

IBTEX No. 141 of 2018

July 07, 2018

USD 68.76 | EUR 80.83 | GBP 91.37 | JPY 0.62

Cotton Market (6th June 2018)		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
21991	46000	85.56
Domestic Futures Price (Ex. Gin), July		
Rs./Bale	Rs./Candy	USD Cent/lb
22280	46605	86.69
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)		81.85
ZCE Cotton: Yuan/MT (Jan 2019)		15,485
ZCE Cotton: USD Cents/lb		89.88
Cotlook A Index - Physical		94.2
<p>Cotton guide: 5 days ago ICE cotton for December delivery had breached 50-day moving average. Since then price plunged from 84.50 cents to 81.96 cents per pound. Basically this whole week cotton has been trading lower.</p> <p>This morning during Asian session at 8:30 AM IST the same underlying is trading near the 100-day moving average at 82.11 cents per pound. We might see interim support to the price from further decline.</p> <p>However, breach of 81.20 the fall might extend sharply towards 80 cents. For the day we are hoping that cotton might trade sideways and the range on the lower side could be respected near the given support level while on the higher 83/83.50 cent continues to be a strong resistance level. For detailed report please get in touch with Kotak Commodities Research Desk.</p>		

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Currency Guide: Indian rupee trades little changed near 68.9 levels against the US dollar. Rupee is steady amid mixed cues. Supporting rupee is correction in crude oil price from recent high on unexpected rise in US crude oil stocks.

The US dollar index has also stabilized post FOMC minutes as Fed officials expressed optimism about US economy but worries about impact of trade war. However, weighing on rupee is general weaker risk sentiment as US and China import tariffs on \$34 billion goods are due to become applicable today.

Also weighing on rupee are concerns that the government's decision to raise minimum support prices for crops will stoke inflation.

Rupee may continue to remain under pressure as trade war worries will keep risk sentiment weak. USDINR may trade in a range of 68.75-69.2 and bias may be on the upside.

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

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INTERNATIONAL NEWS

China's Apparel Exports to US Erode as Trade War Ensues

In the lead up to the imposition of stiff tariffs on Friday from the world's two largest economies, U.S. textile and apparel imports from China fell 2.2% to \$2.92 billion worth of goods in May, compared to a year earlier.

China and the U.S. both imposed major tariffs on a range of goods on Friday, while President Trump's tariff battles raged on with the European Union, Canada and Mexico, as well. As the trade war brewed, China's Asian neighbors like Vietnam, Bangladesh, Cambodia, Pakistan and India picked up market share.

Apparel imports bore the biggest brunt, dropping 2.23% to 805 million square meter equivalents (SME) in the month compared to May 2017, while textile imports from China were down 0.2% in value to \$1.12 billion, according to the Commerce Department's Office of textile & Apparel (OTEXA).

The volume of textile imports from China did rise 3.1% to 1.83 billion SME. Combined textile and apparel imports from China also rose 1.4% in May year-to-year to 2.64 billion SME.

Overall textile and apparel exports to the U.S. increased 3.9% in volume to 5.68 billion SME in May compared to a year earlier, and rose 3 percent in value to \$8.78 billion. The nation's international trade deficit in goods and services decreased to \$43.1 billion in May from \$46.1 billion in April, as exports increased more than imports, according to the Bureau of Economic Analysis.

Among the Top 10 apparel suppliers, imports from second-ranked Vietnam grew 8.59% to 332 million SME, with Bangladesh right behind, with its shipments to the U.S. up 7.71% to 163 million SME.

India also saw gains, with its U.S. bound textile and apparel exports up 9.11% to 105 million SME, as did Cambodia, with a 12.87% jump to 64 million SME, Mexico, which increased its shipments 4.1% to 79 million SME despite ongoing trade strife. Pakistan saw its exports to the U.S. rise 11.33% to 50 million SME.

Indonesia, on the other hand, saw year-over-year declines in its shipments to the U.S., which fell 9.08% to 91 million SME, as did Honduras, which posted a 6.4% falloff to 90 million SME.

On a year-to-year value basis, apparel imports from Vietnam rose 14.9% to \$984.02 million in May, Bangladesh's were up 7.9% to \$431.5 million, India's rose 9.3% to \$352.62 million and Cambodia's increased 13 percent to \$164.07 million. There was a notable decline in apparel coming from Mexico, with shipments down 13 percent to \$274.72 million, while Canada's apparel exports to the U.S. were up 48.5% to \$56.07 million.

Some African countries continued to show strength as a growing supplier to the U.S. Imports from Ethiopia increased 56.9% year-to-year in May to \$8.5 million and Madagascar's shipments rose 37.5% to \$16.74 million.

Source: sourcingjournal.com- July 06, 2018

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USA: Retail Lost 22,000 Jobs, Defying Overall Employment Gains

In June, retail lost almost 22,000 jobs, largely offsetting gains made in May.

The U.S. job market grew by 213,000 jobs in June. And on average the economy has created 211,000 jobs per month throughout the second quarter, reflecting a positive revision of employment numbers for both April and May, which increased 159,000 and 175,000 respectively.

While education and health services, professional and business services and manufacturing, were among the sectors that saw healthy employment gains in June, the Bureau of Labor Statistics reported retail employment was down by 21,600, compared to the previous month.

The industry was one of the only arenas to suffer losses, which were the result of 17,500 jobs taken out of general merchandise stores like warehouse clubs and supercenters. Department stores also shed 4,000 workers during the month.

Clothing and accessories stores, however, added 6,900 jobs during the same period and so-called non-store, or online, retailers picked up 1,700 new workers.

Year on year, retail was up 0.5% percent or 82,900 jobs.

The National Retail Federation also released employment numbers on Friday. Its calculations differ from the government's because the group counts store employees as well as those working in the store headquarters, distribution centers, call centers and innovation labs.

The association reported retail jobs were down by 25,800 employees in June when compared to the previous month. According to the NRF, the economy lost 1,300 retail jobs in the second quarter. However, June 2018 numbers dwarfed those of the same period last year by 50,200 jobs.

"This is another solid, robust payroll increase that nicely closes out the second quarter and affirms a very strong economy," said NRF chief economist Jack Kleinhenz, adding those gains could keep consumers spending.

Kleinhenz offered one word of caution though, saying if the trade war persists, it could result in a "turning point" after which spending would slow.

Average hourly wages were reported to be up 2.7% or 72 cents over last year this time.

The unemployment rate ticked up by 0.2% (or 499,000 people) to 4 percent in June, a slight improvement over 2017 when the jobless rate was 4.3%.

Source: sourcingjournal.com- July 06, 2018

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Germany beats US to become Bangladesh RMG's biggest market

Germany has overtaken the United States and become the largest export market for Bangladesh's readymade garments.

Due to strong economic activities in Europe, especially in Germany, and preferential treatment received by Bangladeshi exporters, Europe's largest economy has become the largest market for Bangladeshi garment products.

Bangladesh's readymade garment exports to Germany grew 8.65 per cent in fiscal '18 against a growth of 2.84 per cent in the US market. Export earnings from the UK, the third highest export destination for Bangladesh, increased by 11.76 per cent.

Readymade garment exports to the UK grew by 12.63 per cent. Export earnings from France grew by 5.94 per cent. Readymade garment exports to the market grew by 4.94 per cent.

Export earnings from Spain in fiscal '18 grew by 21.40 per cent. Readymade garment exports from Spain in the period were 21.24 per cent higher than earnings in the previous fiscal year.

Export earnings from Poland grew by 20.53 per cent. Earnings from Poland by exporting readymade garment products grew by 20 per cent.

In Asian markets, export earnings from China slumped by 26.80 per cent. Export earnings from Japan grew by 11.74 per cent. Readymade garment exports to the market grew by 13.73 per cent.

Export earnings from India grew by 29.87 per cent. Readymade garment exports to India in the period grew by 114.68 per cent.

Source: fashionatingworld.com- July 06, 2018

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Turkey imposes anti-dumping duty on POY from 7 countries

Turkish ministry of economy has announced imposition of anti-dumping duty of 8 per cent on partially oriented yarn (POY) with HS code 5402.46 imported from seven countries—China, India, Malaysia, Indonesia, Taiwan, Thailand and Vietnam.

The ministry said that the volume of imported POY increased considerably during January 1, 2010 to December 31, 2016.

The investigation was initiated on February 25, 2017 following a petition filed by Turkish textile manufacturer Korteks Mensucat ve Sanayi Anonim Sirketi.

Subsequently, in July-August last year, the ministry had imposed temporary duty on POY from the seven countries.

The final decision on the investigation was announced on June 21 this year.

According to the data obtained from Turkish Statistical Institute, the share of Turkish POY imports from the above mentioned seven countries was 99.1 per cent in 2014 and 2015, and it was 99.2 per cent in 2016.

In terms of volume, it had increased from 159,960,807 kg in 2010 to 295,789,479 kg in 2016.

Source: fibre2fashion.com- July 06, 2018

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Thailand keen on FTA with EU

Thailand is pursuing a free trade agreement with the EU. The goal is a comprehensive FTA covering tariffs, non-tariff barriers and other trade-related issues such as services, investment, procurement, intellectual property, regulatory issues, competition and sustainable development.

Thailand and the EU have also discussed how to attain progress in the Doha Round negotiations, especially on fisheries subsidy rules, the role and the participation of small and medium-scale enterprises in world trade and e-commerce.

Thailand also has concerns about the EU's trade measures to phase out food-based biofuels like palm oil by 2030, data privacy laws and a digital services tax, saying such measures may affect the Thai private sector's dealings with the EU.

The EU is Thailand's third-largest trade partner, with two-way trade in 2017 up 10.4 per cent from 2016.

Thai exports to EU increased 7.5 per cent last year. Key exports include computers and parts, automobiles, gems and jewelry, electrical circuits, rubber products, air-conditioners and processed chicken.

Thailand has teamed up with the EU to push the World Trade Organization into greater engagement for handling protectionist and retaliatory issues to curb a possible trade war.

Both sides have agreed to ask the WTO to play a more active role in promoting the multilateral trade system.

Source: fashionatingworld.com- July 05, 2018

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Pakistan: What are we importing?

In the first 11 months of 2017-18, imports stood at \$55.23 billion, an increase of 14.12 per cent. Exports increased by slightly more at 15.28, per cent.

However, the absolute level of exports is just \$21.35 billion, paying for only 38.7 per cent of imports. In theory exports do not have to be equal to imports, there being other means of paying for imports.

But the gap in our case is humongous. What exactly are we importing? Are some of these dispensable at a time of foreign exchange crisis, with its gravity increasing by the day?

Imports are divided into nine groups. As one would expect, the largest is the Petroleum Group valued at \$12.93 billion or 23 per cent of the total. This is understandable as Pakistan is dependent on the world for its requirements of petroleum products and crude oil. Savings are still possible by lowering energy intensity, a measure of the amount of energy used to produce a unit GDP. It has been consistently falling globally and in all major economies. Pakistan falls way behind its peers.

A big time new entrant is the import of gas that contributes 18.4 per cent of the Petroleum Group imports. Next in importance is the Machinery Group with a share of 19.3 per cent in the total imports. Again, Pakistan is dependent on the import of capital goods to raise the investment-to-GDP ratio necessary for a respectable rate of growth of GDP.

Power-generating machinery, electrical machinery and apparatus, telecom and textile machinery are, in that order, the major items in the group. The third largest group is the Agricultural and Other Chemicals Group, with a share of 14.7 per cent. These are essential inputs for agricultural and industrial production such as fertilisers, insecticides, plastic materials, medicinal products, etc.

In a country still claiming to be agricultural, \$915 million were spent on importing raw cotton. There is not much public awareness of the fact that the fourth-largest group of imports is the Food Group. In the period covered here, Pakistan incurred a huge expenditure of \$5.72 billion to import food items. The share in total imports was 10.3 per cent.

Around half of the amount went to the import of edible oils and tea due to insignificant local production. The indigenous oilseed crops such as sunflower, canola, rapeseed/mustard and cottonseeds cater for only 12 per cent of the demand. Not much import substitution is in evidence. Rapeseed/mustard showed a negligible growth of 0.1 per cent in 2017-18.

The other half of food import bill was on milk & its products, dry fruits & nuts, spices and pulses. Despite claims that Pakistan is among the top milk producers of the world, the country imported \$252 million worth of milk and related products in 2017-18, an increase of 8 per cent over the previous year.

Pulses import cost the country \$483 million. Domestic production of masoor has remained unchanged and that of moong has declined by 8.7 per cent. What is achievable is demonstrated by the fact that the import bill in the previous year was \$903 million.

The reduction was caused by the increase of maash production by 4.3 per cent. The usual suspects, cars and motorcycles, cost \$1.3 billion, while buses and trucks cost \$581. "All other items" claim a hefty \$4.6 billion.

Rupee depreciation and regulatory import duties will reduce imports, but the desired impact requires reinforcement by appropriate nontariff barriers against dispensable imports and incentives for domestic production, especially in the Food Group.

Source: tribune.com.pk- July 06, 2018

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Indonesia's Textiles Exporters Brace for Trump's Trade War

US President Donald Trump has warned that he may revoke special trade tariffs for Indonesia, especially on textiles, in a bid to reduce his country's trade deficit, an official said on Thursday (05/07).

The United States was Indonesia's second-largest export destination last year, at 11 percent of total exports, or \$17 billion. Indonesia enjoyed a surplus of \$9.59 billion.

"[Trump] is now doing as he wishes, including to us. He has warned us that we cannot export more than the United States. He has warned that there are several special tariff arrangements that will be revoked, especially on textiles," Sofjan Wanandi, chief advisor to Vice President Jusuf Kalla, said during a discussion on Thursday (05/07).

Indonesia exported textile products, both knitted and unknitted, worth a total of \$4.12 billion to the United States last year.

According to Industry Ministry data, the United States currently imposes import tariffs of between 5 percent and 20 percent on Indonesian textile products, while there are no tariffs on textile imports from Vietnam.

Sofjan, who recently visited the United States to meet with officials, said it is uncertain what Trump will do in the near future as "no one understands what he actually wants," he said.

According to Sofjan, who is also advisory board chairman at the Employer's Association of Indonesia (Apindo), the US economy is currently thriving, which enables Trump to create and change trade policies as he considers most beneficial.

"We don't know when Trump will start the trade war; maybe tomorrow, maybe never," Sofjan said.

Retaliation

Ade Sudrajat, chairman of the Indonesian Textile Association (API), emphasized that Southeast Asia's largest economy needs to retaliate soon if a higher tariff is enforced.

"If [a higher tariff] is imposed, it will be a huge obstacle for the textile industry, so it must be countered. If we keep quiet, then we become the losers," Ade told the Jakarta Globe, adding that Indonesia's large imports of agricultural products from the United States could be used as a bargaining chip.

Indonesia imported agricultural products worth \$1.27 billion – mainly seed oil, fruits and medicinal plants – from the United States last year, followed by equipment and machinery, animal feeds and cotton.

Indonesian textile exports rose 4.4 percent to \$12.4 billion last year, exceeding the API's target of \$11.8 billion and the Industry Ministry's \$12 billion.

The ministry has set a textile export target of \$13.5 billion for this year and \$15 billion for next year.

The number of people employed in the textile industry increased 17 percent last year to 2.73 million, compared with 3.3 million in the processed food and drinks industry and 3 million in the automotive industry.

The ministry seeks to increase the number of people employed in the textile industry to 2.95 million this year and 3.11 million next year.

According to the Trade Ministry, total investment in the nation's textile industry amounted to Rp 10.9 trillion (\$758 million) in 2017. Indonesia produced about 2 percent of the world's textile supply, which earned the country \$11.87 billion in foreign exchange.

"It will be unfair for us if the textile industry is targeted and the government prefers to do nothing," said Ade of the API.

Source: jakartaglobe.id- July 05, 2018

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Bangladesh eyes 8% GDP growth through executing SDGs

Bangladesh can attain 8 per cent gross domestic product (GDP) growth by implementing the United Nation's sustainable development goals (SDG) and the government has framed the 7th Five Year Plan aim to achieve that target, commerce minister Tofail Ahmed said recently while addressing a meeting on the role of private sector to achieve SDGs.

The meeting was jointly organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the SDG wing of the Prime Minister's Office, according to a Bangladesh newspaper report.

With the successful attainment of the SDGs, the country's poverty level will come down to 3 per cent, he said.

The 7th Five Year Plan emphasises diversification of both market as well as products for export with an aim to significantly increase foreign exchange earnings, he added.

According to the SDG financing strategy, prepared by general economic division of the ministry of planning, the country would require \$928 billion additional funds from 2017-2030 to fully implement the SDGs, and the annual average cost would be \$66.2 billion.

Of the total resources, around 56.86 per cent will be collected from domestic sources, 9.46 per cent will come from external sources and 6.9 per cent will be supplied from foreign direct investment.

Source: fibre2fashion.com - July 07, 2018

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NATIONAL NEWS

Cotton MSP: Textile industry seeks proper delivery mechanism, revamp of CCI

The textile industry has requested the government to put in place a delivery mechanism for the industry, reeling under the pressure due to various reasons, for getting the raw material at reasonable rates.

While welcoming the 28% hike in minimum support price (MSP) of cotton to ensure farmers get at least 50% profit of their actual cost of production, the Confederation of Indian Textile Industry (CITI) cited that at one level the move would certainly increase farmers' income, leading to an increase in domestic consumption that would eventually support the overall Indian economy.

However, it stated the is need to examine the event from different perspectives and understand that the lakhs of farmers gain should not impact the \$120 billion industry which employs more than 10 crore people directly and indirectly.

From 2009-10 to 2017-18, the MSP increased by Rs 1,320/quintal and in 2018-19, it has been increased by Rs 1,130/quintal. The impact is huge and possibly unprecedented.

The textile & clothing being an integrated industry, the proposed hike in MSP based on 1.5 times the A2+FL costs would impact each segment along the supply chain raising the final price of the product, said Sanjay K Jain, chairman, CITI. Jain pointed out that higher MSP would further compel huge cotton procurement by the state-run Cotton Corporation of India (CCI).

In the past, for instance, the Centre raised cotton MSP (medium staple) by a record 39% in 2008-09, driving up CCI's procurement to an all-time-high of 8.9 million bales.

Industry hopes that a clear CCI policy is spelt out, so that in case it needs to make a massive procurement, the industry gets regular offering from them throughout the season at international parity prices (system linking offered prices to ICE may be formulated).

Source: financialexpress.com- July 07, 2018

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WTO-compliant export subsidy proposals will be out in 3 months

India may incentivise exporters of manufacturing goods for high power tariff. The initiative is part of a wider exercise, launched recently, to identify scope of incentivising exports within the WTO guidelines.

The move comes at a time when the US has challenged several of India's export subsidy schemes under the WTO's dispute settlement mechanism.

According to Alok Chaturvedi, Director-General of Foreign Trade (DGFT), a committee has been formed to come up with WTO- compliant export subsidy proposals within three months.

"The committee will suggest ways for incentivising exporters in relation to unrelated or un-rebated taxes outside the purview of GST," he said on the sidelines of a programme organised by the Indian Chamber of Commerce (ICC).

Petroleum products, electricity and a host of State levies fall outside the GST purview.

High cross subsidy rates

The DGFT said there were multiple instances where industry is charged unduly higher rates for cross subsidising other activities. The high electricity tariff for industrial supplies is a case in point.

The Economic Survey of 2016 claimed that on a global scale, industrial power tariff in India was too high when measured against per capita GDP and quality of supplies due to the cross subsidisation scheme.

OECD countries like Australia, the US and Denmark charges a lower rate on industry. Contrary to India where industry pays for the household sector, in Europe the household is charged at a higher rate compared to industry.

Closer home, Indonesia – which is experiencing robust growth – and even Bangladesh charges lower rates to industry.

Dispute with US

Chaturvedi denied any link between the current initiative and the trade disputes with the US.

The US has challenged India's export subsidy programmes in the WTO dispute settlement mechanism.

The US has alleged that the export subsidies benefit Indian companies by creating an "uneven playing field" for the US-based manufacturers and exporters.

"We have challenged the US contention and a dispute resolution process is on," he said.

Source: thehindubusinessline.com- July 06, 2018

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Commerce Secretary Teatia to seek inputs for e-commerce policy framework today

Task force working towards meeting the August-end deadline

Commerce Secretary Rita Teatia will chair a meeting of the taskforce on e-commerce on Friday to take inputs for the proposed policy framework for the sector from other Ministries and Departments, including finance, information technology & telecom and consumer affairs.

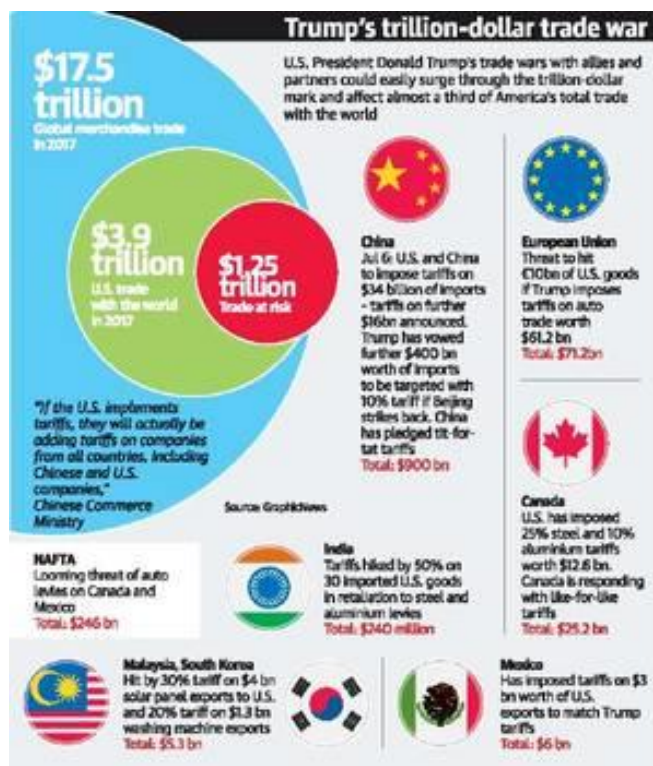
The taskforce has been set up to suggest a framework for a comprehensive e-commerce policy by the end of August and submit it to the e-commerce thinktank led by Commerce and Industry Minister Suresh Prabhu.

"The Commerce Ministry has had discussions with the nine sub-groups set up to examine different aspects of the proposed policy.

After the other Ministries and Departments give their inputs of Friday, the policy framework would be further fine-tuned,” a government official told BusinessLine.

Sub-group tasks

The first sub-group is working on issues including cross border transfer of information by electronic means, data protection and location of computing facilities, the second on digital product, custom duties and taxation, the third on trade facilitation measures and logistics while the fourth is working on measures enhancing consumer confidence.



The fifth sub-group focusses on protection of IP and contours of future technology such as AI and block chain, the sixth on payment systems and financial technologies, the seventh on interconnection issues and net neutrality while the seven and eighth are working on skills, education and training and SMEs and FDI and competition issues respectively.

The taskforce would give suggestions on key issues such as the scope of taxation on electronic transmission of goods and services including 3D printing, implication of General Anti-

Avoidance Rule (GAAR) on e-commerce, behaviour of current market players in e-commerce and anti-competitive practices policy and creating fair balance between online and physical marketplaces.

Source: thehindubusinessline.com- July 06, 2018

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India not to impose dumping duty on Chinese belting fabric

The Directorate General of Anti-dumping and Allied Duties (DGAD), under the ministry of commerce, Government of India, has decided against levying any anti-dumping duty on belting fabric from China.

Belting fabric is used for manufacturing of conveyor belts for industrial use. DGAD had initiated the anti-dumping probe based on a petition filed by SRF Ltd.

Having examined the contentions of various interested parties and on the basis of the facts, circumstances, and analysis, the DGAD concluded that 'Net Sales Realization' achieved by Domestic Industry for the subject goods continues to be consistently higher than the landed value of imports of subject goods over the injury period and the period of investigation.

"Though the dumping margin and injury margin computed for the domestic industry during period of investigation is significant, the trend in price parameters do not conclusively establish that adverse impact on domestic industry's profitability performance has been due to dumped imports," DGAD said in its final findings in its anti-dumping duty investigation on the imports of belting fabric originating in or exported from China.

"Since the injury lowered return on capital employed and profitability of domestic industry cannot be conclusively attributed to dumping of subject goods from the subject country, the Authority terminates the investigation under Rule 14 (b) of Anti-Dumping Rules and does not recommend levy of any anti-dumping measure," the DGAD notification said.

Under the multilateral regime of WTO, member countries can impose anti-dumping duties if their investigation concludes that domestic industries have been hurt because of a surge in cheap imports.

Such duties are aimed at ensuring fair trading practises and creating a level-playing field for domestic producers with respect to foreign producers and exporters.

Source: fibre2fashion.com- July 07, 2018

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Textile entrepreneurs demand power tariff on lines of Maharashtra

Textile entrepreneurs have made a strong representation to Gujarat's industries commissioner to reduce power tariff in textile sector and make fabrics manufactured in Surat competitive to those made in Maharashtra and Rajasthan.

Gujarat's industries commissioner Mamta Verma on Friday visited Southern Gujarat Chamber of Commerce and Industry (SGCCI) here to hold discussions on the new textile policy to be implemented by the state government in October.

Textile industry leaders stated that power tariff in Gujarat is almost double than Maharashtra. The textile units have been paying Rs7.5 per unit for electricity usage, while the units in Maharashtra pay Rs3.75 per unit. The fabrics manufactured in Surat are costly by almost Rs5 per meter because of the tariff structure.

Textile entrepreneurs, who had made investments under Technology Upgradation Fund Scheme (TUFS), are yet to get subsidy amount of Rs650 crore for the last two years from the government. This hampered the growth of TUFS and stalled modernization in the textile sector.

Powerloom sector leader Devesh Patel said, "In the last six months, many textile entrepreneurs have shifted to Tarapur and Navagam in Maharashtra. Both these spots are just 150km from Surat. They were attracted to move to Maharashtra due to its investor-friendly textile policy and economical power tariff."

The textile entrepreneurs also pointed out that unfinished fabrics manufactured in Surat reach Vietnam and China via Kolkata and Bangladesh. The finished fabrics from Vietnam then is dumped at cheap rates in India.

SGCCI president Hetal Mehta said, "The new textile policy should address the issues of power tariff, capital subsidy, interest subsidy and investment on top priority. If the government fails to address such important issues, then Surat's textile industry would be in trouble."

Mamta Verma said, "Surat is the textile hub and we are ready to listen to the issues of the entrepreneurs here. The new policy will be framed after taking the opinion of textile sector into consideration."

Source: timesofindia.com- July 07, 2018

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90% subsidy to weavers for technological upgradation: Irani

Weavers are getting 90 per cent subsidy for technological upgradation of their handlooms and accessories under a scheme aiming to improve quality of the fabric and productivity, Union Textiles Minister Smriti Irani said on Friday.

In her address after felicitating handloom exporters at the 28th National Handloom award function here, she said the Hathkargha Samvardhan Sahayata Yojana, launched in August 2016, meets the needs of the handloom weavers for assistance on a larger scale for looms and accessories.

Irani also urged the weavers to utilise the benefits provided under schemes like Mudra, under which as much as 28 per cent of the beneficiaries were new entrepreneurs and 70 per cent of them were women.

She said Tamil Nadu was one of the states which has a major share of beneficiaries under the scheme.

Irani also sought to assure small weavers that they would not be affected by the Goods and Service Tax (GST), as most of them earn less than Rs 20 lakh per year and hence would not fall under the tax's ambit.

She urged the exporters to create awareness among the weavers not only on the GST issue, but also regarding the subsidies and other welfare schemes of the government.

Source: business-standard.com- July 06, 2018

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India's 1st khadi mall to come up in Jharkhand

India's first dedicated mall for indigenous khadi products and handicrafts is being planned in Ranchi, capital of Jharkhand state.

The state government will soon provide land in the HEC area of the city for building the mall, chief minister Raghubar Das told a recent meeting of artisans and craftsmen organised by the Jharkhand Khadi Board.

If a market is offered along with the latest technologies, then people of the state can earn easily their livelihood, Indian media reports quoted him as saying.

State governor Droupadi Murmu also addressed the artisans and underlined the role of handicrafts in income generation.

Source: fibre2fashion.com- July 07, 2018

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MSMEs need more support in complying with GST

A proactive helpdesk and grievance redressal mechanism sought

Micro, medium and small scale enterprises (MSMEs) need more support in complying with GST through proactive helpdesk and grievance redressal mechanism, said senior Chartered Accountant, R. Sridhar.

Addressing a discussion on GST organised by Commissionerate of GST, Madurai and Tamil Nadu Chamber of Commerce and Industry here on Thursday, Mr. Sridhar said that corporates and big business enterprises could afford to get the services of experts in filing the GST returns.

However MSMEs were unable to afford such a luxury. They had number of doubts on categorisation of goods under various labels – nil taxation, exempted from taxation and non taxable. “In many cases, the queries raised through the helpdesk and the grievance redressal mechanism were not replied,” he said.

Mr. Sridhar suggested that all the queries raised under the grievance redressal mechanism should be copied to the jurisdictional assessing officer concerned for effectively resolving the grievances. “Any further changes in the GST should be implemented only after a public discussion. Similarly, there were many deviations in the e-way billing exemptions. Different States followed different rules on e-way exemption, when GST is said to be one-nation, one tax” he said.

Speaking on the occasion, chamber senior president, S. Rethinavelu, said that GST was good as it had done away with many taxes. It was also transparent and has increased the compliance of tax paying.

However, he said that tax rates on various goods should be brought down considerably. Similarly, he wanted liquor, petrol and diesel, electricity and real estate to be brought under GST net. While filing four returns (three every month and one yearly) was a great burden to the trade and industry, he said e-way bills was a solution to do away with filing of multiple returns.

Joint Commissioners, V. Pandiraja (Central GST) and S. M. Saraswathi (State GST), Principal of American College, M. Dhavamani Christofer, and chamber president N. Jagadessan, were among those who spoke.

Source: thehindu.com- July 06, 2018

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Tariff jitters: India, US may soon agree trade package

Senior trade officials of India and the US will meet later this month in Washington to wrap up negotiations on a “mutually-acceptable trade package”, according to an official source. The meeting comes amid an escalation of the global trade war, with the US and China having imposed additional tariff against each other on Friday.

The trade package is expected to have specific goals for boosting Indo-US trade through greater market access. Late last month, an American team, led by assistant US trade representative Mark Linscott, held talks with Indian officials here on several contentious issues, including the extra US duty on Indian steel and aluminium and the next meeting will be a follow-up of that.

Since India's proposed additional tariff worth \$235 million on 29 US goods — including almonds and apples — are retaliatory in nature, any roll-back of the additional duty on Indian steel (25%) and aluminium (10%) by the US will lead to a withdrawal of such tit-for-tat action by New Delhi as well, said the source. Otherwise, India's proposed additional tariffs will take effect from August 4.

For India, greater access to the American market in the food, farm, engineering goods, auto and auto parts segments holds promise in the long term (over five years), said the official.

The US sees good prospects for its companies in the Indian civil aviation, oil and gas, education service and agriculture segments. Any successful outcome of this meeting could later be announced by the political leadership of both the nations.

Apart from relief on the metal duty, India wants relaxed visa regime for skilled professionals and delinking of a special tariff regime — generalised system of preference (GSP) — from market access talks, among others. For its part, the US wants greater market access to reduce its trade imbalance with India and removal of price curbs on stents and other medical equipment by New Delhi, among others.

Under the GSP programme, select developing countries are allowed to export specified products duty-free to the US. According to trade sources, India was a major beneficiary in 2016, as it shipped out goods worth \$4.7 billion to the US under GSP, which was equal to over 11% of its exports to the world's largest economy. Exports of select items in the textiles, engineering, gems and jewellery, and chemicals sectors are allowed duty-free access to the US.

While China alone accounted for a massive \$375 billion, or 46%, of the US goods trade deficit of \$810 billion in 2017, India made up for just 2.8% and occupied the ninth spot in the list of nations with which the Trump administration seeks to pursue a trade balance agenda. However, India is the only major country whose goods trade surplus with the US narrowed in 2017 — a fact New Delhi has recently highlighted in its talks with Washington.

Source: financialexpress.com- July 07, 2018

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e-way bill still haunting hosiery units

The problems regarding the generation of e-way bills refuse to die down. It was implemented on June 1, 2018. Manufacturers in the city feel “harassed” as the department officials want e-way bills everytime the stocks are sent for processing.

Vinod Thapar, president, knitwear club, said it was a genuine problem with the manufacturers. It was not viable to generate e-way bills everytime as a lot of work was required to be finished before the end product reached buyers.

“The process of making sweaters includes embroidery, knotting, printing etc. The stock is sent to different persons. It will be a cumbersome task if we generate e-way bills eachtime for sending and collecting the products. We have requested the Excise and Taxation Commissioner, Punjab, to either abolish the intra-state e-way bill or raise the amount from Rs 50,000 to Rs 1 lakh,” he said.

Charanjit Singh, another industrialist and general secretary of the knitwear club, said the problem of manufacturers was genuine.

“We have received numerous queries from our members regarding the strict GST e-way bill provisions and their negative impact on these units. Most of the textile units engage third party for textile jobs such as embroidery, knotting, twisting, etc. as these are not possible on machines.

The workers are usually from proprietorship firms, who are not registered under the GST due to their low turnover. Hence, the burden of e-way bills falls on the manufacturing units,” he added.

Source: tribuneindia.com- July 06, 2018

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