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NEWS CLIPPINGS –09-05-2018

Direct Bengaluru flightto boost textile trade	Times of India https://timesofindia.indiatimes.com/city/surat/direct-bengaluru-flightto-boost-textile-trade/articleshow/64086413.cms

Surat: Textile traders and exporters in the country's largest man-made fabric (MMF) sector are upbeat following announcement by budget carrier AirAsia India of launching its flight service between Bengaluru and Surat from June Bengaluru being a major textile and garment hub in south India, textile traders will have a direct linkage with wholesalers and manufacturers once AirAsia connects Surat with Bengaluru from June 1.

Industry sources said Karnataka has over 5 lakh garment workers and that Bengaluru alone houses more than 1,300 garment manufacturing units, which uses both MMF and cotton fabrics. Until now, dealers and manufacturers from Bengaluru were reluctant to visit Surat due to treacherous rail and road journey as Surat wasn't connected with air route.

The textile sector expects that the export of polyester fabric is likely to witness a boost with more international connectivity to be provided by AirAsia from Bengaluru. Southern Gujarat Chamber of Commerce and Industry's textile committee chairman Devkishan Manghani said, "As Delhi is the textile hub in north India and Kolkata in east India, Bengaluru is of south India. AirAsia's announcement about Bengaluru-Surat flight service has made local traders and those in textile sector here happy. AirAsia is operating on international routes as well and the connectivity to Bengaluru is going to boost export of textiles from Surat."

Federation of Surat Textile Traders' Association (FOSTTA) secretary Champalal Bothra said, "South India alone has 25 per cent market share for fabrics manufactured in Surat. Bengaluru is the hub of textile trade and it is connected with all the textile mandis in south India. The flight connection with Bengaluru will definitely boost the textile business. We have been demanding air connectivity to South India for the past 10 years. At last, AirAsia has fulfilled our dream. Central government should consider Surat as a tier-I city and provide all infrastructural and transportation facilities to us."

CAI retains cotton crop estimate at 360 lakh bales	Business Line https://www.thehindubusinessline.com/economy/agri-business/cai-retains-cotton-crop-estimate-at-360-lakh-bales/article23813448.ece

Statistics committee projects total cotton supply up to April 30, 2018 at 347 lakh bales

Retaining its earlier estimate of cotton crop at 360 lakh bales (each of 170 kg), the Cotton Association of India (CAI) has noted that around 86 per cent of the crop has already arrived in the market by April 30, 2018.

The apex cotton trade body has also made minor changes in the production figures for the states.

For Maharashtra and Karnataka, cotton production is estimated to be higher by 2 lakh bales and 50,000 bales, respectively, while the production in Telangana and Andhra Pradesh is now estimated lower by 1.50 lakh bales and 1 lakh bales, respectively, thus retaining the crop at the same level as in the previous estimate last month.

The Statistics Committee of CAI has projected total cotton supply up to April 30, 2018 at 347 lakh bales. This includes market arrivals of 311 lakh bales and imports estimated at 6 lakh bales, the CAI statement said.

The country's cotton consumption for the 7 months from October 2017 to April 2018 stood at 189 lakh bales with an average of 27 lakh bales per month. Exports are estimated at 61 lakh bales as on April-end.

Cotton stock at the end of April 2018 is estimated at 97 lakh bales, including 52 lakh bales with textile mills, while the remaining 45 lakh bales is estimated to be held by the Cotton Corporation of India and others, including multinationals, traders, and ginners.

As per the projected yearly balance sheet for the season 2017-18, total cotton supply till the end of the season by September 30, 2018 will be at 410 lakh bales, including the opening stock of 30 lakh bales at the beginning of the season.

Domestic consumption is estimated at 324 lakh bales, while the exports are estimated to be 65 lakh bales. The carry-over stock at the end of the 2017-18 season is estimated by CAI at 21 lakh bales. The Statistics Committee is scheduled to have its next meeting on June 11.

MP LEADS IN ORGANIC COTTON PRODUCTION: BISEN	**Daily Pioneer** http://www.dailypioneer.com/state-editions/bhopal/mp-leads-in-organic-cotton-production-bisen.html

Minister for Farmer Welfare and Agriculture Development Gaurishankar Bisen said that Madhya Pradesh in one of the leading States in the country in organic cotton production. Madhya Pradesh produces one quarter of the total world's organic cotton.

"Therefore, there is a need for better marketing arrangement for organic cotton being produced in the State at national and international level", Bisen said while addressing the convention on Organic Cotton held at Academy of Administration on Tuesday.

Bisen mentioned that demand for organic cotton has increased in the field of medical science. Best cotton production of Nimar area of the state has carved its special niche in the country. Farmers of Nimar area have shown interest in organic cotton production during the last 3-4 years.

He stated that a policy has been prepared by the state government in 2011 to encourage organic products. Several facilities along with subsidy are being given to farmers. While deliberating on measures to double farmers' income, Bisen urged voluntary organizations, working in the agriculture sector to work with the state government for effective implementation of government's programmes.

The Principal Secretary Farmer Welfare and Agriculture Development, Rajesh Rajora informed during the convention that first BT Cotton arrived in the state, but it did not prove worth enough for reducing the cost of the farmers. Discussing about the challenges of Organic Cotton, Rajora said that organic cotton of best quality is being produced in Khargone, Badwani, Jhabua and some districts of Nimar region.

He informed that the area of organic farming has increased seven times and become 6 lakh hectare approx. during the last 7 years in Madhya Pradesh. Besides, he said that export of organic products could reach Rs 1000 crore from Rs 600 crore owing to organic cotton.

The Principal Secretary further informed that Organic Farming Institute in Mandla, Organic Products Testing center in Jabalpur and Organic Cotton Research Institute in Khandwa are being started.

The convention was also addressed by the Chief Executive Officer of Pratibha Syntex, Shreyeskar Chowdhary and Executive Director of C&A Foundation, Leslie Johnston.

Agriculture experts and farmers expressed their views, during three sessions of the Organic Cotton Convention.

Director of Farmer Welfare and Agriculture Development, Mohan Lal apprised of the cluster prepared for organic farming.

Agriculture Experts also tabled their views during sessions on 'A collaborative industry approach besides improving farmers livelihood', 'A collaborative industry approach' and 'Support Systems in Public Institutions'.

The convention was organized jointly by the Farmer Welfare and Agriculture Development and C&A Foundation.

Leading farmers were honoured in the convention. These farmers have undertaken remarkable steps in the field of organic cotton production. Staff Reporter n Bhopal

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If rupee remains around 67, all traditional sectors of export will gain: Ajay Sahai, FIEO	**Economic Times** https://economictimes.indiatimes.com/markets/expert-view/if-rupee-remains-around-67-all-traditional-sectors-of-export-will-gain-ajay-sahai-fieo/articleshow/64079124.cms

In an interview with ET Now, Ajay Sahai, DG & CEO, FIEO, says we can provide 3% to 4% more competitiveness to export by halving transaction cost alone

Edited excerpts:

How do you see the recent rupee weakness impacting exporters as well as importers? Which sectors do you think would benefit from the rupee weakness?

In fact., rupee has depreciated by around 5% in the current financial year and overall 6% in the current calendar year.

This has definitely helped the competitiveness of exports but always keep in mind that currency is one of the factor which makes export competitive. There are other factors also which are equally important.

Coming back to the textiles, we have to keep in mind that Indian textile exports are more sensitive to the demand rather than to the price segment and the demand is not picking in the US and EU. In fact, in these countries, we are losing out our share to other competitors like Vietnam, Bangladesh, Cambodia and Myanmar.

We have to be a little cautious. Rupee alone will not provide much comfort to the export sector. Definitely, it will be one of the factors and its impact will vary from sector to sector.

In import-intensive sectors like gems and jewellery, petroleum, electronic hardware or high-end engineering products, there is a natural hedge and therefore the rupee depreciation is more or less nullified. But traditional sectors like handicraft, carpets, sports goods, marine products, agro and process sectors, textiles, footwear -- where we are less import- intensive -- will definitely be gainers.

Imports, definitely, will become costlier. There are issues with regard to increasing trade deficit, current account deficit and even inflation and therefore while it is good for the export sector, those who are receiving the remittances in the country and the other segments of economy may be adversely impacted with this depreciation.

In terms of competitiveness, what needs to be done? The rupee of course is one factor. It will help in the current situation but what are the other things that you would look at?

If you are talking about the textile sector, let us look at how we have performed over the last 10 years or so. In 2006, India's share in global apparel export was 3%. In 2016, we have increased it by 1% to take it to 4%.

In the meantime, both Bangladesh and Vietnam they have increased their global share to more than 4%. Their global share of Vietnam in today's apparel sector is around 5% and Bangladesh's is 6.4%. UNIDO has recently carried out a study which clearly demonstrated that over a period of time, India is losing its competitiveness even in the traditional sectors of exports like apparel and textile.

While of course we should be happy with the depreciation of Indian rupee, first, I am not sure how long it will last. Second, we have to use this time to address some of the fundamental issues relating to infrastructure, skilling of workers etc.

The relaxation in labour laws has happened. That will be implemented by state authorities in true spirit. The transaction cost for exports needs to be looked into. This is the time where we should look into the long-term solutions for exports. However, let us drive on the waive and if it can provide competitiveness and better prospects of exports to India, we should be happy with but I personally feel that if we want export to be on a sustainable path, we have to look into the core issues.

Which sectors do we need to watch out for once rupee starts to depreciate or remains around these levels?

If rupee remains at 67 or little above 67, that all traditional sectors of export – textiles, footwear, marine, agro process sector, sports goods, traditional sectors will gain a lot. Maybe pharmaceuticals and some of the sunrise sectors also, IT and IT enabled services will also be benefitted.

We will have little concern about import-intensive sectors like electronic hardware where we are still at a very nascent stage.

In export of cotton yarn, where we were one of the leaders – our share is down by 40% to China and China's overall imports. India's cotton yarn share was 20% and it has come down to 8% in last two years.

There are countries which are becoming more competitive. They are providing better facility to their exporters. They are providing more facilitating approach to their whole export strategy and therefore if we want the Indian exports to be on a long lasting path, we have to look into the core issues.

In terms of traditional sectors, are any policy interventions needed to boost exports or is just a weak rupee is sufficient?

No, policy intervention will be needed there. In fact, with the US raising dispute over the continuation of the export promotion schemes, a big question mark has been raised over continuation of these schemes. The government should have a fallback position that if something goes wrong we should have something in place to support export

I personally feel that while on the one hand, government and the industry have worked together for some of the replacement of these schemes, let us look at how we can reduce the logistics cost for Indian exports. Our logistics cost is one of the highest.

A number of initiatives have been taken. The government is looking into overall infrastructure improvement also. Lot of reforms have taken place in the road and shipping sector. The e-way bill has been introduced. We hope that the toll plaza at the boarders will be electronic. Third, let us look into more input of technology into the government processing so that the processing become simple and transparent.

Even if we reduce our transaction cost by 50%, we can provide 3% to 4% more competitiveness to export.

GST digital discounts may cost Rs 15,000 crore	**Times of India** https://timesofindia.indiatimes.com/business/india-business/gst-digital-discounts-may-cost-rs-15000-crore/articleshow/64087947.cms

NEW DELHI: The government has estimated that the Centre and the states may have to forgo up to Rs 15,000 crore in offering discounts of up to Rs 100 on GST for every digital transaction, including those done using credit or debit cards or mobile wallets and mobile and net banking.

Sources said the estimate is based on the average ticket size of the transaction being Rs 1,400 and a 2% relief being proposed on it. In case of transaction size of Rs 900 and assuming that 40% of the estimated 1,329 crore transactions were using digital payment tools, the revenue foregone would be of the order of Rs 9,500 crore a year.

The plan is limited to business to consumer (B2C) transactions for goods and services that attract 3% or more levy.

The issue was discussed at last week's GST Council meeting but a decision was deferred as a couple of states, including West Bengal, opposed the plan and in the absence of a consensus a group of state finance ministers headed by Bihar deputy CM Sushil Modi was constituted. The panel will submit its report in a fortnight.

Bengal finance minister Amit Mitra was of the view that the move is against the interests of consumers in rural areas, who may not have access to digital transaction tools. The Centre and most other states are in favour of the plan as it is seen as a tool that will encourage use of non-cash modes — at least for smaller transactions — and to that extent resulting in more transactions being reported (lesser evasion) and the government realising more revenue. This, officials said, will help the government more than make up for the revenue foregone.

It is quite common across the country for retailers to demand cash payments, citing higher transaction costs for card payments, although reality is they under-report sales and pay lower taxes. The government has come up with a discount on GST as a solution to counter this widespread evasion. Sources said the government is upbeat on the model practised in Brazil, where consumers are given credits even for purchase of a pack of cigarettes using credit cards or other digital means.

The credits are linked to consumers' social security numbers, which can be used to speed up passport, driving licence issuance or other facilities. While officials reckon that this will be easier to implement in India, given the widespread issuance of Aadhaar, there is no move to have a similar policy in place, at least for now.

GoM on incentivising digital payments under GST to meet on May 11	**Business Standard** http://www.business-standard.com/article/pti-stories/gom-on-incentivising-digital-payments-under-gst-to-meet-on-may-11-118050800602_1.html

Bihar Deputy Chief Minister Sushil Kumar Modi-led ministerial panel on incentivising digital payments under GST will meet on May 11 to assuage concerns expressed by some states, especially West Bengal.

To incentivise digital transaction, the GST Council had last week discussed giving a concession of 2 per cent in GST rate (where the tax rate is 3 per cent or more) to consumers making payment through cheque or digital mode. The ceiling for the discount would be capped at Rs 100 per transaction.

While most of the states in the GST Council were agreeable to the proposal, West Bengal had voiced concerns saying that the poor people will suffer because they still find cash as a viable mode for transaction, an official said.

"While 98 per cent of the states supported the idea, West Bengal opposed to it saying the poor would suffer. We will discuss the concerns and hope to achieve a consensus in the May 11 meeting," the official added.

The Modi-led Group of Ministers (GoM) has been tasked with submitting its report to the GST Council, chaired by Finance Minister Arun Jaitley and comprising his state counterparts, within 15 days.

The five member GoM include Gujarat Deputy Chief Minister Nitinbhai Patel, West Bengal Finance Minister Amit

Mitra, Haryana Excise & Taxation Minister Capt Abhimanyu and Punjab Finance Minister Manpreet Singh Badal.

Jaitley, after the GST Council meet last week, had said that while most states were agreeable to the proposal of giving a concession in GST rate, some states wanted a small negative list.

Made in Telangana sarees to be distributed for Bathukamma	Telangana Today https://telanganatoday.com/made-in-telangana-sarees-to-be-distributed-for-bathukamma

The State government is taking all measures to ensure that women are not disappointed with the quality and design of the Bathukamma sarees during this festive season and placed advance orders with the Telangana powerloom weavers.

Hyderabad: Powerlooms of Telangana State will produce the entire requirement of more than one crore Bathukamma sarees meant for distribution among Telangana women during the Bathukamma festivities. The sarees will be made available by third week of September, well in advance for distribution before the festival celebrations begin.

The State government is taking all measures to ensure that women are not disappointed with the quality and design of the Bathukamma sarees during this festive season and placed advance orders with the Telangana powerloom weavers.

Designs and quality of sarees have been finalised in consultation with women members of Self Help Groups. Due to lack of time, around 50 per cent of more than one crore sarees were procured from Surat and other textile hubs. It was observed that Telangana sarees received better response from beneficiaries than those procured from other parts of the country.

At a review meeting held in his camp office in Begumpet on Tuesday, the officials of Handlooms and Textiles department informed Minister KT Rama Rao that orders were placed in advance to powerlooms of Telangana State giving adequate time for production. He also inquired about work progress of Kakatiya Mega Textile Park at Warangal and Apparel Park at Sircilla.

The development of textile and apparels parks at Gundlapochampalli and Pashamyalaram, was also discussed and the Minister directed the officials to evacuate those who were operating non-apparel industries inside Gundlapochampalli Apparel Park as directed earlier.

A training and skill development centre for various handicrafts of Telangana will be established in the vacant land of the apparel park. The TSIIC officials were asked to develop necessary infrastructure to ensure speedy development of both the apparel parks.

For promotion of textile sales, Rama Rao directed the officials of TSCO (Telangana State Handloom Weavers Society) to redesign its website for online sales and increase number of TSCO centres to increase offline sales, besides taking up rebranding of different varieties of sarees. It has been decided to appoint community coordinators to encourage weavers to avail the government schemes like Nethannaku Cheyutha, Chenetha Mitra, looms upgradation and others.

Principal Secretary for Industries, IT and Textiles Jayesh Ranjan along with officials of Telangana State Industrial Infrastructure Corporation (TSIIC), textiles and other departments, participated in the meeting.

Cancel permits of firms misusing apparel park: KTR	**The Hindu** http://www.thehindu.com/news/cities/Hyderabad/ktr-for-cancellation-of-permit-of-firms-misusing-apparel-park/article23816339.ece

Industries and Textiles Minister K. T. Rama Rao has directed the officials to take steps to cancel permissions accorded to firms operating from the Gundlapochampally apparel park if they are engaged in activities other than apparel manufacturing.

Officials should explore options for setting up training and skill development centre for artisans engaged in production of handicrafts at the apparel park. The Minister, who reviewed the developments in textiles sector on Tuesday, wanted officials to ensure that basic infrastructure required for facilitating effective functioning of the firms located in the apparel park was developed and the government was in favour of constitution of a corpus fund for taking care of maintenance and related aspects.

The government was working out plans to attract more investment to the apparel park located at Pashamailaram and the officials of the TS Industrial Infrastructure Corporation should take steps for putting in place necessary infrastructure. The Minister said the demand for handlooms was on the rise and the Telangana State Handloom Weavers Cooperative Society should, accordingly, draw up plans to enhance the number of centres operated by the society at different places and re-brand the products in tune with the increasing demand besides hosting the details of the products online.

According to an official release, Mr. Rama Rao reviewed the progress of the schemes launched for weavers, including upgradation of the looms, and wanted the officials to appoint community coordinators, if need be, for effectively taking these programmes to the beneficiaries. Officials informed the Minister of the steps being taken for distribution of Bathukamma sarees to eligible beneficiaries and said the sarees would be available for distribution by the third week of September.

New GST returns may remove the leeway given to companies with less than Rs 1.5 cr turnover	**Business Line** https://www.thehindubusinessline.com/economy/new-gst-returns-may-remove-the-leeway-given-to-companies-with-less-than-rs-15-cr-turnover/article23810463.ece

This guideline will, however, help the system move towards invoice matching, which can check tax evasion

The new single-page return and the transition process approved by the GST Council in the May meeting is a step in the right direction as it tries to iron some of the difficulties faced by tax payers in the first few months, while trying to retain the basic objectives of GST – expansion of tax base and checking tax evasion.

That said, one of the provisions of this new return filing process that might not go down too well with tax payers is the withdrawal of the leeway provided to smaller companies to file quarterly returns.

The leeway

In the first few months after implementation of the GST, smaller companies faced greater difficulties in getting used to the tax filing on an IT platform. A lower level of computer literacy, lack of manpower and necessary infrastructure made it difficult for them to comply with the need to upload all the sales invoices every month in order to file the GSTR 1 returns. It was easier to get comfortable with GSTR 3B returns that are only summary returns and do not require uploading of invoices.

In order to provide some breathing space to smaller businesses, the GST Council, in its October 2017 meeting, asked taxpayers with turnover up to Rs 1.5 crore to file GSTR-1 on a quarterly basis. They were, however, required to file GSTR 3B on a monthly basis and receive input tax credit on a monthly basis.

With the need to upload invoices only once every quarter, the pressure on tiny businesses would have eased greatly. A look at the return filing numbers shows that about 40 per cent of regular tax-payers opted to file quarterly returns. While around 22 lakh GSTR1 return forms were filed in October and November 2017, the numbers increased to 55 lakh in December.

What's changed

The new return and filing process announced last week lays down that all taxpayers, with the exception of composition dealers and dealers with nil tax, shall file one simplified monthly return, GSTR1. The return filing dates are sought to be staggered, depending upon the turnover of the registered person.

The transition is set to be in three stages – In stage 1, the present system of filing of return GSTR 3B and GSTR 1 is set to continue and this is expected to continue for not more than six months.

After six months, the new single-page GSTR1 will have to be uploaded monthly by the smaller businesses, with turnover less than Rs 1.5 crore too. All the sales invoices along with self-declared input tax credit will have to be included in the return.

In stage 3, input tax credit will be available only if the supplier enters the transaction as part of his sales. In other words, the differentiation between smaller and larger businesses in GST filing is set to go after six months.

Right move

This is, however, a right move as invoice matching, which is necessary to check tax evasion, can happen only if all entities file returns for uniform periods. With some entities filing quarterly and others filing monthly returns, the mismatch in return filing dates made invoice matching difficult.

With the compliance ratio for filing GSTR1 hitting 63 per cent in December 2017, it is obvious that businesses are getting increasingly more comfortable with filing GSTR1 returns and uploading invoices. It is, therefore, right that the temporary relief provided to businesses is withdrawn.

Ethiopia government in sustainable cotton push	Eco Textile https://www.ecotextile.com/2018050823469/shows-events/ethiopia-government-in-sustainable-cotton-push.html

HAWASSA – A workshop on promoting sustainable cotton which was held in Ethiopia last week as part of a four-year government plan to reach export earnings of US$1 billion from its textile and clothing sector by 2019.

The garment and textile industries are now priority sectors of Ethiopia's second Growth and Transformation Plan (GTP II), which kicked off in 2015.

Within this context, cotton is a key strategic crop. And in addition to GTP II delegates were informed how in October 2017, a 'National Cotton Development Strategy' was validated, which aims to boost the production and productivity of Ethiopian cotton over a fifteen years period up until 2032.

In his opening address, H. E. Ato Bogale Feleke, Ethiopia's state minster Minister of Industry said: "In order to implement the strategy, a plan of action was proposed around five strategic objectives, including promoting socially and environmentally sustainable production practices (in the cotton sector)."

The workshop to promote Sustainable Cotton in Ethiopia was supported by Enterprise Partners (EP) and GIZ.

This new investment drive and focus on cotton sustainability comes after uncertainty in recent years about agricultural practices in Ethiopia which have been linked to land grabs – specifically in the Lower Omo Valley.

Time to take EU-Bangladesh relations to new heights	Dhaka Tribune https://www.dhakatribune.com/opinion/op-ed/2018/05/08/time-take-eu-bangladesh-relations-new-heights/

Reflecting on the EU-Bangladesh relationship on Europe Day

Bangladesh and the European Union have long been sharing a friendly relationship, which has grown stronger and warmer over time.

Since the establishment of formal diplomatic ties in 1973, both Bangladesh and the EU have come a long way and witnessed socio-economic changes over the long four decades.

The EU has established itself as the largest trade bloc in the world — average GDP per capita in the EU has almost doubled over the past 20 years.

In the meantime, Bangladesh has also attained remarkable socio-economic development and appeared as a model of development.

Evolving from the rubble of the devastating war in 1971, the country now has an expanding economy with macroeconomic stability, 7%+ annual average GDP growth, robust performance of exports, and strong foreign currency reserves.

The EU has consistently been a trusted partner of development of Bangladesh, and has contributed to attaining the status of middle-income country. Now we need to focus on how the partnership between Bangladesh and the EU could be further deepened in the future, especially when Bangladesh is on track for confirming its presence in the middle-income country club by 2024.

Figures and policies in our favour

The EU is a major player in the global economy in terms of trade and investment. The trade bloc is also the top trading partner for 80 countries. Also for Bangladesh, the EU continues to be a strong trading partner and a source of investment for more than four decades. The EU's imports from Bangladesh reached $19.35 billion in 2016-2017 fiscal year, accounting for around 55.84% of Bangladesh's total trade.

It is mainly due to the trade preferences Bangladesh gets from the EU under its "everything but arms" arrangement, which grants duty free, quota free access for all exports, except arms and ammunition.

It's encouraging to note that our trade with the EU is growing. EU's imports from Bangladesh have almost trebled from $7.5bn to $19.3bn in the period between 2008-2007 and 2016-2017 fiscal years. The accumulated growth of Bangladesh's exports to the EU was 156.27% in the last 10 years.

Currently, apparel is the main export item of Bangladesh, which represents around 92% of our total exports to the EU. In recent times, frozen food, agri-products, footwear, leather products, and bicycles have also appeared to be promising items of export to the EU market. On the other hand, Bangladesh is also a potential market for the EU whose major export items are machinery, transport equipment, and chemicals.

The EU's exports to Bangladesh almost doubled in the last 10 years from $1.87bn to $2.83bn. The EU relaxed the rules of origin (RoO) in 2010 and brought it from 2-stage to 1-stage work processing for apparel, making it more favourable for our ready-made garment exports to the EU under Generalized System of Preferences (GSP) scheme.

Under the revised RoO, apparel exporters are enjoying duty-free access to the EU even if the apparel is made of imported fabrics. This has helped our apparel industry to register robust growth in the EU market in recent years and to secure 63% share of our total garment exports to the world.

The EU has been a major partner of the development of Bangladesh's garment industry, not only as a major importer, but also through its contribution to build capacity of the industry.

The EU's role to support our garment industry to improve workplace safety, labour rights, and general business conduct is widely acclaimed.

Progress and achievements

In 2013, the EU together with Bangladesh government, the ILO, and the US, adopted the Sustainability Compact, which has facilitated remarkable progress in the apparel industry in terms of workplace safety.

Bangladesh has achieved a paradigm shift in workplace safety in its garment industry where the Accord on Fire and Building Safety in Bangladesh, an initiative by leading EU brands and retailers sourcing garments from Bangladeshi factories, played a crucial role.

All export-oriented apparel factories have been inspected for structural, fire, and electrical safety by Accord, Alliance, and the National Initiative. Remediation is nearing completion, as the progress is around 83% in Accord affiliated factories and 88% for Alliance. We believe our safety standards will encourage European brands to source more garments from Bangladesh.

The EU is not only a trading partner of Bangladesh but also a good friend who assists our country to address various challenges on the way to development.

Apart from economic and trade development, the EU provides support to Bangladesh for human and social development, good governance, and human rights.

EU 'ssupport to Bangladesh also covers environment and disaster management, as well as food security and nutrition. We have witnessed how the EU has come forward to help us deal with the Rohingya issue and provided 13 million euros in the wake of the refugee crisis.

However, Bangladesh is gradually becoming economically strong, and we believe in the near future Bangladesh would reach a stage when development assistance would no longer be necessary.

Since Bangladesh is on its way to attain the status of a middle-income country, the country will require strong industrial development and investment to realize its vision.

The government has been working to accelerate industrial growth in the country by formulating business-friendly policies and building necessary infrastructure. Roads and highways are being upgraded, while steps are taken to enhance the capacity of sea ports.

Electricity generation has been increased to meet the growing demand of the expanding industrial sector, while an LNG terminal is being built to address the energy requirement in the country.

The government is also working to make Bangladesh a preferred destination of investment. Foreign investment in Bangladesh has hit a record in 2016-17 fiscal year, which was $2.45bn. Initiatives have been taken to simplify business processes in Bangladesh, and to improve our ranking in the World Bank's Doing Business Index.

The government has taken massive steps to develop 100 economic zones in next 15 years. Besides, we have a young and vibrant population which is a valuable asset to our country for investors.

The backward and forward linkage industries to the garment sector, man-made fibre based high-end textiles, pharmaceuticals, and footwear and leather products, frozen foods, ship-building have become promising industries in Bangladesh where foreign investment can be highly feasible.

Bangladesh has immense opportunities to diversify its export items, and the EU can play a key role in enabling Bangladesh to tap into those potentials. The EU can extend its support in enhancing Bangladesh's supply side capacity and promoting export-oriented FDI flows to Bangladesh.

The time is ripe for shaping the EU-Bangladesh relationship in line with the demands of the changing times.

We hope this relationship will reach a newer height, where the EU will be a strong and reliable partner in Bangladesh's journey towards prosperity, driven by trade and investment.