TEXPROCIL NEWS CLIPPINGS

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IBTEX No. 201 of 2019 October 16, 2019

US 71.52 | EUR 78.89 | GBP 91.24| JPY 0.66

Cotton Market

Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
19665	41100	**73.24**

Domestic Futures Price (Ex. Warehouse Rajkot), October

Rs./Bale	Rs./Candy	USD Cent/lb
19520	40797	**72.70**

International Futures Price

NY ICE USD Cents/lb (December 2019)	63.53
ZCE Cotton: Yuan/MT (January 2020)	12,625
ZCE Cotton: USD Cents/lb	80.84
Cotlook A Index – Physical	**72.80**

Cotton Guide: The ICE futures have again taken a downturn to show positive change figures of 3 digits. The ICE December future settled at 63.53 cents per pound with a change of +131 points. The ICE March 2020 futures settled at 64.26 cents per pound with a change of +108 points. The most important factor was the total volume figures showing huge numbers of 40,760 contracts. The Market Participants are reacting to the news of US China Trade talk developments. Therefore we are able to see Knee Jerk Reactions in the prices. The last three sessions have ended in the following manner Positive, Negative, Positive respectively. This clearly emanates that the market participants are confused and are currently trading in the market with a speculative mindset.

China has promised to purchase US goods worth a ball park figure of USD 45 Billion. However, with the existing tariffs already in place China will find it very difficult to purchase the US Agricultural goods which again make demand prospects to be ambivalent. Thus clarity on the way forward is needed for proper and prudent decision making.

BALANCE SHEET (Estimated)

As on October 15, 2019

Lakh bales of 170 kgs

	2018-19	2019-20
SUPPLY		
OPENING CARRYOVER	29.00	22.00
CROP PRODUCTION	316.00	376.00
IMPORTS	27.00	10.00
TOTAL SUPPLY	372.00	408.00
DEMAND		
MILL CONSUMPTION	270.00	280.00
SSI UNIT CONSUMPTION	20.00	20.00
NON-MILL CONSUMPTION	15.00	15.00
TOTAL DOMESTIC CONSUMPTION	305.00	315.00
EXPORTS	45.00	45.00
TOTAL DEMAND	350.00	360.00
CARRY OVER at end of season	22.00	48.00

The MCX contracts on the other hand were again mixed to positive ranging from the MCX October to MCX December contract. The MCX October contract settled at 19,520 Rs per Bale with a change of +10 Rs. The MCX November contract settled at 19,210 Rs per Bale with a change of +90 Rs whereas the MCX December contract settled at 19,280 Rs per Bale with a change of +140 Rs. The total volumes were again decent with figures of 1470 lots.

The Cotlook Index A has been updated lower at 72.80 cents per pound with a change of -145 points. Old Shankar 6 crop remains unchanged at 41,100 Rs per Candy, whereas the new Punjab, Haryana and Rajasthan J-34 crop is at 37,400 Rs per Candy.

On the geopolitical front, the international ICE Prices could show a jittery movement again today. However for the week based on fundamental factors we expect the ICE prices to show a sideways to positive trend. While speaking about the domestic crop production figures are estimated to be at 376 lakh bales which will be bearish for the MCX contracts.

The Balance sheet estimated by Kotak Commodities as on October 15, 2019 is as follows:

While speaking about exports, we are expected to see the export enquiries coming in no sooner than the first week of November as we expect the Indian crop to arrive late.

On the technical front, ICE Cotton have given an inverse Head & shoulder pattern breakout and now trading within an upward sloping channel suggests the uptrend. Price are above the daily EMA (5, 9) at 62.86, 62.46, which would act as immediate support. The momentum indicator RSI is at 59.12, implying positive bias for the price. The immediate resistance for the price would be at 64.80, 76.4% Fibonacci extension level, while the immediate support would be at 61.20 (23.6% Fibonacci extension level). Thus for the day we expect price to trade in the range of 64.80-61.20 with positive bias. In MCX, we expect the price to trade within the range of 19400-19700 with a bullish bias for the day.

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

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INTERNATIONAL NEWS

Trade war will cut global growth in 2019 to lowest since 2008 crisis: IMF

The IMF said its latest World Economic Outlook projections show 2019 GDP growth at 3.0%, down from 3.2% in a July forecast, largely due to increasing fallout from global trade friction

The US-China trade war will cut 2019 global growth to its slowest pace since the 2008-2009 financial crisis, the International Monetary Fund warned on Tuesday, adding that the outlook could darken considerably if trade tensions remain unresolved.

The IMF said its latest World Economic Outlook projections show 2019 GDP growth at 3.0%, down from 3.2% in a July forecast, largely due to increasing fallout from global trade friction.

The forecasts set a gloomy backdrop for the IMF and World Bank annual meetings this week in Washington, where the Fund's new managing director, Kristalina Georgieva, is inheriting a range of problems, from stagnating trade to political backlash in some emerging market countries struggling with IMF-mandated austerity programs.

The World Economic Outlook report spells out in sharp detail the economic difficulties caused by the US-China tariffs, including direct costs, market turmoil, reduced investment and lower productivity due to supply chain disruptions.

The global crisis lender said that by 2020, announced tariffs would reduce global economic output by 0.8%. Georgieva said last week that this translates to a loss of $700 billion, or the equivalent of making Switzerland's economy disappear.

"The weakness in growth is driven by a sharp deterioration in manufacturing activity and global trade, with higher tariffs and prolonged trade policy uncertainty damaging investment and demand for capital goods," IMF Chief Economist Gita Gopinath said in a statement.

Services were still strong across much of the world, but there were some signs of softening in services in the United States and Europe, Gopinath said.

For 2020, the Fund said global growth was set to pick up to 3.4% due to expectations of better performances in Brazil, Mexico, Russia, Saudi Arabia and Turkey.

But this forecast was a tenth of a point lower than in July and was vulnerable to downside risks, including worse trade tensions, Brexit-related disruptions and an abrupt aversion to risk in financial markets.

INVESTMENT, TRADE STALL

The IMF said foreign direct investment abroad by advanced economies came to "a virtual standstill" in 2018 after increasing in earlier years to average more than 3% of global gross domestic product annually - or more than $1.8 trillion.

The institution said the decline of some $1.5 trillion between 2017 and 2018 reflected purely financial operations by large multinational corporations, including in response to changes in US tax law.

Global vehicle purchases fell by 3% in 2018, reflecting a drop in demand in China after expiration of tax incentives and production adjustments after adoption of new emissions standards in Germany and other eurozone countries.

Global trade growth reached just 1% in the first half of 2019, the weakest level since 2012, weighed down by higher tariffs and prolonged uncertainty about trade policies, as well as a slump in the automobile industry.

After expanding by 3.6% in 2018, the IMF now projects global trade volume will increase just 1.1% in 2019, 1.4 percentage points less than it forecast in July and 2.3 percentage points less than forecast in April.

Trade growth was expected to rebound to 3.2% in 2020, however risks remained "skewed to the downside," the IMF said, with a significant drag on both the US and Chinese economies.

TARIFF, RESHORING LOSSES

New IMF projections show China's GDP output falling 2 percent in the near term under the current tariff scenario and 1 percent in the long term, while US output would decline 0.6 percent over both time spans.

"To rejuvenate growth policymakers must undo the trade barriers put in place with durable agreements, rein in geopolitical tensions and reduce domestic policy uncertainty," Gopinath said.

But she was cautious about President Donald Trump's announcement on Friday of a "Phase 1" US trade deal with China, saying that more details were needed about the "tentative" deal.

The IMF also modeled what would happen if multinational firms in the United States, euro area and Japan reshored enough production to reduce nominal imports by 10%. The lender found that it would drive up consumer prices and reduce domestic demand, while throttling the spread of technology to emerging economies.

"At 3% growth, there is no room for policy mistakes and an urgent need for policymakers to cooperatively deescalate trade and geopolitical tensions," it said. "Further escalation of trade tensions and associated increases in policy uncertainty could weaken growth relative to the baseline projection."

Source: business-standard.com - Oct 15, 2019

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USA: Does the 'Very Substantial' Phase-One Trade Truce Actually Help Apparel?

What is the tentative trade deal between the U.S. and China, exactly?

Currently there's a truce on the table, but now it looks like a "been there, done that" scenario that potentially is not unlike what happened back in June.

Skimpy on details, the only certainties in the "phase one agreement" that President Trump called "very substantial" on Friday are China's agreement to buy more U.S. agricultural products and the suspension of a planned Oct. 15 tariff increase on $150 billion in Chinese imports that would have raised the duty to 30 percent from 25 percent.

Those items from Tranches 1, 2 and 3 include handbags, among other items, but not apparel. The 10 percent tariffs imposed on Sept. 1 on part of Tranche 4 items imported from China that do include apparel and footwear see no change, and so far the balance of Tranche 4 imports remain under a tariff threat set to take effect on Dec. 15 at 15 percent.

The Tranche 4 group heavily impacts consumer goods categories.

But for an agreement that Trump has deemed "very substantial," the so-called deal also offers no details concerning a key stumbling block to an actual trade agreement: the U.S. push for protection of American intellectual property assets and how China plans to address those concerns.

Trump and Chinese president Xi Jinping are expected to meet—but not yet confirmed—on Nov. 16 -17 at the APEC Summit in Santiago, Chile, where they supposedly will hammer out or finalize details to the phase one agreement.

What that actually means is unclear, because no one knows whether there's even a rough outline of a partial deal in place with the promise of more to come, if it's just an agreement to meet, or if something else entirely, according to Cowen & Co.'s WRG Washington strategist Chris Krueger.

And despite Trump's claim on Friday that there's a "phase one agreement," Chinese media is suggesting that certain items—such as the claim of large purchase increases of agricultural products—are aspirational in nature and not reflective of anything that's been negotiated. As Krueger noted, those promises of additional purchases are "dependent on talks going well in the coming months" and provided there's a firm agreement that gets inked between the two countries.

UBS economist Tao Wang in Hong Kong said Monday that while the two sides could "paper" the agreement reached so they could then move on to phase two of the negotiations, it remains "highly uncertain" whether the two countries could actually reach a full trade agreement.

"Given the recent multiple rounds of escalations and that the planned December tariff hike has not been suspended, it is unclear how long the 'phase one' agreement might last and what incentives or mechanisms could help ensure both sides hold up to their part of the deal," the economist said.

UBS economist Robert Martin, Wang's counterpart in the U.S., said of the "agreement in principle:" "The absence of concrete details and a joint statement of the two sides following the meeting further tamp down our expectations of future talks."

Another concern is how the "agreement in principle" gets drafted as the parties could disagree on the wording and talks could break off again.

Michael D. Zezas, Morgan Stanley strategist on U.S. public policy, said there's been some ambiguity over the path forward on the three phases of the trade talks.

"U.S. officials noted that an agreement was still undrafted, that Chinese officials still had to sell the deal back home, and the planned December tariffs were not taken off the table," Zezas said. "It's worth noting that in a similar meeting last spring, the U.S. president noted a deal signing was weeks away, but the language drafting process ended with fresh tariffs."

Source: sourcingjournal.com- Oct 14, 2019

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US ends negotiations on $100-bn trade deal with Turkey

US President Donald Trump yesterday announced sanctions against Turkish officials, raising steel tariffs and ending negotiations on a $100-billion trade deal. The announcement was in protest against Turkey's recent military offensive in northeast Syria. Trump signed an executive order that empowers his administration to slap sanctions on Turkey.

"This (executive) order will enable the US to impose powerful additional sanctions on those who may be involved in serious human rights abuses, obstructing a ceasefire, preventing displaced persons from returning home, forcibly repatriating refugees or threatening the peace, security or stability in Syria," Trump said in a statement.

The United States will immediately stop negotiations with Turkey on the trade deal and steel tariffs will be increased back up to 50 per cent, the level prior to the reduction in May, Trump said.

Turkish trade minister Ruhsar Pekcan said in September this year that her country and the United States discussed steps to take bilateral trade to $100 billion from $20.6 billion in 2018. She said this during a four-day visit of US secretary of commerce Wilbur Ross to Turkey.

Turkey's exports to the United States were worth $8.3 billion, while it imports totalled $12.3 billion, according to data from the Turkish Statistical Institute (TurkStat). In the January to July period this year, the sale of Turkish goods and products to the US was worth $4.6 billion and US exports to Turkey were $6.6 billion, Turkish media reported. There are 1,700 US companies currently operating in Turkey.

At the G20 summit in July, both the countries drew a road map to gradually raise bilateral trade volume to $100 billion revised from the earlier target of $75 billion during a bilateral meeting between Presidents Recep Tayyip Erdogan and Trump. The sectors identified were automotive, textile, aviation, white goods, jewellery, building materials, furniture and tourism.

Source: cottongrower.com- Oct 15, 2019

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Cotton exporter, NAFTA's future in South Texas among senator's focus

Fielding requests for assistance from international trade officials in the Rio Grande Valley on Monday, U.S. Sen. John Cornyn toured a large cotton exporter in Weslaco on Monday and hoped for an upcoming Congressional vote on the revised North American Free Trade Agreement.

"Here in the Valley, as much as you're growing, as much as you're creating new jobs, USMCA is absolutely critical to get done," Cornyn told a room full of trade stakeholders from across Hidalgo County at Commodities Integrated Logistics of the United States-Mexico-Canada Agreement, as the new NAFTA deal has been called.

"And in a strange way, the hyper-partisanship may incentivize the speaker to take this up and pass it just to demonstrate that she can get that done," Cornyn added.

Monday was Cornyn's second South Texas trip in the last six weeks and both trips hit on the future of North American trade, punctuated by his prediction that echoed U.S. Rep. Henry Cuellar's when the two lawmakers appeared together recently on a panel in Pharr. Cuellar said then that he "believes it will be taken up for a vote this fall."

After more than a year of negotiations, the leaders from the U.S., Mexico and Canada in late 2018 signed the new USMCA trade agreement during a global summit in Argentina, but the Congressional bodies in the U.S. and Canada have yet to authorize the USMCA.

But Cuellar's prediction came before U.S. House Democrats launched an impeachment inquiry in September, which has shifted Congressional priorities. The prospect of the USMCA vote in the U.S. House was already fraught with time constraints. Officials in Congress and in South Texas have warned that if a vote is not taken up before year's end, the agreement's passage is unlikely with 2020 being an election year and all Congressional moves could have political consequences.

"Of course, that would be a win-win not only for her but also for the president and his team, and I would say for Texas and the rest of the country," Cornyn said of Pelosi putting USMCA to a vote in the U.S. House. If the agreement passes through that chamber, Cornyn said it would swiftly sail through the U.S. Senate.

Cornyn touted the U.S. International Trade Commission's USMCA projections, which included an addition of 176,000 U.S. jobs and a boost to the U.S. economy by $68 billion, Cornyn said.

"We hope that Joaquin and other folks in the business of international trade can even do better than those numbers might reflect," Cornyn said, turning to Joaquin Spamer, who heads Commodities Integrated Logistics.

Spamer guided Cornyn for a brief tour of his large, new facility in Weslaco where large bales of cotton — 500 pounds each — are stacked throughout the warehouse. Before, Spamer and officials from the international bridges in Hidalgo, Mission, Pharr and Progreso, as well as multiple Hidalgo County municipalities asked Cornyn for federal support on a range of issues.

"The expansion of Anzalduas Bridge," said Mission Mayor Armando O'Cana of the bridge in Mission that is run in cooperation between the cities of Mission and McAllen, with Superintendent of Bridges Rigo Villarreal running that bridge and the Hidalgo-Reynosa International Bridge. O'Cana added: "I think that's a must-go, must be done, quick and fast. The need for trucks going north and south — loaded — from Anzalduas is there."

Passenger vehicles are allowed to cross the Anzalduas International Bridge as well as empty trucks driving southbound into Mexico, which began in August 2016. Those truck numbers have declined in 2019 compared to 2018, and officials in McAllen and Mission have expressed frustration at the lack of federal financial assistance.

"I think the federal department of transportation is not paying attention to us the way they should," Villarreal said. "I don't know if they don't know the area or — we've gotten a lot of support letters, and so has Pharr and other people here, but we still don't get anything. I don't know why, but it's very disappointing that we spend a lot of money putting these applications together."

He added: "I think they need to pay a little bit more attention to us, especially on the border. I don't think they are. I don't think they understand it. Maybe they think we're going to spend the money on illegal immigrants, I don't know. But clearly they don't know what's going on down here."

McAllen Mayor Jim Darling, during a press conference alongside Cornyn and the other officials in attendance Monday, also illustrated the frustrations and challenges the city has faced.

"The question that always complicates matters is: the cities own the bridge and the federal government runs the bridge. And you throw GSA in that mix and it really gets complicated," Darling said of General Services Administration, the federal agency that helps manage and support the basic functioning of other federal agencies. Cornyn and the other officials nodded in agreement that GSA poses additional challenges.

Also at Monday's meeting were representatives from Pharr, which owns the busiest and most profitable international bridge in the region.

"We just celebrated the start of the produce season," said Pharr-Reynosa International Bridge Director Luis Bazan. "Come February, March and April, we're going to see an uptick in those crossings and we're going to be doing probably 20,000 trucks crossings and shipments coming in from Mexico."

Bazan also asked Cornyn to look into the checkpoint barrier in the middle of the 3.2-mile bridge that U.S. Customs and Border Protection installed this summer during the heightened attention on immigration and the southern border. The barrier has reduced lanes in operation and led Pharr to change the hours of operation to be able to accommodate the bridge traffic.

It was one of several concerns raised by the stakeholders on Monday, which Cornyn said was valuable and that he would move to remedy them. Perhaps lingering above all else, however, remains the USMCA.

"Thank you for having us here, Joaquin, and wish us luck," Cornyn said.

Source: themonitor.com- Oct 15, 2019

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Vietnam-UAE trade and investment forum kicks off in Hanoi

The Vietnam-UAE Trade and Investment Forum kicked off in Hanoi today in the presence of Sultan bin Saeed Al Mansouri, Minister of Economy, and Tran Tuan Anh, Minister of Trade and Industry of Vietnam.

Over 150 officials, people in business and investors from both countries are taking part in the forum to discuss prospects of economic cooperation, and expand partnership frameworks across various trade and investment sectors of interest.

In a speech at the forum, Al Mansouri said that the UAE and Vietnam enjoy "strong and prosperous" bilateral relations. He pointed out that the UAE is the topmost trading partner of Vietnam in the Middle East and North Africa and serves as an excellent gateway for the trade of Vietnamese goods and products with the region.

The UAE is also an attractive destination for Vietnamese companies looking to expand trade and investment in the region's markets, Al Mansouri explained, adding that the strength of cooperation is well-reflected in the figures and indicators of trade between the two countries.

Total non-oil trade between the two sides reached $8.2 billion in 2018, and the UAE accounted for 54 per cent of the total value of non-oil trade between Vietnam and the GCC in the same year. Meanwhile, Vietnam accounted for 39 per cent of the total value of non-oil trade between the UAE and ASEAN countries in 2017, and it is the largest trading partner of the country from the ASEAN region.

UAE investments in Vietnam are currently concentrated in the logistics, ports, maritime operations, aviation, tourism and hospitality sectors, in addition to oil and gas.

Al Mansouri went on to note the importance of joint work to expand the umbrella of cooperation to include other sectors of mutual interest such as automotive, textile industries, agriculture and food security, infrastructure, renewable energy, research and development, smart cities and technology.

For his part, Tran Tuan Anh hailed his country's relations with the UAE, emphasising that it is witnessing a continuous development reflecting the resolve of both parties at the governmental and corporate levels to move towards a broader partnership. He further reaffirmed his country's desire to develop cooperation efforts with the UAE in various fields.

During the forum, Customs World - Dubai and Vietnam Logistics Business Association signed a memorandum of understanding to enhance trade exchange and to facilitate the movement of goods and commodities between and through the two countries to various regional markets, by facilitating procedures, reducing costs and opening up new markets for companies and businesses in both countries.

Obaid Saeed Al Dhaheri, UAE Ambassador to Vietnam, said that the UAE-Vietnam Trade and Investment Week is an ideal opportunity to develop a mutually beneficial relationship by discussing opportunities, exchanging views and expanding the network of trade and economic relations for business communities.

Source: khaleejtimes.com- Oct 15, 2019

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Indonesia: Government mulls plan to impose temporary duties on imported textile products

The government is mulling a plan to impose temporary additional duties on imports of textile and textile products (TPT) as a safeguard measure to protect the domestic upstream industry from a recent surge in imports.

The Finance Ministry’s fiscal policy head, Suahasil Nazara, said the government had identified 121 products, including yarn and curtain fabric, that would be subject to the safeguard measure.

“Lately, we have seen a jump in imports of TPT. In line with the existing rules, we are considering to impose a safeguard measure, which is a type of measure that can be officially taken by Indonesia if there are increases in imports that could potentially harm the domestic industry,” said Suahasil in Jakarta on Monday.

The move was taken after the government imposed antidumping duties for polyester staple fiber imports from India, China and Taiwan as well as

Chinese imports of spin drawn yarn following an investigation by the Indonesian Antidumping Committee (KADI). The duties came into effect in early August and will last for three years.

Suahasil said detailed discussions on the safeguard measure would be held on Oct. 17 to determine the rates, among other things, following a quick assessment by the Trade Ministry.

The Indonesian Trade Safeguard Committee (KPPI) recently launched an investigation into the upturn in fabric imports after a complaint was filed by the Indonesian Textile Association (API).

“From the preliminary evidence put forward [in the complainant], KPPI found a sharp increase in fabric imports. Moreover, there was a preliminary indication of serious damage or potentially serious damage to the domestic industry due to the sharp increase in import volume,” KPPI head Mardjoko said in a recent statement.

The volume of fabric imports rose from 238.22 tons in 2016 to 413.81 tons last year, according to Statistics Indonesia (BPS) data.

Similar investigations have also been undertaken by the KPPI for staple synthetic and artificial yarns since September as well as for curtain fabrics since June, among other products.

Source: thejakartapost.com- Oct 15, 2019

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Bangladesh: Economists, trade leaders seek Taka devaluation for competitive economy

Economists, however, admit that taka devaluation will trigger a little inflationary pressure, which may not influence the commodity prices much as Taka is already stronger against currencies of import-origin countries like China and India

Eminent economists and business leaders have strongly urged the policymakers and Bangladesh Bank to devalue the Taka against the US dollar to remain competitive in the export market and boost inward remittance.

They said most of the countries in Asia already depreciated their local currencies against the US dollar in the last couple of years except but Bangladesh was yet to devalue. As a result, Taka is now overvalued by around 5% against the currencies of other Asian economies.

Economists, however, admit that taka devaluation will trigger a little inflationary pressure, which may not influence the commodity prices much as Taka is already stronger against currencies of import-origin countries like China and India.

"It needs to be corrected. Devaluation will increase Bangladesh's competitiveness globally. Remittances will also go up," Mohammed Farashuddin, former governor of Bangladesh Bank, told Dhaka Tribune.

He said all peer countries like India, Pakistan, Sri Lanka, Vietnam, Indonesia and Cambodia already devalued their respective currencies over the last couple of years with a view to remaining competitive in international markets, particularly to serve their own export interests.

"Everyone of them depreciated their currencies against the US dollar. Because, they saw a looming threat in exports," he said.

“Back in 1972, we had to spend Tk100 for buying 40 Indian rupees. We now get 72 rupees in exchange for Tk100. We used to get 60 Pakistani rupees against Tk100 then, and now we get 130 Pakistani rupees against Tk100."

"Correction is imperative, as those who had opposed earlier are now speaking in favour of depreciation of taka," he said.

He suggested initiating at least 3% depreciation in phases in next 12 months.

“It is better to depreciate the taka by five percent in the next twelve months to help adjust import costs and remain competitive. We import products worth at least $6.0 billion yearly for textile sector. They need to enhance capacity to absorb the higher cost of import," he maintained.

Farashuddin added the devaluation needed to be designed to boost remittance, help grow import substitute local companies and attract foreign investment, especially the Chinese firms that are relocating from the US.

"It is now indispensable," he added.

Former research director of Bangladesh Institute of Development Studies Zaid Bakht said the economy would lie behind the race of boosting export and growing inward remittance if the Taka was not devalued.

He said it was already late, as buyers were deducting prices of the country's RMG products.

"If we don't do it, we will fall behind," he warned.

Bakht asserted that the depreciation of Taka would have a little consequence in import cost and inflation.

Former World Bank (WB) lead economist Zahid Hussain said the financial losses the country already incurred in export and remittance fronts were irreparable due to overvaluation of Taka.

He said exchange rate of Taka went up from Tk69 to Tk84.65 in the last 10 years and there was no major consequence so far. Last year, he noted, taka was overvalued by 5.8%.

"We must choose the path of depreciation of currency to keep us competitive in international market," he stressed.

He said cash incentives for remittance and export subsidy might not have been needed had the local currency was devalued.

Hussain said taka had been stronger than its trading partners.

"Our trading partners and buyers will be encouraged to continue sourcing products from our country if we devalue our currency," he pointed out.

President of Federation of Bangladesh Chambers of Commerce and Industries Sheikh Fazle Fahim said devaluation would assist competitiveness of global trade, trade deficit reduction, higher employment and greater domestic consumption.

"However, it will be challenging to address foreign loans when priced in taka, lower productivity, as imports of capital machinery would be more expensive," he mentioned.

President of Bangladesh Garments Manufacturers and Exporters Association Rubana Huq said: "Minimum devaluation is insufficient for our survival in a situation where competing countries have devalued by between 40% and 60%. A devaluation of Tk2 is not a competitive devaluation."

It was learnt that BB last week initiated a slow devaluation process of Taka against the US dollars. It plans to depreciate Tk2 two against the US dollars in phases.

Policy Research Institute (PRI) Executive Director Ahsan H Mansur welcomed the BB's planned devaluation process. "This is quite late and also inadequate. It should be higher for faster correction of overvalued Taka to match the contesting countries' economies," he said.

He maintained: "If this is the beginning of a long process of devaluation, I welcome it. Its corresponding impact will also be slow."

"I suggest faster correction and parity with currencies of contesting countries," he added.

Source: dhakatribune.com- Oct 15, 2019

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Pakistan: Import of raw cotton; APTMA urges government to remove duty, taxes

All Pakistan Textile Mills Association (APTMA) on Tuesday has urged federal government to remove duty and taxes on the import of raw cotton otherwise the domestic textile industry would not be able to full fill its export commitments.

Central chairman All Pakistan Textile Mills Association Dr Amanullah Kassim Machiyara said this while addressing a hurriedly called press conference along with Chairman APTMA Punjab Adil Bashir at the Punjab office.

He also said that the industry would have to spend $1.5 billion on import of 5.5 million bales due to a 35 percent production shortage this year. He said the quality of locally produced cotton has also deteriorated as compared to other cotton-producing countries. The imposition of duty with heavy incidental impact for the entire value chain meant to produce goods meant for exports, he stressed.

He said it is an irony that the government's crop estimates are always on the higher side, which are seldom proved true. This year again, he said, the initial estimate of 15 million bales was suddenly revised to 10 million bales, which is now apprehended to be around 9.5 million bales, resultantly causing a shortage of 5.5 million bales.

Amanulah Kassim said that instead of announcing support price of cotton government should invest in enhancing the quality of the seed. He also said the industry would have no option but to procure cotton from the international sources while incurring extra cost in terms of freight charges.

According to him, Pakistan is 3rd largest producer of denim and it is far better in quality than its immediate competitors.

While listing down the reasons of low productivity, he said, poor research on seed, adulterated pesticides and encroachment of sugarcane of cotton growing areas are prime reasons for it.

While urging to encourage the production of new GMO varieties, he said APTMA was set to launch research work on cottonseed. He has also questioned the performance Pakistan Central Cotton Committee on cotton research.

He lamented that Pakistan has become a net importer of cotton today while it was a cotton exporting country once.

He has also urged the government to release refunds of exporters without further delay, as the exporters on account of sales tax and duty drawback without further delay, as the industry was facing a liquidity crunch at present and banks are not willing to increase limits of the industry, as there is a strident increase of liquidity requirement due to imposition of sales tax and devaluation. He said the stuck up refunds have added fuel to the fire.

Also, he has urged the government to resolve the CNIC issue with small traders so that sales in the domestic commerce should pick up.

Speaking on the occasion, Chairman APTMA Punjab Adil Bashir said duty-free import be immediately allowed as both contamination-free and large-staple cotton are not produced locally to meet production Programme of the industry.

The Chairman APTMA informed that the latest cotton production statistics of Pakistan Cotton Ginners Association (PCGA) and the domestic cotton prices shows the current arrivals to be well short as compared to the corresponding period last year. Comparative analysis of cotton arrival up to 1st October 2019 versus 1st October 2018 shows a 39 percent decline in cotton arrival.

In the latest development in crop estimates, he urged the federal government for immediately withdraw of 3 percent Custom Duty and 2 percent Additional Duty and 5 percent Sales Tax levied on the import of raw cotton to enable the textile industry to meet its requirements for domestic as well as for export orders.

The removal of taxes and duty on import of raw cotton will support the textile industry to fulfill its foreign commitment, he added. Machiyara mentioned that Pakistan's textile industry requires medium and longer staple contamination free and organic cotton, which are not being produced in Pakistan and always textile mills need to import to produce specialty yarns.

He said that the government should act without further delay and announced an emergency to support the domestic textile sector. The import of cotton at low cost will help the industry to fulfill its export commitments.

The Chairman APTMA has pleaded with the Prime Minister, Ministry of Commerce for immediate removal of duty and taxes on import of cotton so that the textile industry could retain its competitive edge.

On the occasion, former chairman APTMA Yasin Siddik, Asif Inam and others were also present and talked about the current situation of the textile industry. They also demanded for relief in shape of removal of taxes and duties on import.

Source: brecorder.com- Oct 16, 2019

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Is automation a threat for RMG workers in Bangladesh?

The fourth industrial revolution is underway and is bringing with it a series of upheavals. Robotics, automation, machine learning, and artificial intelligence are gradually making their way into the production process all over the world. Such major breakthroughs in the production process will have adverse effects on the job market and the Bangladesh economy. As a result of automation the demand for workers in the RMG sector is declining and the future for RMG workers is rather bleak. The introduction of machinery in the production process has a higher probability of affecting unskilled and semi-skilled workers adversely compared to the skilled workers.

The Ready-Made Garments (RMG) industry is the main source of manufacturing employment in the country. However, according to government's a2i project and International Labour Organisation (ILO) around 60 per cent (5.38 million) of garment workers in Bangladesh will become unemployed by 2030 and be replaced by robots due to automation in the RMG sector.

Bangladesh has always been known for having an abundant supply of cheap labour. The garments sector has played an important role in uplifting the economy of Bangladesh. The sector has created numerous jobs, pushed down the number of people living in poverty and fostered women empowerment. The garment sector was a major reason why female labour participation increased in the country. On the downside a major drawback the country faces is that a large portion of the workers employed in the RMG sector are unskilled. Therefore, the unskilled workers are losing out since as a result of automation the demand for skilled workers is increasing.

Bangladesh is known as the second largest garment and textile exporter in the world and the garments sector has created jobs for over four million people. Yet the country lacks the capacity of transferring workers from the apparel industry to another industry. The country also cannot create sufficient jobs for the workers who will be laid off as a result of automation.

Despite a large amount of surplus labour in the country, the advances in technology have made it more lucrative for producers to opt for automation. Garment owners in the country are now focused on integrating automatic machinery in the production process. However, automation will affect different countries differently, depending on the stage of development they are in. In a country like Bangladesh it will take time for the RMG sector to become completely automated and there are huge costs involved in the process. Fourteen steps are involved in transforming fabric to ready-made garments. Driven by technological innovation automation has been introduced almost at all stages of apparel making and in turn reducing the dependency on labour. Due to technological transformation throughout the value chain a number of challenges throughout the production process has been overcome.

According to Bangladesh Garments Accessories and Packaging Manufacturers and Exporters' Association (BGAPMEA), every year around 100 new factories are beginning operation and are using advanced technology in the entire apparel making process. Furthermore, these new factories also maintain compliance and factory rules and regulations strictly. Approximately 250 factories in the country are fulfilling orders with the use of latest technology and machinery. The use of advanced technology assists in cutting down production costs significantly (30-40 per cent) and has spill-over benefits in terms of higher productivity and helps cut down on lead time.

Introduction and use of automatic machinery in the RMG sector is costly but will help the sector reap benefits in the long run in terms of higher efficiency. However, automation leaves the threat of production being redirected to the industrialized countries. Reshoring may also take place, since producers demand a skilled labour force.

Since automation in the RMG sector is in progress and Bangladesh has no other option other than embracing automation to take the apparel sector to the next level, the country needs to face the inevitable challenges along with the opportunities brought about by the fourth industrial revolution. Automation has employment implications. Automation may result in a two-way effect for Bangladesh. Therefore, automation may lead to layoffs and job cuts. Since workers will be replaced by technology and robots. On the other hand, automation may also lead to job creation. Machines need supervision, experience wear and tear, therefore, repair work is necessary and maintenance is required. As a result, some new jobs may be created led by automation. However, the type of jobs created as a result of automation requires skill and education. Since the country has a scarcity of skilled labour it will be challenging to fill these posts. One positive side of automation is improvement in the quality of jobs in the RMG sector and a rise in productivity, however, the quantity of jobs will be lower.

In order to address the issue of job displacement brought about as a result of automation the government and policy makers need to step in. The fourth industrial revolution has given rise to the need for skill development of workers. Automation will lead to creation of new jobs in the service sector and the government needs to divert some of the workers to the service sector. However, this will require investment in education and training. Furthermore, the government needs to ensure favourable labour laws, take intiatives for skills development and provide social protection. There is a dire need for training for raising labour market skills to ensure job retention and assist the terminated workers to find alternative ways of making a living. Bangladesh also has the advantage of realising the demographic dividend. In order to avail the benefits of the demographic dividend, investment in training and education is mandatory. Restructuring of the education system and reducing the gap between the education system and the industry needs to be addressed. This will reduce our dependence on expatriate managers and help curb youth unemployment. Moreover, the government has a target of raising export earnings from the RMG sector to US$50bn by 2021. Therefore, the government must take immediate action to prepare our labour force and the economy for the challenges that lie ahead and facilitate the smooth transition of the RMG industry to a higher value added industry.

Source: globaltimes.cn- Oct 16, 2019

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Azerbaijan uses innovative technologies in cotton-growing

Azerbaijan has a favorable climate and soil to grow cotton and recently the country has been using innovative technologies in cotton-growing industry.

Thus, Shirvan Experimental Station has started harvesting cotton that was planted with the use of innovative Chinese technologies, Trend reported, citing Head of Department of Plant Growing under the Ministry of Agriculture Imran Jumshudov.

The Head of Department noted that Chinese cotton planting technologies were implemented on ten hectares in central Ujar region.

Some 70-80 centners of cotton are expected to be harvested from each hectare, according to his words. Laser harrowing based on Chinese technology has been used in this area. The advantage of this method is that it helps to prevent soil resalting; it also saves water, promotes uniform seed germination, resulting in increased yield.

Jumshudov said that the technical advantage of the new method is that it allows completion of three operations in one step. At the same time, a new innovative technology is characterized by a high density per hectare. Some 200,000-220,000 seeds are sown in each hectare with a 90 centimeters distance between rows. By comparison, twice as less - 100,000-110,000 - seeds are cultivated by traditional methods.

According to Jumshudov, prevention of evaporation from the soil and the creation of a moisture deposit is one of the advantages presented by innovative technologies. According to Chinese technology, the use of polyethylene coating for planting and growing cotton reduces development of weeds. In addition, the polyethylene coating creates a good temperature regime for seed development, which allows for early sowing.

The Greek model cotton farms were also created in Terter and Salyan regions, while the Turkish one was created in Beylagan region.

Currently, the main goal is to achieve the implementation of pilot projects ensuring high productivity in larger territories. In this regard, teachers and students of the Azerbaijan State Agricultural University are expected to provide detailed information on cotton growing based on Chinese technology, as well as to demonstrate the benefits of this innovative method to cotton growing companies.

In early 2017, the State Program for 2017-2022 was approved with an aim of strengthening measures directed at developing cotton industry. The purpose of the State Program is to develop cotton growing, increase export potential in this sphere, ensure employment of the rural population and increase the production.

The new goal of the state is to bring the cotton production up to 500,000 tons by 2022 from the current 260,000 tons.

Cotton is a drought-resistant plant, but it does not tolerate frost and low temperatures, so Azerbaijan is a safe place to grow it.

In the early 1980s, Azerbaijan harvested up to a million tons of cotton per year. Later, like all other industries, as in all other Union republics, cotton growing declined and it could not receive the necessary investments for revival for a long time after that.

Source: g azernews.az- Oct 15, 2019

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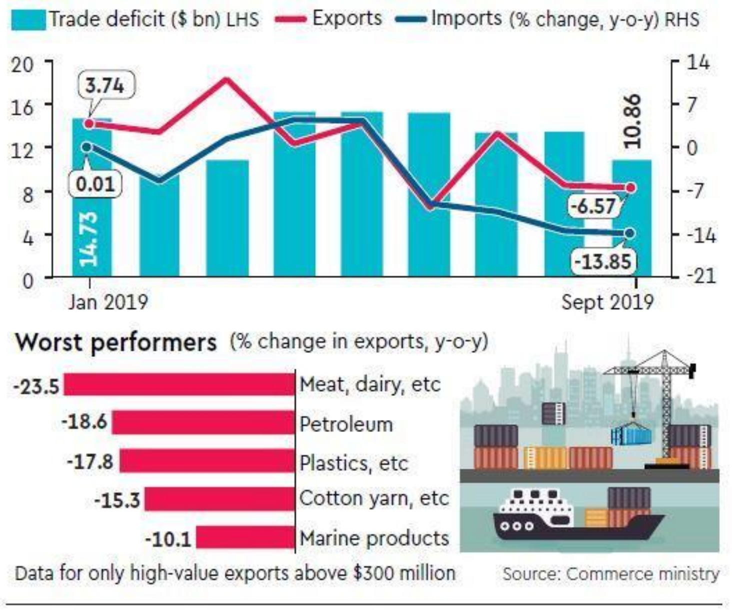
NATIONAL NEWS

Exports shrink 6.6% in September, imports dip

Merchandise exports shrank 6.6% year-on-year in September to $26 billion, the third contraction in six months, reflecting the impact of not just external headwinds but also subdued domestic manufacturing. However, goods trade deficit hit a seven-month low of of $10.86 billion in September, as imports plunged by almost 13.9%, mirroring a collapse in domestic consumption, even ahead of the festive season.



The data released by the commerce ministry on Tuesday showed the trade slowdown was rather broad-based — exports of 23 out of 30 key items contracted, while imports of as many as 25 of the 30 products dropped. The decline in goods trade is the latest in a series of crucial indicators — industrial output shrank the most in 81 months in August; non-food credit growth hit just 8.7% in the fortnight through September 27, the first single-digit rise since December 2017 — that reinforced fears of a protracted slowdown of the economy after its disconcerting 5% expansion in the June quarter.

Surprisingly, gold imports continued to contract at a time when jewellers usually replenish inventory to cater for the festive demand in and around Diwali, partly due to persisting rural distress and elevated prices of the precious metal that had kept buyers at bay. Gold imports shrank 50.8% in September, against a massive fall of 62.5% in August.

However, thanks to the import contraction, trade deficit in the September quarter dropped to nearly $38 billion from $46 billion in April-June. This will ease pressure on the country’s current account balance, deficit in which had worsened sequentially to 2% of GDP in the June quarter from 0.7% in

January-March, although it was still lower than 2.3% in the first quarter of FY19.

What is particularly worrisome is that core exports (non-oil and non-gems and jewellery) dropped 4.2% in September and 0.5% this fiscal. Similarly, the persistent contraction in non-oil and non-bullion imports (8.9% in September and 6.2% in the first half of this fiscal) compounds concerns of a domestic consumption slowdown.

A 21% year-on-year fall in brent crude prices has contributed to a slide in both exports and imports of petroleum, according to a senior government official.

With this, overall goods exports in the first half of this fiscal contracted 2.4% to $159.6 billion, while imports shrank 7% to $243.3 billion.

However, policy-makers can draw some comfort from the fact that services exports grew at a decent pace of 10.4% in August to $18.24 billion, although imports rose at a sharper rate of 16% to $12 billion, showed the latest data.

The plunge in goods trade underlines the strong external headwinds the country faces due to a worsening global trade war. The US' withdrawal earlier this fiscal of the zero-duty trade benefits for annual Indian exports of around $5.6 billion under the so-called generalised system of preference may have dented exports, although the impact might have been marginal, said analysts.

Having grown at 9% in FY19, India's merchandise export has fallen this fiscal. Citing persistent risks from a global trade war, the World Trade Organization (WTO) recently cut its global trade growth forecast for this year to the weakest level in a decade. The volume of merchandise trade, the WTO said, would increase by only 1.2% this year and 2.7% next year, after a 3% advance in 2018. This has weighed on the prospects of Indian exports as well.

Sharad Kumar Saraf, president of FIEO, said: "The softening of commodity prices (including crude), US-China trade war, Brexit and developments in Iran, Turkey and other gulf nations has further aggravated the problem of the world economy." He said domestic issues such as access to and cost of credit still remained a problem area for MSMEs as well as merchant exporters. He urged the government to quickly address any issue in interest equalisation support to all farm exports, benefits on sales to foreign tourists and quick GST refund.

Aditi Nayar, principal economist at Icra, said with a lower-than-expected trade deficit in September, current account deficit could halve to $8-9 billion in Q2FY20 from around $19 billion a year earlier, “driven by moderate crude prices, subdued gold imports and sluggish domestic demand”.

Source: thehindubusinessline.com- Oct 15, 2019

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IMF cuts India's growth forecast to 6.1 per cent

The IMF has also cuts global forecast by 20 basis points for 2019

The International Monetary Fund (IMF) on Tuesday trimmed India’s growth forecast by 90 basic points to 6.1 per cent (100 basis points mean one percentage point). This is second downward revision in seven months and in total 120 basis points reduction.

Revision in growth estimate for 2019-20

Institution	Earlier	Revised
IMF	7	6.1
World Bank	7.5	6
ADB	7.2	6.5
FITCH	6.8	6.6
RBI	6.9	6.1
India Ratings	6.7	6.1

“The downward revision relative to the April 2019 World Economic Outlook (WEO) of 1.2 percentage points for 2019 and 0.5 percentage point for 2020 reflects a weaker-than-expected outlook for domestic demand.

Growth will be supported by the lagged effects of monetary policy easing, a reduction in corporate income tax rates, recent measures to address corporate and environmental regulatory.”

The IMF has also cuts global forecast by 20 basis points for 2019. Its Economic Counsellor and Director of the Research Department, Gita Gopinath said that the global economy is in a synchronised slowdown and the fund once again, is downgrading growth for 2019 to 3 per cent, its slowest pace since the global financial crisis. Growth continues to be weakened by rising trade barriers and increasing geopolitical tensions.

“We estimate that the US-China trade tensions will cumulatively reduce the level of global GDP by 0.8 per cent by 2020.

Growth is also being weighed down by country-specific factors in several emerging market economies, and structural forces—such as low productivity growth and ageing demographics in advanced economies,” she said.

India’s growth story

With GDP’s (Gross Domestic Products) growth rate slipping to multi quarter low of 5 per cent during April-June period, almost all the agencies including the Reserve Bank of India (RBI) lowered the growth projection.

Though, second quarter’s (July-September) GDP growth is expected to slide down, all agencies are expecting that growth during second half (October-March) will be better and next fiscal it will improve further. Still, IMF cuts the forecast for 2020 by 20 basis points to 7 per cent.

Now, the big question is what India should do to reverse the slowdown. Here, the IMF has suggested that the monetary policy and broad-based structural reforms should be used to address cyclical weakness and strengthen confidence. A credible fiscal consolidation path is needed to bring down India’s elevated public debt over the medium term. This should be supported by subsidy-spending rationalisation and tax-base enhancing measures.

“Governance of public sector banks and the efficiency of their credit allocation needs strengthening, and the public sector’s role in the financial system needs to be reduced.

Reforms to hiring and dismissal regulations would help incentivise job creation and absorb the country’s large demographic dividend. Land reforms should also be enhanced to encourage and expedite infrastructure development,” IMF said in its annual publication, ‘World Economic Outlook’ with tag line ‘Global Manufacturing Downturn, Rising Trade Barrirers.’

The report pointed out that for few major economies, including India, Brazil, Mexico, Russia, and South Africa, growth in 2019 is sharply lower than in 2018, also for idiosyncratic reasons, but is expected to recover in 2020. In India, growth softened in 2019 as corporate and environmental regulatory uncertainty, together with concerns about the health of the non-bank financial sector, weighed on demand.

“The strengthening of growth in 2020 and beyond in India as well as for these two groups (which in some cases entails continued contraction, but at a less severe pace) is the driving factor behind the forecast of an eventual global pickup, the report said. Here, the two groups refer to systemic economies comprising the United States (US), euro area, China, and Japan—which together account for close to half of global GDP and the group of emerging market economies.

Source: thehindubusinessline.com- Oct 15, 2019

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Bhiwandi's Textile Industry Is Struggling, and Political Apathy at Polltime Isn't Helping

Locals estimate that over 60% of power looms units have shut down, and the rest are also on the verge of closure.

Each time a power loom machine was moved out of TN Textiles, 28-year-old Mahmood Ansari’s anxiety only increased. He had seen the best days of this 50-year-old, 48-machine, well-equipped textile unit, situated in one of the arterial lanes of Bhiwandi, over 30 km from Mumbai. Up until the late 1990s, the industry was booming. He is now witnessing it at its worst.

The economic slump had pushed TN Textiles’ owner to sell 24 machines to scrap dealers, downsizing the unit’s production to half. With each machine sold, at least one worker loses his job.

This crisis is the biggest issue on the minds of the voters as Bhiwandi, like the rest of Maharashtra, goes to the polls on October 21. Facing closures and joblessness, Bhiwandi’s voters had already been suffering for a few years, has been struggling because of high electricity rates, dumping by China and other factors. But demonetisation and GST have dealt a severe crippling blow for most loom owners and workers here.

Bhiwandi’s power loom industry, which once housed over 10 lakh of the total 21 lakh registered power loom machines in India, is facing one of its worst economic crises. Locals estimate that over 60% of power looms units have shut down, and the rest are also on the verge of closure.

Mahmood, a resident of Bagdubi village in Jharkhand’s Dumka district, has been working in Bhiwandi for the past eight years. “I came here alone and slowly moved my family here. But in the past few years, things have got so difficult that I am in the process of sending my wife and two daughters back home,” he says. Several others from Dumka village have gone back, Mahmood adds.

Most workers here are migrants from Uttar Pradesh and Jharkhand; a few have moved here from the neighbouring Bihar and Odisha. About a decade ago, when the textile business was still stable, workers would manage a decent wage by working 12-hour shifts every day. “Each of them would manage three-four machines. This ensured decent production at a comfortable pace, and workers did not worry much about supporting their families,” says Atif Ansari, who owned over 225 power loom machines until a year ago but today is left with only 100 machines. “Today, each of them is burdened with multiple machines, yet the compensation is much less.”

As the business began to suffer, most migrants returned home or moved to other labour work. “We are all skilled labourers with a specific knowledge of yarn and cloth-making. But some among us are pushed to working as construction workers or take up menial jobs in garage or hardware shops,” says Mahmood’s co-worker, Ashraf Ansari. It is not just the migrant workers but also the local loom owners who have slowly shifted to smaller business; some, in a desperate situation, have moved to working in warehouses and industrial units nearby.

There have been several reasons for the death of Bhiwandi’s textile business, once known as “India’s Manchester”. But the biggest monsters that nearly killed the once-thriving textile industry in the state are the government’s unprecedented demonetisation move and the Goods and Service Tax (GST) being slapped on every step of procurement and production of grey, a kind of rough-hewn cloth, that is processed into fabric.

“These two decisions (demonetisation and GST) broke the backbone of our business,” says 45-year-old Ishtiyaque Ahmed Ansari, who was recently forced to sell 106 power loom machines to a scrap dealer. “One pair of machine costs anywhere between Rs 85,000 and Rs 90,000, and I sold them for Rs 36,000,” Ishtiyaque tells The Wire.

Ishtiyaque’s father had come to this 150-year-old town in 1962, from Allahabad district in Uttar Pradesh. Belonging to the traditional Bhunkar (weavers) community, his father was earlier involved in the hand loom business and had come to Bhiwandi in search of “English textiles”, common parlance for power looms.

“He started with one loom and over decades of hard work, from his generation to mine, it had grown to over 100. But now I am back to square one,” he says. During its heydays, his unit would produce 700 metres or 70 taaka cloth on a daily basis.

Until November 2016, most business transactions here were carried out using cash. Almost 90% of loom owners and workers operated without bank accounts. Locals say it took more than a year for workers to get their bank accounts opened and for the cycle to normalise. Immediately after that, the GST was introduced. “This time we had to just shut our shops,” Atif says.

Bhiwandi looks like it is stuck in some kind of time warp. Access to this cluttered power loom centre is only through a maze of muddy roads. There is no direct railway line, and the city suffers from poor infrastructure. Lack of alternative employment opportunities is now forcing workers to travel longer distances in search of jobs. The workforce here mostly comprises men, and women have even fewer employment opportunities to explore.

Muslims here look beyond the Hindu-Muslim binary but say it is their caste that has been responsible for their conditions. Ishtiyaque says most secular parties here have picked upper-caste Muslim candidates from the region, who have very little to do with the weavers’ community.

Supporting Ishtiyaque’s claims, Abdul Rashid Tahir Momin, an ex-MLA from the region and a senior Congressman, says lack of representation of the weavers’ community in both parliament and the state assembly is one of the primary reasons for Bhiwandi’s fall. “You look at both the Centre and the state, you won't find a single representative from the weaving community. From Bhiwandi, which is a hub of the textile industry, only three times (of them, Tahir was nominated twice and he won once) an Ansari or a Momin was nominated as a party candidate. It matters a lot who represents us and who is willing to take up our issue in the assembly and parliament," Tahir says.

Tahir, a two-time MLA, was hopeful to secure a Congress ticket this year but the party chose Shoeb Ashfaque (Guddu), an upper-caste Muslim candidate instead. In the Bhiwandi West constituency, of the total 2.7 lakh voters, 1.35 lakh are Muslims, and among them 71,800 are from the Ansari and Momin communities.

"You look at the number of times questions from Bhiwandi have been raised in the parliament. Our local MP Kapil Patil says he doesn't get the textile issue and doesn't speak of it in the parliament," says Shafiq Momin, a local. In the last five years, the only questions raised by Patil from the region, so far, have about the direct train connecting Bhiwandi with Mumbai. In assembly, there have not been any concerns raised in the last BJP tenure.

In Bhiwandi West and Bhiwandi East seats, incumbent MLAs Mahadeo Chougule of the BJP and Rupesh Mhatre of the Shiv Sena are seeking re-elections. In Bhiwandi (Rural), sitting MLA Shantaram More of the Shiv Sena is trying for another term. The BJP-Shiv Sena combine has relied heavily on non-Muslim voters in the region and managed a marginal win in all three seats.

"No one has bothered to come to us in the past five years. They did not come when our businesses collapsed or when our units shut down. And if they come to us for votes, we will chase them off," Dastagir Ansari, a 75-year-old, small-time mill owner said, without revealing much about his preferred party.

Source: thewire.in- Oct 14, 2019

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DGFT issues advisory for exports over issue of late cut imposed by the system while applying for MEIS

Taking note of the representations made by trade and export promotion councils (EPCs) regarding issue of late cut being imposed by the system while applying Merchandise Export from India Scheme (MEIS), the Directorate General of Foreign Trade (DGFT) has issued an advisory.

In a Trade Notice, DGFT pointed it has been receiving multiple representations from the members of trade and EPCs regarding the difficulties being faced by exporters, when a claim is being made for shipping bills, which have been re-activated in the E com module.

The trade has reported that under the current online MEIS application mechanism, the system is applying late cut based on the second submission date and not counting the date of first online submission of the applied shipping bills.

DGFT said many such cases have also been decided in the PRC waiving late cut when exporter applies for the second time on the basis of the re-activated shipping bills.

DGFT issued an advisory on the steps to be taken by the exporters. The steps that DGFT asked the exporters to follow are given below:

The applicant firm will create a new Ecom application number for the re-activated shipping bills for which the MEIS is intended to be claimed. At the time of generation of the new Ecom number, the online system may show the applicable late cut as on the date of generation of new number.

The firm would not submit this new/ revised application after building the Ecom application and getting the new Ecom number and instead is required to register a request at contact@DGFT to remove late cut for the shipping bills and mention the Ecom application number.

On receipt of such request, the NIC team at the DGFT headquarters would edit the late cut fields in the application at the back end.

For full details, please visit the link below:

http://dgft.gov.in/sites/default/files/Trade%20Notice%20No%2036.pdf

Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy of India (FTP 2015-20) is one of the two schemes introduced in Foreign Trade Policy of India 2015-20, as a part of Exports from India Scheme.

Under MEIS, the government provides duty benefits depending on product and country.

Source: knnindia.co.in- Oct 15, 2019

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MSME debts: Garment units seek Nirmala Sitharaman's intervention

The acting chairman, Apparel Export Promotion Council (AEPC), Mr. A Sakthivel has urged the Centre's intervention to protect MSME industries which are struggling due to stressed loan accounts.

According to A Sakthivel, Finance Minister Nirmala Sitharaman announced that banks will not declare any stressed loan accounts of MSMEs as NPAs till March 2020. He said, "The minister said that several MSMEs want one-time settlement of their outstanding dues which should be settled expeditiously by the banks. She pointed out that government wants banks to recast MSME loans instead of declaring it NPAs."

He said, "In spite of the Finance Minister's instructions, banks are currently announcing NPAs of such accounts and are showing lack of interest to recast MSMEs debts. They are also reluctant to pass on the benefit due to various repo rate cuts to customers. This is a hurdle to attain the desired growth in business and the economy." He requested the Finance Minister to pass necessary orders to insist that all banks follow the circular and support MSMEs.

Source: deccanchronicle.com- Oct 16, 2019

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India has huge potential for trade with US, no dispute: Piyush Goyal

Commerce Minister Piyush Goyal on Monday said India does not have any trade disputes with the US, and there is huge bilateral trade potential.

Speaking at the India Energy Forum, he said, "We don't have any dispute with the US. There are differences with the US which are there in any bilateral relation."

Talking about these differences he also said that a little uncertainty in any relation is also good for having healthy bilateral relations.

He was of the view that there is huge potential for investment by US firms in India.

On the imposition of anti-dumping duty on imports by Directorate General of Trade Remedies, he said that it is a quasi-judicial body and has nothing to do with the government.

About the economic slowdown, he said that Indian economy can do well with these structural adjustments.

He pointed that the domestic economy did well for five years except the last two quarters.

Indian economic growth slowed to 5 per cent in April-June quarter this fiscal.

Source: business-standard.com- Oct 15, 2019

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