



**IBTEX No. 15 of 2020**

**January 20, 2020**

US 71.04 | EUR 78.86 | GBP 92.33 | JPY 0.64

<b>Cotton Market</b>		
<b>Spot Price - Shankar 6 ( Ex. Gin), 28.50-29 mm</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
19474	40700	<b>72.98</b>
<b>Domestic Futures Price (Ex. Warehouse Rajkot), January</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
19890	41570	<b>74.54</b>
<b>International Futures Price</b>		
NY ICE USD Cents/lb (March 2020)		71.25
ZCE Cotton: Yuan/MT ( May 2020)		14,005
ZCE Cotton: USD Cents/lb		92.61
<b>Cotlook A Index – Physical</b>		<b>79.20</b>
<b>Cotton Guide-</b>		
ICE is closed today as US observes Martin Luther King Jr. Day.		
While speaking about the previous week, the week was loaded with positive news coming in from the WEST namely:		
<ol style="list-style-type: none"> <li>1. US China Phase 1 trade deal</li> <li>2. Positive weekly Export Sales data</li> </ol>		

**DISCLAIMER:** The information in this message be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.

3. The replacement of NAFTA with USMCA
4. Dow Jones Industrial average at a lifetime high.

With the above positives, the speculators were seen to build more long positions thus bringing in the bullish sentiments for the international markets. Hence, the ICE Cotton futures were seen to show triple digit gains on Friday. The ICE March contract settled at 71.25 cents per pound with a change of +103 points. The ICE May contract settled at 72.19 cents per pound with a change of +100 points. The volumes were again decent at 32,285 contracts.

While speaking about the Open Interest at ICE and was reported at 251,730 contracts which is considered as a 11 month high. The ICE March open interest was seen to have a decline of 1626 contracts to 122,142 contracts. This again is a positive indicator for ICE contracts.

The MCX contracts on the other hand, the volumes were seen to skyrocket at 2,820 lots. These figures usually do not cross 2,000 lots. These figures coupled with 200 Rs gains contribute to strong bullish sentiments in the market. The MCX January contracts were seen at 19,890 Rs per Bale with a change of +210 Rs. The MCX February contract settled at 20,160 Rs per Bale with a change of +210 Rs. This morning while we write this report the MCX prices are seen to have shown some correction and are trading -100 Rs lower.

The Cotlook Index A is unchanged at 79.20 cents per pound. The CAI prices of Shankar 6 are seen to have shown strong gains of +400 Rs. While speaking about seed cotton arrivals in India, 2,25,000 lint equivalent bales is the estimated number. This includes 60,000 from Gujarat and 56,000 from Maharashtra and around 45000 from Telangana.

On the fundamental front, for the following week, with long positions already built up we expect marginal gains for the ICE contract. For MCX we still presume that a sideways trend would prevail.

**Compiled By Kotak Commodities Research Desk , contact us :**  
**<mailto:research@kotakcommodities.com> or can contact:**  
**[allwyn.stewart@kotakcommodities.com](mailto:allwyn.stewart@kotakcommodities.com), Source: Reuters, MCX, Market source**

### NEWS CLIPPINGS

<b>INTERNATIONAL NEWS</b>	
<b>No</b>	<b>Topics</b>
1	USA: US-China trade deal: Damage done won't be undone, further damage is being avoided
2	China firm to invest 'millions of dollars' in Cambodia's cotton industry
3	APTMA summons meeting after govt ends concessions on power bills
4	'Pakistan economy to recover if IMF reforms implemented'
5	Bangladesh economy to grow 7.8pc in FY20: UN
6	Egypt: Industry minister presses for boosting partnership with UNIDO
7	Korean firms in China see challenges in 2020: survey
8	Kuwait Sadu House introduces traditional weaving art to world
9	Albanian: Trade Gap Widens 5.8% in 2019, Exports Down

<b>NATIONAL NEWS</b>	
1	Smriti Irani assures establishment of textile unit in Reasi
2	Commerce Minister Piyush Goyal to lead Indian delegation to WEF 2020
3	Terminal handling charges: Govt steps in to resolve dispute over levy
4	Tripura SEZ along Bangladesh to be multi-sector one
5	Basic textiles export from India fails to recover in December
6	Government mulls corporatising KVIC's marketing unit
7	Handicrafts expo in Tirupati brings artistic excellence to the fore
8	Blend of beautiful styles and concepts at Indian Silk Expo-2020

## INTERNATIONAL NEWS

### **USA: US-China trade deal: Damage done won't be undone, further damage is being avoided**

***Notwithstanding the agreement, tariffs imposed by both sides on each other's products during the last two years, continue. To that extent, the maximum comfort that can be derived from the deal is the signal that while the damage done won't be undone, further damage is being avoided.***

Coming nearly two years after the US and China embarked on a trade war, the Economic and Trade Agreement between the countries—popularly referred to as Phase 1 of a bilateral deal—is a welcome development. It is not an indication of the world's two largest economies having erased all differences on trade. Neither is a guarantee that trade tensions won't flare again. Nevertheless, it is a signal that both are willing to engage to identify a possible common ground.

Compared with expectations that the deal would be more of a face-saving, politically symbolic agreement, it certainly turns out to be more substantive. The substance though is not uniform. The most detailed are Chapters 1 (intellectual property), 3 (trade in food and agricultural products) and 6 (expanding trade). The depth and range of content in these chapters, particularly those on intellectual property, trade in food and agricultural products, and expanding trade, are very much in line with the grievances that the US has aired for a long time. The detailed provisions on safeguard of intellectual property are in line with US findings with respect to China, under the Section 301 of the Omnibus Trade Act of 1988. Intellectual property theft and violations have been major concerns of the US that have been flagged repeatedly for China, year after year, in the Special 301 reports of the USTR.

The interesting part of the provisions is the effort to outline conditions under which wilful theft of trade secrets might invite criminal action. The US has been able to get away with the rather audacious provision that US holders of trade secrets need not 'establish actual losses as a prerequisite to initiation of a criminal investigation for misappropriation of a trade secret'. It remains to be seen how forcefully the conditions are implemented in future.

Similarly, on the short chapter on technology transfer (chapter 2), the emphasis is on non-insistence of transfer of technology by host governments from foreign businesses with respect to licensing arrangements. The interesting part of this chapter is that unlike chapter 1 on intellectual property, which is primarily on what China would, or wouldn't 'do' for safeguarding US intellectual property, the technology transfer chapter doesn't mention China or the US even once. Instead it is confined to the safe reference of 'both parties'. This is clearly an area where much work remains to be done before specificities are reached.

Chapters 3 and 6 are the two most politically important chapters. Chapter 3 aims to address many regulatory issues in the Chinese market, prevalent as sanitary and phytosanitary measures (SPS) that affect access of US food and agricultural products. The key US exports identified by the chapter are dairy, infant formula, poultry, beef, pork, meat, seafood, rice, food additives and pet food. While making efforts to remove qualitative restrictions on US exports of these items to China, Chapter 6 provides targets on how much China should import from the US. It is projected that during the period January 1, 2020 – December 31, 2021, China's imports from the US should be \$200 billion more than what they were in the baseline year 2017.

The higher imports are across four broad categories: manufactured goods, agriculture, energy products and services. The maximum imports (\$77.7 billion) are projected for manufactured goods, including industrial machinery, electrical equipment, pharmaceuticals, aircrafts and iron & steel. These are followed by imports of \$52.4 billion of energy products (LNG, crude oil, refined products and coal); \$37.9 billion for services (IP fees, tourism, financial services, cloud services) and \$32 billion for agriculture (oilseeds, meat, cereals, cotton, seafood). The targets set out in Chapter 6, along with the provisions in Chapter 3, would enable president Trump to reach out to trade-oriented domestic constituencies in the election year. This includes both agricultural farming groups as well as industrial producers, who have been unhappy over the limited access they have been having in the Chinese market.

Chapters 4 and 5, which deal with financial services and macroeconomic policies and exchange rate, are again relatively less in content. On financial services, the emphasis is primarily on China liberalising foreign equity caps and limitations on scope of business operations for US service suppliers in insurance, banking, credit rating, electronic payments and securities

services. Interestingly, this is a chapter where China appears to have been successful in pushing through reciprocal measures with the US committing to expeditious processing of pending applications of various Chinese financial service suppliers. Chapter 5, like Chapter 2 earlier, is largely prescriptive with an eye on avoiding currency manipulations. It is interesting that a couple of days before the deal was announced, China was taken off the list of currency manipulators maintained by the US. Finally, chapter 7, which formalises the arrangements and structure for implementing the deal, puts in place a high-ranking mechanism, comprising the USTR and a Chinese vice-premier, reflecting the importance both sides have attached to the agreement.

Notwithstanding the agreement, tariffs imposed by both sides on each other's products during the last two years, continue. To that extent, the maximum comfort that can be derived from the deal is the signal that while the damage done won't be undone, further damage is being avoided. The possibility of the deal falling through, though, remains. While the import targets might be fulfilled, the crucial test of the deal will be on the success achieved by Chapter 1. US satisfaction over the improvement of the quality of protection for the IP held by its businesses would mean much in progressing on the next stages of the deal. In the meantime, truce might hold, given the 'substantive' achievements of the deal that can be showcased for US domestic constituencies.

Source: [financialexpress.com](http://financialexpress.com) - Jan 20, 2020

[HOME](#)

\*\*\*\*\*

## **China firm to invest ‘millions of dollars’ in Cambodia's cotton industry**

A Chinese company is eyeing an investment of “millions of dollars” in Kampong Speu province’s cotton industry, governor Vei Samnang told The Post on Sunday (Jan 19).

He said he met representatives of the firm on Friday at Kampong Speu provincial hall.

“It’s a big firm from China that has already conducted a study on the potential for investment in my province,” he said, noting that it is interested in growing and processing the crop.

“They will invest millions of dollars on 30,000ha in the province,” he said. Samnang said the project will attract other Chinese investors to the province. “It is a big project for the agriculture industry in Kampong Speu.”

He did not reveal the company’s name or provide concrete figures on the capital that will be invested.

“The provincial authorities will help the firm buy land by connecting them with landowners and facilitating the paperwork,” he said.

Samnang pointed out that available farming land in the province is scarce, with rice plantations, owned by private companies and families, occupying around 110,000ha.

The province also has around 45,000ha dedicated to sugarcane and another 45,000ha to mango.

The General Department of Agriculture’s director-general Ngin Chhay could not be reached for comment on Sunday.

In July last year, a Chinese firm called Jiangsu Lianfa Textile Co Ltd announced plans to invest in growing and processing cotton in Pursat province to supply garment factories.

The company has successfully conducted a preliminary test on the crop and is preparing a second test on 180ha in Bakan district.

Established by the French, the cotton industry in Cambodia thrived between 1965 and 1975, with thousands of hectares of the crop harvested each year. However, the industry declined during the Khmer Rouge years when nearly all agricultural resources were allocated to rice production.

Although cotton production continued under the Pol Pot regime, a lack of a market and years of insect infestation led Cambodian farmers to all but give up on it by 1985. - The Phnom Penh Post/Asia News Network

Source: thestar.com.my - Jan 20, 2020

[HOME](#)

\*\*\*\*\*

### **APTMA summons meeting after govt ends concessions on power bills**

All Pakistan Textile Mills Association (APTMA) has summoned an emergency meeting next week to discuss 'options including the closure of textile mills' as the federal government ends concessions on electricity bills, ARY News reported on Sunday.

The distribution companies have received the notification of the Power Division which stated ending of exemption to the textile industries from the levy of electricity bills. According to the notification, the textile mills will pay Rs20 instead of Rs12 per unit in term of electricity charges. Following the development, APTMA summoned an emergency meeting in Lahore next week to discuss various option including the closure of textile mills, sources said.

The owners claimed that it is impossible to run textile mills without receiving subsidy on power bills which had been promised by the federal government in the month of January last year.

Commerce and Investment Abdul Razak Dawood had said that the government was making all-out efforts to boost textile sector in the country. Talking to a delegation of All Pakistan Textile Mills Association (APTMA), who called on the advisor at his office, Razak Dawood said that the government would soon release funds under the new textile policy scheme.



Liquidity crunch, access to finance, textile value addition and other issues were discussed in the meeting. The advisor assured the APTMA delegation that the government will address all their grievances on priority basis.

Source: arynews.tv- Jan 19, 2020

[HOME](#)

\*\*\*\*\*

## **'Pakistan economy to recover if IMF reforms implemented'**

The UN projects Pakistan's economy to grow by estimated 3.3% for 2019-20, is projected to slip to 2.1% next year, while Indian economy will grow by 5.7% in the current fiscal year and expects it to rise to 6.6% in the next. Bangladesh is forecast to grow by 8.1% this fiscal year and 7.8% in the next. In Pakistan, the economy is expected to recover slightly from 2021 onward, amid the implementation of government reforms.

The projections were made in the UN's World Economic Situation and Prospects (WESP) report.

According to the report, only China has a higher growth rate than India among the world's large economies with a 6% forecast for the current calendar year.

The report says Pakistan, meanwhile, has been struggling with a balance-of-payments crisis and the burden of high public debt, which have led to an arrangement with the IMF and corresponding fiscal tightening. High inflation and security concerns have hurt domestic demand and private investment, and the government's ability to address the slowdown has been severely curtailed by the fiscal tightening.

Export growth has fallen to 0.4% owing to disappointing sales of textiles, which constitute 60% of the country's goods exports. GDP growth has remained weak at 3.3% in both 2018 and 2019-well below the 4-6% range of previous years.

Nevertheless, the economy of Pakistan is expected to recover slightly from 2021 onward as increased government revenues from a tax hike allow

expanded public investment and as other government reforms required by the IMF begin to bear fruit.

In 2021 the economy is projected to grow by 3.3%.

Continued commitment to reform, combined with productive investment in infrastructure and strategic capacity development, will be critical for the country to find its way back to its previous growth path. Meanwhile, the State Bank of Pakistan is balancing a stronger commitment to inflation targeting with a managed depreciation of the currency, but this is complicated by increases in energy tariffs that have been imposed as part of the fiscal reform package.

While the tightened monetary policy in Pakistan is expected to help move inflation towards target levels in the years to come, the country's inflation remains extremely vulnerable to fuel price fluctuations and weather conditions, as is the case for most countries in the region. A good harvest and resulting moderate food price inflation will be of critical importance for the region's poor, whose household budgets are strongly linked to food prices.

In Afghanistan, Bangladesh, Pakistan and Sri Lanka, for example, more than 30% of youth are not in education, employment or training; in India, this figure is over 40%.

Briefing the media about the report, UN's Chief Economist Elliott Harris presented a dire picture of the global economy last year when the world's gross product growth rate dropped to 2.3%, the lowest in a decade. Elliott Harris said that rising tariffs and rapid shift in trade policies were responsible for the lower growth rate with the United States-China trade disputes playing a significant part.

Associate Economics Affairs Officer Julian Slotman, the UN's point person for Indian and South Asia, said in an interview to foreign media that "globally we have seen a large impact of trade tensions, particularly between the US and China, but also other major economies, that have affected growth rates across the globe and also, of course, India which is a very open economy, that has a lot to gain from international trade," Julian Slotman said. The world economy risks suffering a slowdown in 2020 that would derail efforts to

tackle the mounting climate emergency and heightened poverty around the world, the UN warned.

“Impacted by prolonged trade disputes, the global economy suffered its lowest growth in a decade, slipping to 2.3% in 2019 however, (the world) could see a slight uptick in economic activity in 2020 if risks are kept at bay,” United Nations said in its flagship World Economic Situation and Prospects (WESP) 2020 report.

The report states that growth of 2.5% in 2020 is possible, “but a flareup of trade tensions, financial turmoil, or an escalation of geopolitical tensions could derail a recovery”. In a downside scenario, global growth would slow to just 1.8% this year.” It said a prolonged weakness in global economic activity may cause significant setbacks for sustainable development, including the goals to eradicate poverty and create decent jobs for all. “At the same time, pervasive inequalities and the deepening climate crisis are fuelling growing discontent in many parts of the world.” UN Secretary-General António Guterres warned that these risks could inflict severe and long-lasting damage on development prospects. “They also threaten to encourage a further rise in inward-looking policies, at a point when global cooperation is paramount.”

Source: gulf-times.co- Jan 19, 2020

[HOME](#)

\*\*\*\*\*

## **Bangladesh economy to grow 7.8pc in FY20: UN**

The United Nations on Saturday projected that Bangladesh’s economy would grow by 7.8 per cent in the current fiscal year of 2019-2020, lower than the country’s GDP growth of 8.15 per cent in the previous FY 2018-2019.

Earlier on January 9, the World Bank in its report titled ‘Global Economic Prospects, January 2020’ also projected a slower pace of gross domestic product (GDP) growth at 7.2 per cent for the FY2020.

The UN, in its latest World Economic Situation and Prospects report released on the day, also mentioned that Bangladesh’s strong dependence on the textiles and garment industry was a major weakness of the economy.

The drivers of the current economic growth of Bangladesh and some other South Asian countries also exposed significant weaknesses as all of these countries rely heavily on a small number of sectors for their economic development, it said.

‘Bangladesh continues to depend strongly on the textiles and garment industry, a sector that ranks poorly in terms of product complexity, rendering the country’s economy among the least complex in the world and leaving it highly exposed to external shocks,’ the report said.

Bangladesh, Bhutan and Maldives, however, have taken advantage of significant economic opportunities created by global trade disputes and geopolitical tensions, it added.

‘Driven by the expansion of its garment industry, which has prospered partially as a result of trade disputes between the United States and China, Bangladesh enjoyed exceptional GDP growth of 8.1 per cent in 2019,’ said the report.

Development prospects are also held back by persistent and often expanding inequalities in the region.

Referring to the UNESCAP (2018), the report said that income inequalities increased in India, Bangladesh and Sri Lanka between the early 1990s and the early 2010s.

Gender inequalities also remain high in the sub-region, it added.

In the report, the UN also forecasted 7.1 per cent GDP growth for the FY2020-2021.

Annual inflation rate may also rise to 5.9 per cent in FY2020 from that of 5.1 per cent in FY2019, the report projected.

Regarding the youth manpower, it said that a sizeable population remains outside the labour force as a third of the youth in Bangladesh and some other South Asian countries including Sri Lanka, Pakistan and Afghanistan are not in education, employment or training (NEET).

According to the report, Bangladesh, one of the 15 least developed countries (LDC), is growing above at least 7 per cent as per the target 8.1 of the sustainable development goals (SDGs).

The report said that several countries, including Bangladesh, were still involved in the construction of new coal-fired power plants despite an acceleration in the pace of decommissioning and cancellation of 1,034 planned or announced projects since 2015.

This demonstrates a persistent lack of recognition of the urgency of transitioning towards clean energy, encouraging financial investment in plants that are likely to become stranded long before the end of their technical life of up to 75 years, it said.

Bangladesh is in the third position with a 2,774-megawatt capacity of proposed and new coal plants in 2019, it said, adding that the total world capacity of proposed and new coal plants in the year was 51,855 megawatts.

Source: newagebd.net- Jan 19, 2020

[HOME](#)

\*\*\*\*\*

### **Egypt: Industry minister presses for boosting partnership with UNIDO**

Trade and Industry Minister Nevine Gamae has said her Ministry is keen on boosting cooperation and partnership with all international organizations, particularly the UN Industrial Development Organization (UNIDO), with the aim to implement development programs that would also contribute to creating jobs for youth.

Gamae was speaking during a meeting with acting regional director of UNIDO Bassel el Khateeb earlier Sunday.

The meeting took up upgrading a partnership program between the Egyptian government and the organization meant to boost comprehensive and sustainable industrial development.

Gamae stressed keenness on reaching an integrated program that would help hone the competitiveness of the Egyptian industry on local and foreign markets.

The program focuses on the textile, food, leather, furniture, chemical and electronic industries, she said.

The program will be implemented in coordination with government bodies concerned, as well as the private and banking sectors and international donors, Gamae added.

Source: [egypttoday.com](http://egypttoday.com)- Jan 19, 2020

[HOME](#)

\*\*\*\*\*

## **Korean firms in China see challenges in 2020: survey**

South Korean companies operating in China expected a more challenging business environment this year due to intensifying competition and weak demand, a survey showed on Sunday.

The business survey index (BSI) of 217 South Korean companies operating in China came to 83 in the first quarter of the year, compared with 86 in the October-December period of last year, according to the Korea Institute for Industrial Economics & Trade.

The surveyed showed the companies saw their business confidence edge up in the fourth quarter of 2019 despite the Sino-American trade war, with the index marking the first on-quarter rise in more than a year.

A reading below 100 means pessimists outnumber optimists, while a figure above the benchmark means the opposite.

Among the companies surveyed, automakers and chemical firms expected their sales to improve this year, while electronics and textile firms projected a prolonged slump in their sales.

China's economy, meanwhile, expanded 6.1 percent in 2019 from a year earlier amid the prolonged trade row with the United States, marking the lowest rate in 29 years.

Source: [en.yna.co.kr](http://en.yna.co.kr)- Jan 18 2020

[HOME](#)

\*\*\*\*\*

## **Kuwait Sadu House introduces traditional weaving art to world**

Sadu exhibition, Sadi, hopes to showcase the creativity of Kuwaiti weavers to the world after the success of last year's event in Dubai. The event, which was launched once again at Kuwait Sadu House on Saturday as part of the Al-Qurain cultural festival, hosted five practitioners of the traditional wool textile art once only common to the country's desert dwelling Bedouin community.

"The exhibition's participants have excelled in uncovering the harmony of sadu art and have applied this to their own works, through spinning and weaving in various patterns and rich colors," honorary president Sheikha Altaf Al-Sabah said. Kuwait Sadu House, a not-for-profit organization, is keen on introducing the event to a wider international audience following its success across several Gulf countries.

Sadi is an "ambitious initiative aimed at encouraging creativity and innovation" amongst local sadu practitioners, she added. "It gives these artists the opportunity to unearth different aspects of this textile heritage and rethink and re-interpret these traditions in a contemporary manner – each artist has their own way of interacting with the fabric," she said.

Source: kuwaittimes.net- Jan 19 2020

[HOME](#)

\*\*\*\*\*

## **Albanian: Trade Gap Widens 5.8% in 2019, Exports Down**

Albania's trade deficit increased by 5.8% year-on-year in 2019, reaching Lek 350 billion (Dollar 3.2 billion/Euro 2.8 billion), the statistical office said. Exports fell 3.8% on the year to Lek 299 billion in the period under review, while imports increased 1.2% to Lek 649 billion, INSTAT said in a statement. In December alone, Albania's trade deficit amounted to Lek 34 billion, down 12.6% year-on-year.

In December, the value of exports was Lek 22 billion, increasing by 1.2% compared with the same period of previous year. The value of imports was Lek 55 billion, decreasing by 7.6%.

Italy remained Albania's main trading partner last year, absorbing Albanian exports of Lek 143.1 billion and providing imports of Lek 164.2 billion to the country. Other major exporters to Albania were Turkey, China and Greece. Albania exported mainly textiles and footwear, minerals, fuels and electricity as well as construction materials and metals.

According to INSTAT, the goods that impacted the annual drop in exports were construction materials and metals, minerals, fuel, and electric power as well as textile and footwear.

Meanwhile, Albania's exports to the European Union (EU) accounted for 76.6% of total exports.

During 2019, Albania has recorded a significant increase in trade exchanges with Kosovo. Referring to INSTAT data, Albania exported goods to Kosovo worth Lek 29.8 billion last year, increasing by Lek 2.8 billion more than in 2018.

On the other hand, Albania imported Lek 7.7 billion from Kosovo in 2019, recording a decrease by Lek 1.2 billion compared to 2018.

Source: [albaniandailynews.com](http://albaniandailynews.com)- Jan 19, 2020

[HOME](#)

\*\*\*\*\*



## NATIONAL NEWS

### **Smriti Irani assures establishment of textile unit in Reasi**

Union Minister for Textiles and Women & Child Development, Smriti Irani on Sunday conducted public meetings at village Moori of Dheeti Panchayat and at Spritual Growth Centre here today.

Addressing a huge crowd near Middle School Moori, Smriti Irani congratulated the locals for participating in huge numbers in parliamentary as well as Urban Local Bodies elections in the recent past. She also congratulated the administration for successfully conducting the elections.

The Union Minister also passed directions for on-spot resolution of several demands raised at the occasion which were readily accepted by the district administration. A steel foot bridge over Junnie Nallah was also inaugurated by the minister at the occasion earlier in the day.

At another public meeting at Katra, the Union Minister met with elected members of Katra Municipal Committee, Panchs-Sarpanchs of block Katra, prominent citizens and a large number of students among locals. She also inaugurated road from Paroh-Arli and Kadmal-Dhanna roads through e-inauguration.

In her welcome address, the DC said that Reasi has a huge potential for organic farming and progressive farmers are already taking up cultivation of lemongrass, a highly profitable cash crop. Block Development Council chairpersons and sarpanchs of blocks Pintail and Katra also welcomed the Union Minister and raised development issues.

In a response to public demand for opening a textile unit in the district, the Union Minister assured that a suitable unit would be set up immediately after a formal request by the district administration.

Counting achievements of the central government, Smriti said that more than 8 lakh farmers are being benefitted under Pradhan Mantri Kisan Samman Nidhi. Similarly, around 24 thousand saffron growers have benefitted under National Saffron Mission till date in J&K. She said that under Pradhan Mantri Ujjwala Yojana, more than 12 lakh gas cylinders have been distributed to poor households of the Union Territory.

It was also told by the Union Minister that 3.5 lakh cards have been distributed, of over 11 lakh identified, under the ambitious Ayushman Bharat Yojana through which 50 thousand residents of the UT have already benefitted. She also told that more than 140 district and sub-district level hospital projects have been identified for up-gradation in Jammu & Kashmir in addition to the two upcoming AIIMS with an allocated budget of Rs 2 thousand crore.

Appreciating the enthusiasm of people of J&K towards Panchayati Raj and other democratic institutions, Smriti said that with dialogue and participation of people, all things are possible. 'A new wave of development has just begun', she added.

Source: statetimes.in- Jan 20, 2020

[HOME](#)

\*\*\*\*\*

## **Commerce Minister Piyush Goyal to lead Indian delegation to WEF 2020**

### **The summit will take place in Davos**

Commerce Minister Piyush Goyal will lead the Indian delegation to the 50th World Economic Forum (WEF) at Davos from January 20 to 24.

Goyal will also participate in an informal WTO Ministerial gathering being held in Davos during this period, the commerce ministry said in a statement.

The Union Minister will hold bilateral meetings with ministers of Australia, South Africa, Russia, Saudi Arabia, Switzerland, Korea and Singapore.

He will also meet Director General of World Trade Organization and Secretary General of Organisation for Economic Co-operation and Development (OECD).

Apart from this, Goyal will hold bilateral meetings with CEOs of companies, attend WEF sessions and round tables on 'Accelerating Investments in Indian Railways' and attracting Global Institutional Investments in India, the statement said.

The minister will participate in the WEF along with Union Minister of State for Shipping and Chemical and Fertilizers, Mansukh L Mandaviya; and Chief Ministers of Karnataka and Madhya Pradesh; Finance Minister of Punjab and the IT Minister of Telangana.

Source: thehindubusinessline.com- Jan 18 2020

[HOME](#)

\*\*\*\*\*

## **Terminal handling charges: Govt steps in to resolve dispute over levy**

### **Enforcement could prove challenging**

The Centre has allowed direct port delivery (DPD) clients and authorised economic operators (AEO) to pay terminal handling charges (THC) directly to the port terminals in a move that drastically alters the way the levy is collected.

The move is expected to end years of tussle between shipping lines and importers/exporters over the issue.

The decision, according to the Central Board of Indirect Taxes & Customs (CBIC), will improve the ease of doing business and save thousands of crores to the trade and industry.

#### **Bill of Lading**

In container trade, THC is currently levied by the port terminals on the shipping lines for services such as unloading cargo containers from the ship and carting them to the storage yard in case of imports and vice versa for exports. Lines, in turn, recover this amount from the importers/exporters as an extra charge over and above the ocean freight. The Bill of Lading -- a contract between the line and a customer -- demarcates the ocean freight and local charges such as THC and for delivering the container at the container freight station or inland container depot.

The trade (importers/exporters) have been accusing the lines of recovering THC charges higher than what the lines pay to the terminals to clear the containers. In short, they claim the recovery is not on an exact back-to-back basis, but with a mark-up.

In early 2000, the Tariff Authority for Major Ports (TAMP), tried to regulate the THC levied by the shipping lines from the trade, against which the lines went to court arguing that the rate regulator had no jurisdiction over the rates collected by the lines outside the port area.

"It appears that shipping lines are charging excessive charges as terminal handling charges than what the terminals are charging for clearance of containers. This should immediately be changed to facilitate ease of doing business," John Joseph, Chairman, CBIC, wrote in a January 13 communication to all principal chief commissioners/chief commissioners of Customs.

Direct payment

"As an immediate measure, trade notice/public notice may be issued in all Custom Houses under your charge to see that DPD clients and AEO clients are permitted to pay terminal charges directly to the terminals and this should be followed in letter and spirit," Joseph wrote in the letter, a copy of which has been reviewed by BusinessLine.

"This will actually save almost Rs 5,000 to Rs 10,000 per container as can be seen from the complaints received in my office. Since India is having a traffic of almost one crore containers, this will be a substantial gain to the industry and trade," Joseph, who was instrumental in introducing the DPD programme during his tenure as chief commissioner of Customs, Mumbai Zone II, added.

"The total freight from where the shipping line work starts to where it ends should be one cost, including the THC, but what they were doing is having separate heads while quoting to the exporters and importers; there was no transparency," said TS Ahluwalia, President, Northern India Shippers Association.

Shipping industry sources said that the new initiative will require changes to the Bill of Lading to make it "free-in, free-out" of containers, excluding THC, for smooth enforcement.

Lines' reaction

Shipping lines say they have been made the fall guy in the government's bid to reduce logistics costs.

“For a shipping line coming to Jawaharlal Nehru Port Trust (JNPT), we are paying \$160,000 as vessel-related charges per call. It is very high compared with other parts of the world. Nobody is questioning that. For customers, the criminal is the shipping line and the terminals are like saints. Somebody should question why they are charging so much. If the government is trying to reduce the costs, then why are these charges not reduced, why only the shipping line is blamed every time,” said an executive with a Europe-based container line.

Trade sources said that the new arrangement should be extended to all and not just to some 2,000 DPD and AEO clients, who form only 10 per cent of the total trade, particularly at JNPT, India’s busiest container gateway, to be effective.

“You cannot do it on a piecemeal basis for 10 per cent of customers and exclude the balance 90 per cent. If you want to make a policy, do it for everybody,” a trade source said.

Source: thehindubusinessline.com - Jan 19, 2020

[HOME](#)

\*\*\*\*\*

### **Tripura SEZ along Bangladesh to be multi-sector one**

The Rs 1,550 crore special economic zone (SEZ), to be set up along the Bangladesh border in Tripura, would be a multi-sector SEZ and not just agro-based food processing SEZ, official said here on Saturday.

The Centre has decided that all notified SEZs will be deemed to be a multi-sector SEZ.

"According to the previous notification, the proposed Tripura SEZ at Paschim Jalefa (near the India-Bangladesh border town of Sabroom) in south Tripura was to be agro-based food processing SEZ," said a Tripura Industries and Commerce Department official.

The SEZ is expected to open new avenues and attract private investment across sectors considering its proximity to Bangladesh's Chittagong international sea port.

A bridge -- Maitri Setu -- is under construction across the Feni river near the

proposed SEZ. On completion by April, it will connect Tripura with southeast Bangladesh and facilitate transportation of goods to the Chittagong port, which is around 70 km from Sabroom.

The official said the SEZ, to be developed by the Tripura Industrial Development Corp, could create 12,000 skilled jobs. Rubber-based industries, textile and apparel units, bamboo and agri-food processing industries will be set up in the SEZ.

"The Centre will allow 100 per cent income tax exemption on exports for SEZ units under Section 10AA of the Income Tax Act for the first five years. Exemptions from the Goods and Services Tax (GST) and supplies to SEZs will be zero under IGST Act," he said.

Addressing an event, Tripura Chief Minister Biplab Kumar Deb said on the request of the state government, the Centre decided to set up the SEZ with an aim to attract Bangladeshi investors. They could set up tea and rubber-based industries in the SEZ, he said.

The state would get sincere support from Bangladesh Prime Minister Sheikh Hasina, slated to visit Tripura in February, he said.

The Chief Minister said 25 acres of land had been acquired for the SEZ.

At an expenditure of Rs 1,150 crore, the Northeast Frontier Railway (NFR) has extended railway lines up to two bordering sub-divisional towns of Sabroom and Belonia.

The government-owned IRCON International NSE 1.51 % has also been laying 12.23 km rail at a cost of Rs 972 crore to link Agartala with the Bangladeshi railway network at Akhaura. The Agartala-Akhaura railway line would facilitate easier ferrying of goods.

Also, the journey distance between Agartala and Kolkata, via Bangladesh, will come down by a third, from 1,613 km through mountainous terrain via Meghalaya and Assam, to 514 km.

Source: [economictimes.com](http://economictimes.com) - Jan 18, 2020

[HOME](#)

\*\*\*\*\*

## Basic textiles export from India fails to recover in December

Basic textiles export declined 27% YoY in December 2019, both in terms of US\$ and INR worth US\$641 million or INR4,521 crore, accounting for about 2.3% of total merchandise exported from India during the month. A year ago, the same group of basic textiles had accounted over 3% of total merchandised export. Meanwhile, the INR to an US\$ weakened to average INR70.55 this December from INR69.35 last year.

Spun yarns shipment totaled 115 million kg (slightly below last year) worth US\$312.50 million (down 9%) or INR2,204 crore (down 8%). The unit value realization of all types of spun yarn averaged US\$2.71 per kg, lower by US cents 28 from a year ago and up US cent 1 from previous month. Bangladesh reemerged as the largest market for spun yarns, topping both in terms of volume and value, having risen year on year.

Cotton yarn export was 91 million kg worth US\$250 million (INR1,766 crore), down 14% from a year ago level. 78 countries imported cotton yarn from India in December at an average price of US\$2.752 a kg, up US cents 3 from previous month but down US cents 27 from a year ago.

100% man-made fibre yarns exports surged 39% in November extending the rally seen in the previous month. They comprised 3.1 million kg of viscose yarn, 3.6 million kg of polyester yarn and 1.9 million kg of acrylic yarn. The rise was led by viscose yarn, which almost doubled in terms of volume and up 40% in value.

Blended spun yarns worth US\$40 million were exported in December, up 3% YoY. During the month, 9.9 million kg of PC yarns was exported worth US\$23 million while 3.7 million kg of PV yarns were exported worth US\$9.50 million.

All kinds of filament yarns shipment totaled 69 million kg (up 15% YoY), valued at US\$104 million (down 3.6% YoY). Only nylon and polypropylene filament yarn exports were up in value terms with significant increases. Basic textiles export here comprise all types of fibres, all spun yarns and filament yarns.

Source: textilebeacon.com- Jan 18, 2020

[HOME](#)

\*\*\*\*\*

## **Government mulls corporatising KVIC's marketing unit**

The government is considering corporatising the marketing arm of Khadi Village and Industries Commission (KVIC) as it looks to boost the organisation's turnover to Rs 5 lakh crore, two officials aware of the matter said.

“KVIC and the government are now exploring the possibility of assigning the marketing function to a professional entity on a profit-sharing basis,” a government official closely associated with the development told ET.

The talks are, however, at a preliminary stage, the official added.

Minister for micro, small and medium enterprises (MSMEs) Nitin Gadkari has been pushing for modernisation of khadi and increasing KVIC's revenues in the second term of the BJP government. KVIC had reported a turnover of Rs 75,000 crore in 2018-19. It is expected to touch Rs 1 lakh crore in 2019-20.

A Reserve Bank of India-led panel in its report on the MSME sector had recommended such a measure last year.

“The committee recommends KVIC should be corporatised with focus on promotional work. The marketing function may be hived off and also corporatised to enable private participation and enabling (the) use of khadi in the private sector,” the recommendations of the panel had said.

We want that at least on the marketing, and exports side of things, we can introduce corporate culture,” a second official told ET, seeking anonymity. “This will help quick decision making.”

The Khadi and Village Industries Commission Act, 1956 allows KVIC “to promote the sale and marketing of khadi or products of village industries or handicrafts and for this purpose forge links with established marketing agencies wherever necessary and feasible”.



KVIC has, however, maintained that corporatisation of the organisation is not required and has conveyed the same to the MSME ministry through a letter, a third official said.

Source: [economictimes.indiatimes.com](http://economictimes.indiatimes.com)- Jan 19, 2020

[HOME](#)

\*\*\*\*\*

## **Handicrafts expo in Tirupati brings artistic excellence to the fore**

Artefacts representing the cultures of seven States of India are put on display at the 'Handicrafts Exhibition 2020', that began at Shilparamam (Urban Haat) here on Sunday.

Rosewood products from Karnataka are a hit among the visitors, followed by the Chennapatna wooden toys, also a proud symbol of workmanship from the same State. Then there are the terracota earthen products, brought by a team of artisans from Puducherry.

The inimitable weaves from the town of Pochampally represent Telangana, while stalls of beautiful embroidery works and artificial jewellery represent Delhi.

Andhra Pradesh, the hosting State, has stalls of Kalamkari sarees from Pedana, Narsapur crochet lace work and Venkatagiri sarees.

The expo, conducted jointly by the Union Ministry of Textiles and the State Department of Tourism & Culture under the banner of Andhra Pradesh Shilparamam Arts, Crafts and Cultural Society, is visited by as many as 50 artisans from across the country.

In fact, this is the lone event sanctioned by the Central government for the Tirupati Shilparamam for the current financial year. The event was formally launched by P.G. Neetha, in-charge Assistant Director (Handicrafts), Union Ministry of Textiles, in the presence of B. Jayaraj, Chief Executive Officer of A.P. Shilparamam.

Mr. Jayaraj, underscoring the importance of such events, said: "These expos provide the right platform for the artisans to reach out to the art-loving

citizens and a direct access to the customer at a reasonable price. Our intention is to save our age-old cultural heritage and pass on the traditional knowledge to future generations.”

The society has eight Shilparamam parks in Visakhapatnam, Tirupati, Kadapa, Pulivendula, Anantapur, Puttaparthi, Vizianagaram and Kakinada, while new parks are proposed at Guntur (under construction), Srikakulam, Kurnool, West Godavari, Krishna, Prakasam, Nellore, Vempalli and Idupulapaya (both in Kadapa).

The ten-day expo ends on January 28.

Source: thehindu.com- Jan 19, 2020

[HOME](#)

\*\*\*\*\*

## **Blend of beautiful styles and concepts at Indian Silk Expo-2020**

Gramina Hastakala Vikas Samiti organised a nine-day Indian Silk Expo-2020 at the Sri Satya Sai Nigamagaram, Srinagar Colony in Hyderabad. The expo was inaugurated by Telugu film actor Karronya Katrynn on Saturday. “Such platforms are required to reach out to women looking for well-designed handmade cotton, silk wear and exclusive home textiles. We can see a blend of different styles and concepts of silk and handloom creations coming together under one roof,” said the actor.

Speaking about the exhibition, organiser Jayesh Kumar said, “The main social objective of the handloom exhibition is to promote and encourage weavers and provide a market to the handloom industry. Through these exhibitions, we have been able to create a good market for the weavers and their handloom woven ware, even in places where exhibitions are not feasible. The motive of the exhibition is to provide pure silk and cotton products directly from the weavers to costumer without the involvement of merchants.”

The expo will be held till January 26 from 11 a.m. to 9 p.m.

Source: telanganatoday.com- Jan 20, 2020

[HOME](#)

\*\*\*\*\*