

**NEWS CLIPPINGS –01-12-2017**

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| **Cotton mills go slow on using Kochi port for trade** | **Business Line**  <http://www.thehindubusinessline.com/economy/agri-business/cotton-mills-go-slow-on-using-kochi-port-for-trade/article9978274.ece> |
| The increased prices for imported cotton seem to have prompted the Southern India Mills’ Association to go slow on its plan to facilitate import and re-export of containerised cotton through the Kochi Port.  **High prices**  “Right now the market is not conducive due to high international prices vis-a-vis domestic. It is expected to achieve a price stability in the next 3-4 months and imports will happen at this point of time,” G Radhakrishna, President, Coimbatore Cotton Association, said. “Either local prices have to go up to match international prices, or global rates should come down to match Indian prices. We believe that the price balance will be achieved by April-May for the imports to be concentrated,” he told BusinessLine.  **Coastal container route**  The international cotton prices are now at ₹42,500 per candy delivered at Indian port, while the domestic price is around ₹38,200, he said. However, he added that the association has started bringing cotton to Kochi through coastal container route from Gujarat utilising the facilities at ICTT Vallarpadam. “We are moving some containers to Kochi meant for the spinning mills located in Tirupur, Coimbatore, Salem, etc., from the western part of the country along with Tuticorin Port that caters to the mills in Southern Tamil Nadu,” he said adding that the first consignment of 50 containers of cotton bales have been brought from Mundra and Pipavav last week and more such shipments are lined up for the coming months.  Given the proximity of the Kochi Port to spinning mills in Coimbatore, SIMA and Indian Cotton Federation is toying up with the idea of importing and re-exporting of cotton through Kochi. Besides offering cost advantage, the closing down of Walayar check post after GST will also be an added advantage to them in ensuring faster movement of the raw material to the production units in the region. | |

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| **Skill India to train 20,000 youth in textile sector** | **Business Standard**  <http://www.business-standard.com/article/news-ians/skill-india-to-train-20-000-youth-in-textile-sector-117113001451_1.html> |
| About 20,000 youth across the country would be skilled by 2020 in apparel, made-ups and home furnishing sectors in collaboration with textile major [Arvind](http://www.business-standard.com/search?type=news&q=arvind)Ltd, said Skill Development and Entrepreneurship Minister Ananthkumar Hegde on Thursday.  "We have started skill training of about 1,000 youth as the first batch in Bengaluru and will soon extend it in other cities through the National Skill Development Corporation under the Pradhan Mantri Kaushal Vikas Yojana," he said.  [Arvind](http://www.business-standard.com/search?type=news&q=arvind)Ltd (formerly [Arvind](http://www.business-standard.com/search?type=news&q=arvind)Mills) is the flagship company of the Ahmedabad-based Lalbhai Group and manufactures cotton shirting, denim, knits and fabrics.  As the second largest employment generator in the country, the textile sector has huge demand for skilled candidates. The job roles, aligned to the National Skills Qualifications Framework, encompass training of candidates for three to six months. The skills are being provided at Arvind's nine training centres across the state.  "The youth will be trained to become specialised sewing machine operator, quality check executive in sewing line, packer, pressman and washing machine operator," said Hegde. The training is open to all skill seekers, especially the unemployed youth in 18-35 years age group.  "Corporate [India](http://www.business-standard.com/search?type=news&q=india)can be a major contributor to this nation-building exercise. The industry can utilise its expertise and provide relevant training to the youth in accordance with the demands," he said. The training will enhance productivity and employability opportunities for the youth and provide ready talent pool to the industry.  "As inclusive approach is key to sustainable skill development,Acorporates can play pivotal role in bridging the demand-supply gap of skilled workforce," said NSDC Chief Executive Manish Kumar. | |

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| **Manufacturing back in business, shrugs off GST, demonetisation blues** | **Economic Times**  <https://economictimes.indiatimes.com/news/economy/policy/manufacturing-back-in-business-shrugs-off-gst-demonetisation-blues/articleshow/61871901.cms> |
| Stunning. That was the only word to describe the number flashing on television screens on the evening of August 31 this year. The first-quarter GDP numbers had just been released and growth had slipped to 5.7%, a three-year low.  While that in itself was shocking, what was even more stupefying was the collapse of manufacturing. Quarterly gross value added (GVA) growth for the sector slipped to 1.2% compared with 10.7% in the previous year. 1.2%!, that’s it. Private sector growth, deduced from the data available from listed companies on the stock exchanges was even more stunning.  A negative 0.9% compared with a 10.2% growth in year-ago period! It took some time for the numbers to sink in. But when it did, the full extent of the problems in manufacturing induced by GST rollout became apparent. Businesses had stopped or sharply cut back production of goods in May-June ahead of the GST rollout on July 1. Small businesses still facing demonetisation after-effects suffered even more and that was fully reflected in the data captured by government’s statisticians.  Cut to November and the picture has changed. On Thursday, the second quarter GDP estimates were released showing a smart bounce in GDP and manufacturing. GVA for manufacturing rose 7% in the quarter compared with 1.2% in April-June, while private sector corporate growth was a healthy 11.4%. Of course, the numbers were still lower than 7.7% manufacturing growth in second-quarter of 2016/17 when the economy was humming along before the demonetisation shock in November last year. So there is a lot of room to do more. This is obviously not the best performance and one should refrain from celebrating too much or calling this a spectacular turnaround. But there is no doubt that the woes caused by GST and demonetisation, at least for big and medium manufacturers, have ebbed and that they are on the cusp of faster growth.  Consider the following: GVA for mining and quarrying grew 5.5%, the highest growth rate the sector has posted in the first-half of the fiscal year since 2015/16. Electricity, gas water supply and utilities recorded a growth of 7.6% in GVA compared with 5.1% in the year-ago quarter. The star performer here was electricity which grew by 6.1% in July-September compared with 3.1% last year.  Commercial vehicle sales jumped 21% in the second-quarter, while cargo handled by civil aviation grew by 18.9%; railway freight growth measured by net tonne kilometres was up 5.0%. Construction has been having a bad time but second-quarter numbers show that it has actually held up quite well. Now, construction here covers cement production, consumption of finished steel. These haven’t grown as much as the previous year but the category has grown 2.6%, which is up from 2.0% growth in the first-quarter.  An interesting anomaly needs to be mentioned here and that is the discrepancy between the cement production data and the actual volume growth reported by major cement companies in the three-months ended September 30.  Almost all the big cement firms reported double-digit volume growth in the second-quarter with ACC and UltraTech volumes rising 18% followed by Gujarat Ambuja’s 12% growth. Smaller JK Lakshmi Cement too reported 10% volume growth. New capacities through mergers helped support this growth but still this is surprising as the second-quarter is generally weak for cement companies due to monsoon and dull construction activity across the country. So one shouldn’t read too much into  the dip in cement production and I think a fuller analysis is needed to understand the demand conditions for cement companies.  On Thursday, we had another interesting data release and that was the performance of core industries. The eight core industries, that is cement, steel, fertiliser, natural gas, crude oil, refinery products, coal and electricity grew by 4.7%, compared with 7.1% last year. The figure was the same as previous month and the joint highest growth for this fiscal year. Once again, it shows a revival in manufacturing led by steel, refinery products, coal and electricity. | |

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| **BG-III cotton: super weeds threat looms large** | **The Hindu**  <http://www.thehindu.com/news/cities/Hyderabad/bg-iii-cotton-super-weeds-threat-looms-large/article21236136.ece> |
| Telangana Government writes to National Biodiversity Board seeking action  With one more season coming to an end for cotton cultivation as the pickings are in the advanced stage, the fear of spread of super weeds looms large. All this because of inaction by the Central agencies concerned on the illegal proliferation of an unapproved Bt cotton variety with herbicide-tolerant trait.  Highly-placed sources in the State Government told *The Hindu* that in the absence of any steps for regulation of the unauthorised variety of cotton seed, Governments of Telangana, Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka, Punjab, Haryana and others, where the fibre crop is cultivated on a large-scale, are in confusion and unable to act against it.  ‘Monsanto’ looms large  In a letter addressed to National Biodiversity Board (NBD) last month, the State Government wrote, “Monsanto, a US-based multinational seed giant, has developed herbicide-tolerant trait (BG-III) and commercialised it as ‘Round-up Ready Flex (RRF)’ in USA. It also intended to commercialise it worldwide including India and applied for permission through its business partner Mahyco to Genetic Engineering Appraisal Committee (GEAC) for commercial release of the new variety”.  Field trials were conducted but subsequently the application was withdrawn following growing agitations in the country against genetically modified (GM) crops.  “It is learnt that Mahyco had conducted field trials of several Bt cotton hybrids/varieties containing RRF trait”, the letter said adding that the unapproved RRF trait, however, got released into the environment either intentionally or unintentionally.  Now, the unofficial estimates put the extent of the unauthorised cotton to be about 20% in the country.  The China angle  The sources stated that Monsanto had officially denied leaking it in India and indicated that smaller seed companies could have sneaked it in from China. “The herbicide-tolerant Bt cotton seed is being sold apparently as unbranded variety with the promise of higher yield than BG-II variety. It was found to be in the field in Telangana during testing of some samples after Rabi season last year and it was brought to the notice of government immediately by booking a case under Environmental Protection Act,” the sources explained.  Much earlier, the unauthorised variety was found to be in cultivation in Gujarat for 3 to 4 years and from last couple of years in Maharashtra.  The officials suggested that it was time the NBD and Ministry of Environment and Forest to act upon at the earliest to take over the ‘nobody’s baby’ (variety) and start regulating it before imposing ban.  Harmful effects  Asked about the ill-effects of such herbicide-tolerant GM crops, Director of Telangana State Seed and Organic Certification Agency K. Keshavulu explained that the herbicide-resistant gene could spread through pollen into the biodiversity system leading to transformation of weeds into super weeds on a large-scale. It would not only threaten the growth and yields of all crops in future, but also could increase cultivation costs and lead to health hazards. | |

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| **After 5-month delay, foreign trade policy review likely on December 5** | **Business Standard**  <http://www.business-standard.com/article/economy-policy/govt-likely-to-release-free-trade-policy-review-on-december-5-117113000763_1.html> |
| After being postponed repeatedly for five straight months, the government will come out with the mid term review of the foreign trade policy (FTP) on December 5.  The five-year [FTP](http://www.business-standard.com/search?type=news&q=ftp)is in effect since April 1, 2015 and aims to facilitate exports so that the country manages to send out $900-billion goods and services by 2020. It also aimed at increasing India's share of world exports to 3.5 per cent, from 2 per cent.  The mid-term review of the [FTP](http://www.business-standard.com/search?type=news&q=ftp)is aimed to take stock of changing aspects of global trade, rationalise trade norms and bring into play new policies to boost trade facilitation that may include tweaks in the export promotion schemes. This was supposed to coincide with the July 1 rollout of the goods and services tax (GST) regime.  At the last assessment meeting of the FTP, senior officials mentioned that the December deadline was difficult to meet. However, work has picked up after a recent push from Commerce and Industry Minister Suresh Prabhu, told senior ministry officials.  They added the [FTP](http://www.business-standard.com/search?type=news&q=ftp)had been postponed on account of the debate on whether to reduce this target. Apex exporters body the Federation of Indian Exports Organisations (FIEO) had informed the ministry that the targets may need to be brought down, an official said. It was also indicated that the $900-billion target could be brought down finally.  FIEO Director General Ajay Sahai said exports would need to grow at a compound rate of 27 per cent annually until 2020 for the existing target to be reached. "With global trade growth forecasts still slow at 2.4 per cent, I'm expecting a compound growth of 15 per cent annually for India's exports," said Sahai. This will allow total exports to reach a cumulative $700-750 billion by 2020, he added.  Currently, assessing the effects of the [GST](http://www.business-standard.com/search?type=news&q=gst)regime on the export system and the export promotion schemes were throwing up new challenges every week, they explained. They also pointed out that traders' prime concern of a huge backlog over the yet-to-be disbursed [GST](http://www.business-standard.com/search?type=news&q=gst)refunds has been attempted to be addressed in the [FTP.](http://www.business-standard.com/search?type=news&q=ftp)  Since July 1, when the new tax regime came into effect, merchandise exports have limped on account of technical glitches, repeatedly changing export norms and operational issues such as low on ground implementation of said norms.  Apart from a Rs 50,000 gamut of tax refunds that is awaited by the industry, input tax credits have also been very slow on the disbursement front, FIEO claims.  India's exports dipped for the first time in 15 months in October falling 1.1 per cent. Last month's trade deficit widened the most in three years to $14 billion.  Exporters have also had to deal with state tax authorities who were not familiar with export procedures and, therefore, not willing to endorse documents. All this happened even as the government moved fast to make key changes to procedural norms, including clarifications on the calculation of currency exchange rates for drawback, changes to certification procedures and provisions changing the requirement of bonds and letters of undertaking.  Complaints regarding the reduced utility of duty credit scrips, which only covers basic customs duty and not other charges under the integrated GST, were also being looked into, another official said. | |

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| **Vietnam likely to achieve its textile, garment export target this year** | **Yarns and Fibres**  [http://www.yarnsandfibers.com/news/textile-news/vietnam-likely-achieve-its-textile-garment-export-target-year#.WiDiolWWbIU](http://www.yarnsandfibers.com/news/textile-news/vietnam-likely-achieve-its-textile-garment-export-target-year%23.WiDiolWWbIU) |
| Vietnamese on its way to achieve the textile and garment export target of $31 billion for 2017, according to Le Tien Truong, general director of Vietnam National Textile and Garment Group (Vinatex). As the average export growth rate in August and September indicates the target is achievable, another $8 billion worth of exports is needed before the year end.  Of the five major destination markets for Vietnamese clothing goods, the United States, Japan, South Korea and China are members of the Asia-Pacific Economic Cooperation (APEC) and jointly constitute 70 percent of export turnover, contributing remarkably to the country’s export growth in 2017. The fifth is the European Union (EU).  Exports to these five markets have witnessed exponential growth, said Truong.  From January to September this year, the clothing industry grossed $23 billion in export turnover, including yarn exports at $2.6 billion, materials and non-woven fabrics at $1.1 billion and clothes at $19.6 billion.  Exports to the US market have grown by 6.5 percent and are expected to reach about $13 billion this year. Exports to Europe and Japan have posted slower growth, between 4 and 4.5 percent. Exports to the South Korean market are expected to hit nearly $2 billion this year.  In the first eight months of this year, apparel and textile exports to China rose by 30 percent to $670 million. Export turnover to the Russian market will likely exceed $200 million this year making it among the top 10 apparel export markets. Russia is considered a potential market for Vietnam over the next five years.  In 2016, Vietnam’s textile and apparel exports were worth $28 billion and exports growth is projected to reach 10 percent this year.  According to Le Tien Truong, the US’ withdrawal from the Trans-Pacific Partnership Agreement (TPP) has not affected Vietnam's apparel exports to the US. | |