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NEWS CLIPPINGS –30-05-2018

Extend refund scheme for textile exports: council	**The Hindu** http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/extend-refund-scheme-for-textile-exports-council/article24029002.ece

Textile exports can touch 20 billion $ in five years, says its chairman

The Cotton Textiles Export Promotion Council has sought extension of the Refund of State Levies (ROSL) to textile exports.

Chairman of the council Ujwal R. Lahoti has said in a press release that he had pointed out in a recent meeting with the Union Ministers of Textiles and Finance that cotton textile exports reached 11 billion $ last fiscal and can touch 20 billion $ in five years.

Support

This requires policy support from the Government. The embedded taxes should be refunded, ROSL should be extended for textiles and pending GST, IGST claims should refunded at the earliest. He said in the release that the ministers had agreed to take steps for clearing the dues of ROSL refunds within 15 days, have promised that the Pillai Committee on Duty Drawback will examine issues of embedded taxes for all textile products, review the ROSL for made ups and include yarn and fabric under it, and clear pending GST and IGST refunds in 15 days to 20 days. Mr. Lahoti sought an integrated approach for the development of the textile industry so that the country's share in global world trade in cotton textiles increases from 10 % to 15 % in the next five years.

GST refund: Second phase of fast track clearance drive from Thursday	**Business Standard** http://www.business-standard.com/article/economy-policy/gst-refund-second-phase-of-fast-track-clearance-drive-from-thursday-118052901412_1.html

Special Refund Fortnight" to be organised from May 31 to June 14 in which Center and state GST officers will strive to clear all GST refund applications received on or before April 30, 2018

With an estimated Rs 20,000 crore exporters' refund still stuck, the government will launch the second phase of refund fortnight beginning May 31 to fast-track clearances.

"Special Refund Fortnight" to be organised from May 31 to June 14 in which Center and state GST officers will strive to clear all GST refund applications received on or before April 30, 2018," GST@GoI, which is the official twitter handle for GST related matters, tweeted.

Federation of Indian Export Organisations (FIEO) President Ganesh Gupta earlier in the day said refund of over Rs

20,000 crore is pending on account of IGST (integrated GST) and ITC (input tax credit).

"Many exporters have not been able to file the refund of ITC due to technical glitches as input tax credit and exports happened in different months," Gupta said.

In the first phase of refund fortnight observed between March 15 to March 30, the Central Board of Indirect Taxes and Customs (CBIC) had cleared refunds totalling Rs 17,616 crore.

This comprised Rs 9,604 crore of Integrated GST refunds, Rs 5,510 crore ITC refund by the Centre and Rs 2,502 crore ITC refund by states.

GST@GoI in another tweet said that the Special Refund Fortnight is for all GST refunds, including refund of IGST paid on export of goods and all refund claims submitted in FORM GST RFD-01A on or before April 30, 2018.

"All exporters are encouraged to approach their jurisdictional tax offices during the Special Refund Fortnight to clear any pending GST refund claims which were submitted on or before April 30, 2018," it said.

It further asked exporters that refund application in Form GST RFD-01A will not be processed only after a copy of the application is submitted to the jurisdictional tax office along with supporting documents. "Mere online submission is not enough," it added.

The FIEO president also said that since the GST refund process had considerably "slowed down", the federation has urged the Finance Ministry to look into the refund problem and organise a clearance drive to liquidate the pendency and bring the refund process on track.

A majority of the problems, Gupta said, relate to ITC refund which have to be done by the states as well.

GST refund of over Rs 200 billion pending with government, says FIEO	**Business Standard** http://www.business-standard.com/article/current-affairs/gst-refund-of-over-rs-200-billion-pending-with-government-says-fieo-118052901021_1.html

However, it expects exports to touch $ 350 Billion in 2018-19 up from $ 300 billion

Despite exporters still waiting for a massive Rs. 20,000 crore of tax refunds under the Goods and Services Tax (GST) regime and labour intensive sectors showing contraction, the apex exporters body in the country has pegged India's exports at $ 350 Billion in the current financial year up from last year's $ 300 billion.

"We expect a growth of 15-20 per cent over last year. The upward movement in petroleum and commodity prices could also add to export growth. The recent depreciation in the Indian Rupee is also helping exports, although its impact varies from sector to sector." Federation of Indian Exports Organizations (FIEO) President Ganesh Kumar Gupta said on Tuesday.

India's exports managed to cross the $300-billion target for the first time in two years in 2017-18. But major labour-intensive sectors such as sectors gems and jewellery, leather, apparel and handicrafts has continued to see decline till April. As a result, job creation has been dented. According to a rough estimate, every $ 1 million worth of exports creates 100 jobs. Therefore, additional exports of $ 2.7 billion should have created 2.7 million jobs in exports.

GS refunds still out of reach

A severe lack of liquidity rising from the introduction of the now 10-month of GST regime has now is behind the slowdown in these sectors. "As per our estimate, refund over Rs.20,000 crore are pending on account of Integrated GST and Input Tax Credit (ITC). Also, many exporters have not been able to file the refund of ITC due to technical glitches as input tax credit and exports happened in different months." Gupta said.

He pointed out that refunds had flown smoothly till March 31, after which the pace has considerably slackened. While claims over Rs.7000 crore were cleared during March, the amount in April has fell to a little over Rs.1000 crore.

FIEO Director General Ajay Sahai pointed out that of the total figure, ITCs constituted about Rs.13,000 crore while the rest was IGST. Refunds for exports made through non EDI ports, which constitutes about 15 per cent of India's outbound trade, are yet to start, Sahai added.

Getting states to pay up their share of the levy has also remained difficult. States such as Andhra Pradesh, Uttar Pradesh, Bihar and Chhatisgarh have said they are out of funds to pay exporters, Fieo said.

Procedural issues galore

The majority of the problems relates to ITC refund which have to be done by the States as well, Fieo has pointed out. The manual intervention in the refund process has added to the transaction time & cost of exporters.

Also, much stricter lending norms by banks in the wake of the Nirav Modi diamond scam has also reduced access to credit for exporters. Withdrawal of letter of offer and letter of comfort has added to the cost of the exporters raising it from 1 to 3 per cent. While the government had told the banks that 12 per cent of banking finance should go to exporters, no major public sector bank is currently providing more than 3 per cent, Gupta said.

The government has also been slow to move on the e-wallet mechanism, Fieo said, after it had been cleared by the GST council back in October, 2017.

Cotton exports estimated to reach 7.5 million bales, highest in 4 years	**Business Standard** http://www.business-standard.com/article/markets/cotton-exports-estimated-to-reach-7-5-million-bales-highest-in-4-years-118052901671_1.html

This will result in relatively large exports in the lean season

A sharp rise in international cotton prices, following abnormal weather conditions in major cotton-producing countries such as the US and China has improved India's prospects for cotton exports. Analysts and trade organisations are revising cotton exports estimates upwards for 2017-18 (October to September is the period of active cotton production).

Now, exports are estimated to reach 7.5 million bales, highest after 2013-14. Exporters' margins have also increased to a record high. Currently, the free on board (FOB) price of cotton being exported is 83.78 cents against the US benchmark ICE traded cotton price of 89-90 cents.

Such a high margin was never seen before, said an exporter, who is focusing on supplying cotton yarn, which has been preferred as a proxy to cotton because of India's inferior cotton crop quality in the season following a pink bollworm attack. Monthly cotton yarn exports in March were a record high at 158 million kg — the highest since December 2016.

Prerana Desai, research head at Edelweiss Agri Services and Credit said, "Indian cotton prices have remained subdued throughout the current cotton season. This is mainly due to the early reports of PBW damaged crop. With the sharp rally in the global prices, there is stiff competition.

This will result in relatively large exports in the lean season. India has exported around 6.1 million bales (with each bale of 170 kg) between October and April in the current season. The potential export capacity is 7-7.5 million bales. A weak rupee will provide a fillip to the cotton textile value chain exports, and thus end up supporting cotton prices for the rest of the season." Prices are rising because of heavy rainfall in the cotton-growing regions in China two weeks ago, and the country's depleting reserves, which is currently one-fifth of what it was three years ago.

Hence China's domestic supply is falling. US cotton has always been in demand, and India's cotton was less preferred because of its presumed inferior quality. Again, some importers of Indian cotton had shifted their focus to the US variety. As a result, in 2018, the price of the Indian Shankar-6 variety has increased 5.4 per cent, while prices of US cotton are up 14.4 per cent.

A sharp rally in US cotton, as against the slow increase of Indian prices, has spoiled arbitrage and traders are incurring heavy losses as the trend in price movement is unusual, said a trader. Atul Ganatra, president, Cotton Association of India said, "The cotton deficit in India is set to vary from earlier estimates, with exports likely to touch 7.5 million bales, up from earlier estimates of 6.5 million. Imports, which were estimated at 2 million bales, are now revised downward at 1 to 1.2 million bales."

Ganatra said, "Next season will start late, around the middle of October, as early sowing has not happened this season." Around 10 per cent of cotton seeds are sown before the rains starts. However, to avoid pink bollworm risk, the government has advised farmers not to opt for early sowing. This will extend the lean supply season period.

Exports may reach $ 350 bn this fiscal: FIEO	**Business Line** https://www.thehindubusinessline.com/economy/exports-may-reach-350-bn-this-fiscal-fieo/article24024970.ece?homepage=true

India's exports are expected to record a growth of about 15-20 per cent and touch $ 350 billion in the current fiscal on account of a host of factors including rise in commodity prices, exporters body FIEO said today.

Federation of Indian Export Organisations (FIEO) President Ganesh Gupta said despite increasing global protectionism, the country’s exports would continue to register healthy growth rates.

“Growth is looking promising this fiscal. Indian exports, which are hovering at around $ 300 billion, should show 15-20 per cent growth so as to reach $ 350 billion in this fiscal,” he told reporters here.

He said the northward movement in petroleum and commodity prices and the recent depreciation of Indian rupee are supporting exports.

He also urged the government to provide fiscal and non-fiscal incentives to boost the shipments in both advanced and emerging markets.

Job creation

Gupta also said that although exports have recorded growth in 2017-18, labour intensive sectors such as carpet and handicrafts have definitely dented the job creation opportunities.

“On a rough estimate, over $ 1 million exports create 100 jobs. Therefore, additional exports of $ 27 billion in 2017-18 should have created 2.7 million jobs in exports,” he added. In 2017-18, exports stood at about $ 303 billion.

Economic sanctions on Iran

Commenting on the US decision to impose economic sanctions on Iran, Gupta said it would create an opportunity for domestic exporters to increase their shipments to that country. He said that when the sanctions were imposed during 2013-14, the country’s exports to Iran increased to $ 5 billion and it was only $ 2.56 billion last year.

“The crucial issue is that what kind of sanctions are being imposed by the US. This time Europe is not there. If sanctions will be imposed on the financial system, it may create a challenge for us but otherwise it will help boost rupee exports to Iran,” he said. In such situation, Indian banks should help exporters by providing affordable credit. “I do not feel that India’s exports will be impacted due to the US sanctions,” he said.

Cotton prices firm up as demand rises and season nears end	**Financial Express** https://www.financialexpress.com/market/commodities/cotton-prices-firm-up-as-demand-rises-and-season-nears-end/1185997/

With arrivals slackening at the fag end of the season, cotton prices have firmed up by around Rs 350 to Rs 400 per quintal. According to industry experts, prices are likely to remain on the higher side with international market prices also on the rise. According to P Alli Rani, CMD, Cotton Corporation of India (CCI), cotton prices usually go up at this point in the season because of the slowdown in arrivals. According to market sources, cotton prices are around `44,000 per candy and they have been going up in the last 10 days. With more demand coming from spinning mills as well as ginners, prices are likely to remain firm.

According to Rani, so far, 320 lakh bales have arrived in the market and the season is likely to continue for another 30 days. Arrivals have slackened to 0.5 lakh bales a day and therefore the prices are up. According to cotton ginners, market sentiment is up because of speculation that demand from China is surging due to depleting buffer stock. China, earlier, had a buffer stock for one-and-a-half years and this has now reduced to a year's stock. Exports from India, therefore, are likely to touch 75 lakh bales instead of the originally estimated 65 lakh bales, experts said.

According to market reports, the country's 2017-18 cotton exports are likely to jump nearly 30% to a four-year high of 75 lakh bales as climbing global prices and a weaker rupee have boosted overseas demand. Higher international prices are driving up shipments, industry people said. So far, India has exported some 63 lakh bales. Last year, the country's exports had touched some 58 lakh bales. Pakistan, Bangladesh, China and Vietnam are the main buyers of Indian fibre.

Interestingly, Bangladesh has emerged as the biggest importer of Indian cotton this season, according to industry experts. Bangladesh has imported around 21 lakh bales of cotton this season, overtaking China, which has remained the largest importer of Indian cotton until now.

The Cotton Association of India (CAI) has retained its earlier estimate of cotton crop at 360 lakh bales (each of 170 kg) for April for the season 2017-18, beginning from October 2017. The CAI has noted that around 86% of the crop has already arrived in the market by April 2018.

The apex cotton trade body has also made minor changes in the production figures for the states. The production figures for the states of Maharashtra and Karnataka are estimated to be higher by 2 lakh bales and 50,000 bales, respectively, while the production in Telangana and Andhra Pradesh are 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 made by the CAI.

Agriculture Ministry mills to make buying jute and cotton at MSP must for textile industry	**Financial Express** https://www.financialexpress.com/industry/agriculture-ministry-mills-to-make-buying-jute-and-cotton-at-msp-must-for-textile-industry/1186138/

Effort to get mills to foot bill for ensuring 50% profit for farmers over production cost

The agriculture ministry is weighing an option to mandate the textile industry to buy cotton and jute from farmers at least at the minimum support prices (MSPs) fixed by the Centre. The move is part of the efforts to make the government's promise of ensuring a 50% profit to farmers over their cost of production a reality, without letting the Centre's procurement expenses spiral out of control. Inter-ministerial consultations are currently being held on procurement-based price support schemes for agricultural crops.

The ministry's proposal — fraught as it is with serious implementation challenges — could spell trouble for the labour-intensive textile and garment industry by inflating the cost of cotton, a key input. The sale of raw materials to industry at state-fixed prices is currently adopted in cane where sugar mills are bleeding while footing the bill for the profligacy of states and the Centre.

MSP for cotton will increase by at least 28% for 2018-19 from the current level if the government's promise to farmers is to be met. A back-of-the-envelope calculation suggests cotton accounts for roughly 60% of yarn costs, and yarn makes up for 50% of fabric costs. Fabric, in turn, makes up for 50% of garment costs. So higher cotton prices will push up costs in the entire value chain and jeopardise its competitiveness.

"For cotton and jute, there are two options. Either the Cotton Corporation of India (CCI) and the Jute Corporation have to buy the two crops at MSP everywhere and later sell it in the open market, or the mills are asked to buy at MSP and in return get some incentives," said a government official. The idea is being mooted at a time when garment production has dropped for 11 months in a row and exports have contracted for a seventh straight month through April, with most units reeling under elevated costs. Garment production dropped 11% in 2017-18 and exports contracted almost 4%, even though the country's overall merchandise exports rose 9.8%.

Given its traditional focus on a balance between the interests of both producers and industrial consumers, and exports, the textile ministry will most likely oppose the farm ministry's idea. "We are unaware of any such proposal on cotton procurement that will potentially render the Cotton Corporation of India irrelevant," said a senior textile ministry official.

The CCI had bought a record 8.9 million bales — or nearly a third of the cotton production — in 2008-09, and procurement levels have been below average in the past three to four years. However, since cotton is almost entirely consumed by industrial users, the burden of procurement will be too high for them if market prices trail the inflated MSPs by a substantial margin. In such a case, the value chains of the textile industry that work on thin margins will be substantially hit.

Noted textiles sector expert DK Nair said: "The proposal is impractical and will be very difficult to implement, considering the existence of thousands of units. More importantly, it will have a substantial damaging impact on the entire textile value chain." Unsurprisingly, such a system has choked the growth of the sugar sector that experiences recurrence of massive cane arrears when sugar prices crash.

Mills haven't quite expanded capacity in almost a decade and are now saddled with cane arrears of over Rs 22,000 crore. However, while the sugar sector is highly organised with only 720-odd factories operating in select states, cotton is grown by most states and thousands of textile units, mostly the micro ones, are spread across the country. Ensuring compliance of any such proposal, therefore, will be an uphill task.

Currently, the CCI and even Nafed procure cotton from the market at the MSP if prices crash below the benchmark levels, to prevent distress sales by farmers. Subsequently, they sell the stocks to mills or other bulk consumers. Any losses in this operation are reimbursed by the government.

In 2017-18, the MSP of medium-staple cotton was Rs 4,020 per quintal, which is 22.71% more than its estimated cost of production (A2+FL) of Rs 3,276 per quintal. According to an Icrier study, the A2+FL cost could rise to Rs 3,439 a quintal in 2018-19, which means the government will have to fix the MSP at Rs 5,160 per quintal for the year to meet the promise of providing 50% profit over cost.

In 2017-18 season (October-September), the CCI has so far purchased 3,88,758 bales of cotton whereas it didn't procure any last year as prices were generally higher than MSPs. Some incentives to textile mills, along the lines of a similar subsidy of Rs 5.50 per quintal the government offers on cane supplies, is considered for cotton and jute so that World Trade Organisation rules are not violated, the sources said.

Experts stress on need for relaxation of norms for expansion of industries	**Tribune India** http://www.tribuneindia.com/news/jalandhar/experts-stress-on-need-for-relaxation-of-norms-for-expansion-of-industries/597240.html

The Federation of Indian Chambers of Commerce and Industry (FICCI) on Tuesday hosted an industrial meet ahead of 'Technotex 2018' which will be the seventh edition of international exhibition and conference on technical textiles to be held from June 28 to 29 at Bombay exhibition centre.

The keynote speakers at the meet spoke about the 'Challenges and Opportunities in Indian Technical Textile Industry'. The meet, which saw a gathering of around 80 participants associated with the textile industry from and around Punjab, have a riveting discussion about the current state of the textile industry and what steps need to be taken to ensure continuous growth in the sector.

Focusing on creating awareness about the technical textile sector, Dr Kavita Gupta, Textile Commissioner, Ministry of Textile, Government of India, said technical textile was a sunrise sector in India.

"Unfortunately, growth in technical textiles is not as encouraging as expected. The government is providing benefits for textile sector but most industries are unaware of it," said Gupta.

She said the garment industry had more subsidy than other industries that include a 25 per cent of subsidy,12 per cent EPF, income tax benefit, import duty waiver and some more benefits enjoyed by the garment industry.

Mukul Verma, secretary, sports goods manufactures and exporters association demanded park for sports good industry in Jalandhar. He said a well-connected place for sports goods industry with proper roads, electricity and sewerage should be there to hold joint meetings for research and development project.

Talking about present industry, he stated that the government should relax norms for the industry so that they can expand their areas. The traders highlighted the need for government to pay attention to import duty as well. Indian industry had to pay 10 per cent import duty to send items outside the country whereas Pakistan and Bangladesh had zero import duty.

Falling apparel exports hit Punjab, Haryana the most	**Tribune India** http://www.tribuneindia.com/news/business/falling-apparel-exports-hit-punjab-haryana-the-most/596914.html

India's apparel exports, particularly from Punjab, Haryana and Uttar Pradesh, have seen a steep decline due to high input cost, delay in Goods and Services Tax refund and stiff competition from Bangladesh, Vietnam, Pakistan and China.

The three states have been the worst sufferers in the declining apparel exports, which continues to fall for the seventh month in a row. The country has experienced about 23 per cent decline in apparel exports in April 2018 compared to April last year.

The decline in exports is giving sleepless nights to around 200 exporters in Punjab and Haryana, said Harish Dua, managing director of Ludhiana-based KG Exports. He said the input cost in Punjab, Haryana and Uttar Pradesh was much higher compared to the Tiruppur cluster in Tamil Nadu.

Concerned over the steep fall in exports, apparel exporters met Finance Minister Piyush Goyal and Textiles Minister Smriti Irani recently. “The Finance Minister has assured exporters that the government will expedite the refund of the GST and remission on state levies (RoSL) in a time-bound manner and has directed the bureaucrats to do the needful,” a member of the Apparel Export Promotion Council (AEPC) said. Declining business is a major concern for exporters. “The government should swing into action and must do something to boost the exports, otherwise many units would be forced to close down operations,” said Dua.

Total readymade garment exports in April this year were around $1.34 billion while it was $1.74 billion in the same month last year. In rupee terms, exports in April 2018 were around Rs 8,860 crore, a decline of 21.4 per cent compared to the corresponding period last year.

“Previously (2016-17), the industry had witnessed a strong growth, but now exports are in a negative territory since October last year. It is because of the continued backlog in the GST and RoSL, which is affecting the business sentiments,” AEPC chairman HKL Magu said. According to garment sector experts, due to the increasing un-competitiveness of Indian apparel exporters in the international market, many exporters have increased their exposure in the domestic market. “This will not be good in the long run for India, which used to be a dominant player in the international apparel export market,” Dua said.

India’s readymade garments export to the international market in the previous financial year was around $16.71 billion, compared to $17.38 billion in 2016-17.

Sun for development of New India will rise in north-east: Irani	**Money Control** https://www.moneycontrol.com/news/india/sun-for-development-of-new-india-will-rise-in-north-east-irani-2578297.html

Union minister Smriti Irani today said the government would prioritise the development of the north-eastern region in its efforts to build a "New India".

Union minister Smriti Irani today said the government would prioritise the development of the north-eastern region in its efforts to build a "New India". "The sun for the development of a New India will rise in the north-east," the Union textile minister, who was here to attend the convocation ceremony of the National Institute of Fashion Technology (NIFT), said at a press meet.

Prime Minister Narendra Modi, in his speeches at home and abroad, had said a "New India", free from corruption and terrorism, would emerge by 2022, when the country would celebrate 75 years of independence from British rule.

A forum was set up under the NITI Aayog to work out strategies for the growth of the north-east, she said, adding that it would focus on developing infrastructure in the region.

Irani alleged that the previous Congress-led UPA government had neglected the weavers, "most of whom hail from the north-eastern region".

"The current government pays 75 per cent of the education fees for the weavers' children. Every state now has textile manufacturing units, which were set up in two years," she said.

Stating that six lakh people had received skill-based training in the last four years, Irani said the textile sector was now the second-largest job provider in the country.

The Centre had doled out Rs 4 lakh crore under the Mudra Yojana, a scheme to provide loans to micro enterprises and entrepreneurs, benefitting 70 per cent women workers, the minister said.

"Schemes of the Union government such as the Jan Dhan Yojana, the Jan Suraksha Bima Yojana, the Swachh Bharat Mission have contributed greatly towards the development of a New India," she added.

Iran and Russia sanctions, trade to make for touchy US-India talks	**Hindustan Times** https://www.hindustantimes.com/india-news/iran-and-russia-sanctions-trade-to-make-for-touchy-us-india-talks/story-xqFHA3ZwgueAbHfMSsTYBM.html

External affairs minister Sushma Swaraj said on Monday that India will only abide by sanctions by the United Nations. A defiant New Delhi also plans to announce its purchase of the Triumf S-400 missile defence system from Russia later this year.

Sanctions and stents will be among the sources of contention at the coming India-US 2 + 2 strategic and economic dialogue in Washington in the first week of July.

At the top of the list will be the US’s sweeping Countering America’s Adversaries Through Sanctions Act (CAATSA) that imposes sanctions on countries which trade with Russia and Iran.

External affairs minister Sushma Swaraj said on Monday that India will only abide by sanctions by the United Nations. A defiant New Delhi also plans to announce its purchase of the Triumf S-400 missile defence system from Russia later this year.

CAATSA gives exemptions for non-significant purchases and if Russia’s “behaviour” is shown to change. However, US defence industry sources say sanctions could kick in for purchases as low as $15 million.

The US is expected to point a finger at India’s applied tariffs, which are nearly four times those of the US, the arbitrariness of India’s price controls on medical device manufacturers, its new data localisation policies and the WTO incompatibility of Indian export subsidies.

India will also worry about the US review of its textile export privileges under the general system of preferences

(GSP) programme. The US will note India's own actions against medical devices and other exports are the reason for the review.

Both Indian and US officials admitted that with the sanctions issue coming out during an election year, a solution will be more difficult to reach.

However, New Delhi believes the US has gone too far with CAATSA. It is being driven by the US Congress and even President Donald Trump has expressed disapproval. A number of US treaty allies such as Indonesia, who use Russian weapons, will be affected as will many US firms that buy parts and services from Russia.

"US industry has woken up to the problems with this law," said a US executive.

There is an expectation India's investments in the Iranian port of Chabahar will be exempted – as happened last time the US imposed sanctions on Iran. Oil imports, however, are expected to decline but not fall to zero.

India may find it harder to ensure trade issues do not complicate strategic relations given the Trump administration's mercantilist attitude.

Washington is peeved India has complained about US plans to deny the spouses of H-1B visa holders the automatic right to work given that no other country grants such privileges, including India.

There is a sense in Washington that Prime Minister Narendra Modi missed an opportunity when he told Trump that India had reduced its tariffs on US-made Harley-Davidson motorcycles but cited a still absurdly high 50% tariff. It was an opportunity to get India off Trump's trade hit list.

Instead Trump publicly denounced Modi's offer and India remains in the president's crosshairs.

The positive side is that there are a large number of leading lights in the Trump administration, including Pentagon chief Jim Matthis, secretary of state Mike Pompeo and National Security Advisor John Bolton, who believe strongly in the US-India relationship and who will seek a managed solution to the fallout from CAATSA.

Cotton buying remains moderate amid better grades in focus	**Daily Times** https://dailytimes.com.pk/245907/cotton-buying-remains-moderate-amid-better-grades-in-focus/

The cotton trading remained modest amid firm spot rate and around 1,500 bales changed hands. The Karachi Cotton Association (KCA) spot rate remained intact at Rs 7,500 per maund, the traders said.

They said the buyers bought all qualities of lint offered by the ginners during the trading session besides spinners and mills purchased quality cotton on slightly higher prices during the session while leading ginners sensing future demand of quality lint offered fewer stocks on higher prices to the buyers.

Ghulam Rabbani, a senior trader said the buyers were accepting a bit higher prices as the leading millers and spinners bought around 600 bales at Rs around 7,525 per maund during the session.

He said the leading buyers would remain eager for quality lint on slightly higher prices on the back of growing demand of garments and yarn.

He said there leading end users would likely to go for further import of quality cotton in near future for meeting foreign and domestic end-products demands.

A senior broker said the private sector commercial exporters of Sindh and Punjab made deals for quality cotton at around Rs 7,550 per maund while ginners of Sindh offered raw lint to the buyers around Rs 5,975 per maund, depending on trash level.

Around 200 bales of upper Sindh changed hands at Rs 7,050 per maund, 200 bales of Mirpurkhas at Rs 6,975 per maund, 100 bales of Yazman at Rs 7,225 per maund and 100 bales of Multan changed hands at Rs 7,200 per maund.

He said market remained steadier tones as the buyers were looking for better lots for Rs 7,500 to 7,575 per maund. New York Cotton July 2018 Future closed at 86.18 cents per pound and October 2018 Future closed at 86.36 cents per pound.