rs 5.1 crore.

The GSTN board will initiate the process for acquisition soon. Currently, the Centre and states jointly own 49% in GSTN (24.5% each), while the rest is held by five other entities, including LIC Housing Finance, HDFC Bank and ICICI Bank. Finance minister Arun Jaitley said that the the state governments have GSTN stakes on a pro rata basis depending on their GST revenue profile.

However, to ensure that GSTN continues to be nimble-footed like a private company, the council allowed it to continue with the existing staff at existing terms and conditions for a period of up to five years. The GSTN board will also retain the the flexibility of hiring people through contract on the terms and conditions similar to those used by GSTN till now while hiring regular employees, the minister said.

Sachin Menon, partner and head, indirect tax, KPMG in India, said: “Converting GSTN into a 100% government company is welcome. I hope it will not affect its functional efficiency and ability to take quick and proactive decisions to address the tax payers’ concerns.”

On the issue of promoting digital transactions, Jaitley said that majority of the council members supported the proposal but some members suggested that a negative list of items should be created for the same. Subsequently, the council decided to defer the matter to a GoM (of state ministers) for recommending solutions.

The proposal in its current form would provide concession of 2% (1% each from central GST and state GST) on the GST rate — where the rate is more than 3% on business-to-consumers supplies if the payment is made through cheque or other digital mode. However, the concession would have a ceiling of Rs 100 per transaction.

The council constituted a second GoM on the issue of imposition of cess on sugar to help mills clear cane dues owed to farmers. The proposal was to create a fund from the cess proceeds to finance the gap between the cane price mills can pay to farmers in accordance with a revenue-sharing formula recommended by the Rangarajan committee and the benchmark rate — fair and remunerative price (FRP) · fixed by the central government.

Jaitley said that council discussed whether such contingencies could be addressed through such imposts, tax rate hikes or alternative systems of revenue generation.

Only Uttar Pradesh and Maharashtra were in favour of the cess move as the it wouldn't benefit other states, West Bengal finance minister Amit Mitra said.

"The decision of sugar cess has been deferred for now, it would be ideal if it is not introduced given it was abolished when GST came in and GST was expected to subsume all such levies. If there is need for revenue augmentation, it can be done by increasing the GST rate rather than distorting the overall structure," said Pratik Jain, partner and leader, indirect tax, PwC India.

MS Mani, senior director, Deloitte India, said: "The staggered introduction of the new returns would enable businesses to prepare for the same and make changes to their systems; businesses are relieved that they would no longer be penalised for their vendors omissions.

Simplicity of the new returns would be key to its successful adoption by businesses as past experience with complicated forms and processes indicates that complexity reduces compliance."

Source: fibre2fashion.com- May 04, 2018

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Working on making khadi a globally accepted fabric: Suresh Prabhu

Cotton fabrics occupy almost 59 per cent of the value chain in India. Man-made fibres stand at 23.5 per cent and Blended at 16.5 per cent. Khadi, wool and silk fabrics have only 1.4 per cent share in the country's total fabric production.

Claiming that Prime Minister Narendra Modi was trying to implement the vision of Mahatma Gandhi, Union Minister for Commerce and Industry Suresh Prabhu Friday said the NDA government was "working on making khadi a globally accepted fabric."

He was speaking at the inauguration of the three-day textile event, "Farm to Fashion: Indian Textile Global Summit 2018", organised by the Gujarat Chamber of Commerce and Industry (GCCI) and Maskati Cloth Market Mahajan (MCMM), in Ahmedabad.

"We are working on making khadi a globally accepted fibre. I just returned from South Africa where we had an event where all South African ministers came.

In that programme, we called the best of models of South Africa and each one of them was wearing khadi. This was the first major programme in South Africa showcasing khadi as a fibre and costume," said Prabhu.

"We are also working with Australia for a new market," he said, adding that the government was scouting new markets in Latin American countries for garments and textiles produced in India.

"We have already started talking to Latin America. I have already met 20 ministers from Latin America," said the minister, who was in Central and South America to explore new markets for Indian textile products.

Talking about khadi, Prabhu said, "Why did (Mahatma) Gandhiji, think about khadi? It is very interesting...

He realised that this is one product that will help grow the economy, create jobs and opportunities.

It is one product that will have a perennial market. Gandhiji had great idea and vision. We have to convert that vision into modern-time idea. That is what Modiji is trying to do. So let us all work together and make it happen."

Cotton fabrics occupy almost 59 per cent of the value chain in India. Man-made fibres stand at 23.5 per cent and Blended at 16.5 per cent. Khadi, wool and silk fabrics have only 1.4 per cent share in the country's total fabric production.

The minister said that the natural fibre like cotton and jute will be the future of fashion as "people like to wear environment-friendly clothes". "This is a great opportunity for India, when the world's fashion is changing.

Can we change along with the fashion or can we be the next change agent for fashion?" he added.

"I feel, textile industry is going to be the industry of the future; as it was the industry of the past. Unfortunately, it is passing through crisis in the present," he said, without elaborating at the event where about 500 progressive farmers from cotton-growing regions of Gujarat were invited.

Speaking at the event, Union Minister of State for Agriculture, Parshottam Rupala credited PM Modi for introducing BT Cotton in Gujarat as the state's chief minister.

"Gujarat was the first state to accept BT Cotton," he said.

Source: indianexpress.com- May 05, 2018

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Govt working to expand mkt for textiles: Suresh Prabhu

The government of India is making efforts to expand the export market for textiles, union commerce and industries minister Suresh Prabhu said here on Friday.

Talks are on tracks with the European Union, Latin America, South Africa and other African countries. The minister also said that efforts are on to make khadi as a popular fabric globally. The government is looking at the textiles sector as one which can create new jobs on a large scale.

Prabhu also suggested that since Gujarat and Saurashtra particularly are key regions contributing to the production of cotton, establishing entire value chain right up to garments in the vicinity, is the most logical move.

Prabhu was speaking at three-day 'Farm To Fashion' expo that began in Ahmedabad on Friday, organized jointly by Gujarat Chamber of Commerce and Industry (GCCI) and Maskati Market Kapad Mahajan

He said that the government is trying to explore more markets globally for Indian businesses, especially textiles. "We are in talks with EU. The largest beneficiary will be apparel and textile sector. We are also in talks with the countries of Latin America. I was recently in South Africa. We have plans to talk to the countries of East Africa, central Africa and North Africa," he said.

He suggested it is the most advisable to set up the entire value chain in areas that are hubs for growing cotton in the country. Gujarat being the largest producer of cotton and Saurashtra having a lion's share in production is ideal destination to set up manufacturing units for fibre to fabric.

The minister said that textile sector is more relevant now for a country like India, than it was in previous decades as it has a potential to create jobs in large numbers, particularly in non-metro cities and towns," said Prabhu.

Source: dnaindia.com- May 05, 2018

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Tirupur comes to Tripura to address labour shortage

SIMA, the country's largest spinning mills association, has decided to directly recruit thousands of job seekers for its member companies to address the increasing labour shortage.

The Southern India Mills' Association (SIMA), the country's largest spinning mills association, has decided to directly recruit thousands of job seekers for its member companies to address the increasing labour shortage.

The association has written to the departments of labour and employment of various states, including north-eastern states, to fill the void in the workforce within a reasonable period, SIMA said on Friday.

The Tripura government responded and recently organised a job mela with SIMA, following which more than 1,600 job seekers were selected and offered jobs in spinning mills in Tamil Nadu. The association is coordinating with other state governments to organise such job fairs.

According to SIMA, Tamil Nadu accounts for around 45% of the spinning capacity, 70% of the knitted garment manufacturing capacity, 22% of the weaving capacity and directly employs more than 60 lakh people. It started facing labour shortage in the last decade due to exponential growth in manufacturing facilities.

A huge number of workers from various states used to work in spinning mills of Tamil Nadu. In the major clusters such as Coimbatore, Tirupur and Dindigul, migrant workers account for 30-90% of the workforce. With the increase in demand for migrant workers, mills started facing high attrition problem. So, SIMA has started directly recruiting for its members. The exercise began from Tripura.

According to P Natraj, chairman of SIMA, textile mills face numerous problems in sourcing, mobilising, recruiting and retaining migrant workers for a reasonable period. To address these issues, the association has written to the labour and employment departments of various states.

The government of Tripura immediately responded. It came forward to extend all the support for recruitment and organised a job fair with SIMA in Agartala.

Around 4,000 unemployed youths, both male and female, attended the fair. Eight member mills of SIMA which took part in the fair selected 1,635 candidates – 1,371 male and 264 female. There are 20 physically challenged candidates as well, Natraj said.

The association will soon come out with a code of conduct for employment of migrant workers as a proactive measure to make the system a success and meet legal and social requirements.

Source: financialexpress.com- May 05, 2018

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Harvard: India will be world's fastest growing economy in coming decade

India tops the list of the fastest growing economies in the world for the coming decade and is projected to grow at 7.9 per cent annually, ahead of China and the US, according to a Harvard University report.

The Centre for International Development at Harvard University (CID) said in new growth projections that countries that have diversified their economies into more complex sectors, such as India and Vietnam, are those that will grow the fastest in the coming decade.

"India tops the list as the fastest growing country for the coming decade, at 7.9 per cent annually, in the economic complexity growth projections. India has made inroads in diversifying its export base to include more complex sectors, such as chemicals, vehicles, and certain electronics," the report said. It said that India's productive capabilities far exceed expectations for its current income level, which contributes to the projection of rapid growth for the coming decade.

The researchers also find India ranks the best on the criteria termed the Complexity Opportunity Index (COI), which measures how easy it is to redeploy existing knowhow to enter new complex products.

"India's existing capabilities have not only diversified its exports, but also allow for easy redeployment into related products that depend on those capabilities, making diversification relatively easy," it said.

China may grow 4.9%

China is projected to grow at 4.9 per cent annually to 2026, the US three per cent and France 3.5 per cent. The top ranking in COI means India has many "unrealised opportunities" to diversify into related, high-value sectors to continue to drive productivity growth and job creation.

"Up to now, that potential remains unrealised, however, as India's complexity has not changed over the past decade. The rapid growth that is predicted is effectively capitalizing on previous gains in complexity," the report added.

It stressed that ensuring the long-run potential of India's economic growth will rely on realizing diversification into related products.

Other challenges

The other major challenge will be to ensure the inclusive nature of this productive transformation, as the gains made in new chemical, vehicle and electronics exports are highly concentrated in specific localities of the subcontinent.

"Whether that knowhow can be disseminated into new areas of India will in part determine whether growth can be sustained in the long-term," it said.

Director of CID, professor at Harvard Kennedy School and the leading researcher of The Atlas of Economic Complexity, Ricardo Hausmann said that South-East Asia continues to dominate the global growth landscape, driven by the diversification of economies into complex manufacturing, but the leading countries have shifted within the region, with the Philippines, Vietnam, Indonesia, and Thailand poised to lead growth in the coming decade.

Source: thehindubusinessline.com- May 05, 2018

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Monsanto appeals to India's Supreme Court over GM cotton patents

Monsanto Co has appealed to India's Supreme Court against a ruling by the Delhi High Court which decreed last month that the world's biggest seed maker cannot claim patents on its GM cotton seeds, a company spokesman said on Friday.

The Delhi High Court last month concurred with Indian seed company Nuziveedu Seeds Ltd (NSL), which argued that India's Patent Act does not allow Monsanto any patent cover for its genetically modified (GM) cotton seeds.

Monsanto has appealed to the Supreme Court, said a Monsanto India spokesman.

"In the Supreme Court, we'll maintain our stand that agricultural products, including seeds, cannot be patented in India," said Narne Murali Krishna, a company secretary for NSL. "The judgement of the Delhi High Court has already vindicated our stand."

New Delhi approved Monsanto's GM cotton seed trait, the only lab-altered crop allowed in India, in 2003 and an upgraded variety in 2006, helping transform the country into the world's top producer and second-largest exporter of the fibre.

Monsanto's GM cotton seed technology went on to dominate 90 percent of India's cotton acreage.

But for the past few years Monsanto has been at loggerheads with NSL, drawing in the Indian and U.S. governments, Reuters revealed last year.

The fate of the biotechnology industry rests on the decision of the Supreme Court, said Ram Kaundinya of the Federation of Seed Industries of India, an industry body formed by the local units of foreign companies such as Monsanto, Bayer, Dupont Pioneer and Syngenta.

"The decision of the Delhi High Court has made biotechnology companies cagey about investing in their businesses because they apprehend that they will lose patents on their expensive technologies," said Kaundinya.

After last month's court ruling, nearly 107 patents could be deemed void, said Kaundinya.

Seed makers are now scaling down and shelving their research projects, said Paresh Verma, chief of research at Shriram BioSeed Genetics India Ltd.

"It's a fluid situation and we've decided to reduce our research expenditure," said M. Ramasami, chairman and managing director, Rasi Seeds.

Without the protection offered by the Patents Act, it is not clear how technology providers would be able to monetise their investments, said S. Nagarajan, managing director and chief executive of Metahelix Life Sciences Ltd.

Source: business-standard.com- May 05, 2018

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