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NEWS CLIPPINGS –10-07-2018

GST Council unveils draft of changes proposed to GST law	Times of India https://timesofindia.indiatimes.com/city/ahmedabad/sgst-compensation-scheme-for-textile-sector-announced/articleshow/64924251.cms

India has proposed a slew of changes to the year-old goods and services tax law, including an amendment to deny credit in lieu of accumulated balances of education cess, secondary and higher education cess, Krishi Kalyan cess, and additional excise duties levied on textile and textile articles.

The GST Council, the apex decision-making body for the tax, on Monday unveiled the draft of changes proposed to the GST law before they are introduced in the upcoming monsoon session of parliament. India Inc.'s key demand on transfer of cess credits has been turned down, but substantial changes have been proposed to provide relief to businesses. In a significant easing of compliance norms, businesses have been allowed to amend GST returns.

It appears that the feedback from businesses on the need to simplify the compliance processes and streamline the input tax credit provisions is being acted upon and once these amendments are approved, there would be a considerable degree of comfort for all businesses," said MS Mani, a partner at Deloitte India. Aimed at benefitting smaller businesses, the turnover threshold for composition dealers is proposed to be raised to Rs 1.5 crore from.`1 crore now. GST liability under reverse charge basis on procurement from unregistered vendors is proposed to be restricted to specified classes of registered persons

This is in line with the changes proposed by the group of ministers tasked by the GST Council to look into the issue. Ecommerce companies with a turnover of less than Rs 20 lakh and not liable to deduct tax at source will not be required to register with the tax authorities. The provision barring input tax credit for food and beverages, health services and travel benefits provided to employees is being amended to allow the tax benefit where it is obligatory for entities to provide such goods and services under any law.

This may bring cheer from labourers, nurses, security guards and working women and would align the GST law with the labour laws and other employee friendly laws. Banks can now get input tax credit on the life insurance premium paid for security guards, hospitals for medical insurance premium paid for nurses and companies for canteen fees charged to labourers. In places where the state law mandates that women employees be dropped home at night, the facility would count for input tax credit.

"While ideally, input tax credits should be permitted on all business expenditure without any restrictions, as is prevalent in many other jurisdictions, this directional change would be very beneficial to businesses across sectors," said Mani. Among other amendments, passenger vehicles with a seating capacity of over 13 will be eligible for input tax credit, resulting in vehicles such as dumpers, trucks, fork lifts becoming eligible to claim credit for tax paid on inputs. Goods stored in warehouses will face tax only once and not twice.

Transactions involving goods that do not enter India, the sale of goods stored in customs bonded warehouses and high-sea sales will be specified as those that do not amount to the supply of goods, resolving the ambiguity over the treatment of such transactions. Tax experts said that while some of the proposed changes remove inconsistencies, some key issues have not been touched.

The proposed amendments are aimed at streamlining the current GST law and correcting inconsistencies and errors. The new compliance mechanism is prescribed, which will simplify return-filing and credit availment," said Bipin Sapra, a partner at EY. However, Sapra said a number of areas of significance still remain outside the ambit of the present amendment, including centralised registration and assessment/audit, broad-basing of eligible credits, simplification of availing credit and provisions like TCS.

Repayment demand, oil prices may take rupee to 72	**Economic Times** https://economictimes.indiatimes.com/markets/forex/repayment-demand-oil-prices-may-take-rupee-to-72/articleshow/64925635.cms

Mumbai: The Reserve Bank of India's intervention in the currency market may have halted the slide of the Indian rupee, but it may be temporary as the repayment demand of short-term debt of Indian companies could soon exert pressure taking it to new lows.

Foreign exchange reserves have dipped more than $20 billion from the peak in the past two months as the Reserve Bank of India sold to stabilise the rupee. It is said to have sold another $20 billion in the forwards market as well.

India's short-term debt at $222 billion is more than half the total foreign exchange reserves. These are funds that Indian companies raised to take low interest rate advantage in the West.

While some of them have hedged their positions and others have export income to pay for, many are exposed to the lower value of currency that could erode their profitability as well.

The currency may slide to a low of 72 to the US dollar in the next few quarters as rising oil prices, slowing foreign portfolio flows and the demand for debt repayment put pressure.

"Given that oil prices are rising and with a pick-up in import demand, we expect current account deficit to widen to 2.6 per cent of GDP," said Siddhartha Sanyal, chief India economist at Barclays. "With FDI flows funding only part of the gap and uncertainties over FII inflows, we expect the rupee to touch 72 against the dollar by the end of 2018."
Indian Rupee has been under pressure this year along with other emerging market currencies as the US Federal Reserve raises rates in its efforts to normalise the decade- old easy monetary policy. As leveraged funds begin to unwind their carry trade, EM currencies are facing pressure.

Central banks of Indonesia and Turkey, along with India, have raised interest rates to arrest flight of capital.

India's foreign exchange reserves are at $406 billion. Rising import bill is already shrinking the import cover, too. Crude oil prices have risen more than 90 per cent from its low touched two years ago. India imports more than three fourths of its oil needs. The RBI has already sold $24 billion in both the spot and forward markets this fiscal. Yet the rupee has slipped 6 per cent against the dollar. It touched a life low of 69.09 last month.

In the June quarter, foreign investors pulled out close to $ 7 billion or Rs 45,571 crore from the Indian markets. The reserves are now adequate to fund about nine months' imports. Pressure of funding our current account deficit will likely push beyond Rs 70 by September, according to Bank of America Merrill Lynch.

"If FPI flows do not revive by the December quarter, the RBI would then have to sell $20 billion to fund $65 billion current account deficit," said Indranil Sengupta of Bank of America Merrill Lynch.

US-China trade war to impact FPI inflows: BofA-ML	**Economic Times** https://economictimes.indiatimes.com/markets/stocks/news/us-china-trade-war-to-impact-fpi-inflows-bofa-ml/articleshow/64920041.cms

The US-China trade war will impact foreign investment into the country, and the Reserve Bank of India (RBI) will have to sell foreign currencies to defend the rupee at the 69 level to a dollar, a report said today.

We expect the US-China trade war to further discourage FPI (foreign portfolio investment) flows, although the direct real impact will be limited with exports just 12 per cent of GDP," brokerage Bank of America Merill Lynch said in a note.
Domestic impact of the trade war will be felt more in the financial markets, it said, adding that the situation is akin to the 2008 global financial crisis. This will force the RBI to "step up" forex sales to defend the rupee at the 69 level against the dollar, it said.

Apart from the likely impact to investment flows, there are other factors like adversities on seasonal elements, banks' low nostro balances and stronger USD globally which will put pressure on the rupee and the RBI has to contend with, it added. If the flows do not revive, the RBI will have to sell USD 20 billion of the over USD 400 billion in forex reserves in order to ensure that the current account deficit comes at 2.4 per cent of the GDP, it said.

It can be noted that the forex assets have declined by USD 19 billion since April, as the rupee continues to be under pressure. In the first six months of the year, foreign investors have pulled out Rs 6,000 crore from the equity markets and Rs 41,000 crore from the debt markets due to the trade tensions and macroeconomic issues like the surge in oil prices, according to reports.

The brokerage report said if the rupee slips to 70 against the greenback and the portfolio flows continue to remain dry, the government may launch one more edition of the NRI bonds by December quarter, through which it can attract up to USD 35 billion.

India needs to create an export culture, say experts	Knn India http://knnindia.co.in/news/newsdetails/sectors/india-needs-to-create-an-export-culture-say-experts

India needs to create an export culture, address fundamental issues like shortages of transport network, logistics, energy, bring down transportation costs, improve ease of doing business and constantly review our FTAs, said said Dr. Rupa Rege Nitsure, Group Chief Economist, L&T Finance Holdings.

He was speaking at a Panel Discussion on 'How to Revive Stagnant Exports' organized by World Trade Centre Mumbai & All India Association of Industries in association with Business Standard at World Trade Centre, Mumbai.

"Over the years, we have diversified export destinations and basket. From 45% share of US and EU in the year 2000, it has now come down to 30%. The share of emerging markets is 50% today. But quick, short-term fixes are not helping much," he said.

Dr. Rege said "Export deceleration has been significant in the past five years. Both traditional and non-traditional exports have weakened. To promote exports, we come out with sops, subsidies, interest subvention etc. But these do not help to revive exports on a sustainable basis".

Sharing his views, Mangesh Soman, Joint President (Corporate Economics Cell), Aditya Birla Group, remarked "Although overall merchandise exports have stagnated, there are two numbers that have grown in recent years – the share of MSMEs in India's exports have increased from 42% in FY14 to 50% in FY16, and the amount of export incentives under the Merchandise Exports from India Schemes, has expanded to around 8000 tariff lines, covering nearly three-fourth of the product lines."

Suggesting that export–intensive manufacturing operations which include labour-intensive sectors like apparel, leather and gems and jewellery, as also auto components and engineering seek to be long-term, steady players in the export market, he added "Nearly two-third of the global trade is through participation in Global Value Chains which requires adherence to strict quality norms, timely supplies and continued productivity growth. It is also necessary to keep moving up the value chain".

He concluded his remarks saying "India should be more tolerant of a moderately undervalued currency. While this cannot be an officially stated objective and cannot be ensured at all times, given the other macroeconomic considerations and objectives, still, to the extent possible, the extent of intervention can be skewed towards maintaining the rupee at a more competitive level."

Addressing the gathering, Keyur Parekh, Vice President, Welspun Global Brands Limited, said "Textile plays a major role in the Indian economy, as it contributes 14% to the industrial production and 4% to GDP. Under the impact of GST roll out, textile and garment exports have missed the USD 45 billion target for 2017-18 (only close to USD 40 billion was achieved) and has resulted in tariff advantages being enjoyed by competitors like Bangladesh and Vietnam".

Offering measures to revive exports, Parekh said "We need to focus on 'Ease of Doing Exports'. India needs a single platform like a Green Channel as we compete with emerging markets. Effective exchange rate management would be critical to achieve a significant increase in exports from India. The government should encourage setting up of more integrated textile units to increase productivity and efficiency, ensure a level-playing field with country peers competing in EU/UK markets, sign free trade pacts with major markets like the EU, US, Canada and Britain to equalise market access positions with key competitors and iron out all the glitches arising out of GST implementation. Indian players need to gear themselves with the changing landscape & its requirements such as e-commerce, millennials, etc."

Prahalathan Iyer, Chief General Manager, Research & Analysis Group, EXIM Bank opined that, "There are structural difficulties in developing countries – ranging from lack of know-how in local banks, mistrust, large collateral requirements and high fees for loans. These challenges were present even before 2008, bust have now aggravated."

Iyer added "ADB has estimated in its survey that the unmet global demand for trade finance could be as high as USD 2 trillion. In Asian developing economies alone, the estimated shortage could be as high as USD 1 trillion. With the introduction of risk-based capital standards by BASEL, the role played by credit rating agencies and their country risk models have high influence on the financial markets. It is estimated that BASEL III regulations would make the trade finance costlier to the tune of 15% - 37%, which in turn could take down the trade finance capacity by as much as 6%".

In his remarks, Krishanlal Dhingra, Regional Chairman (WR), EEPC India said "GST implementation has not been smooth. We are recommending the government to raise it to 75 per cent. Further, we need a shipping regulator like telecom and insurance regulators to remove malpractices in the industry".

Vijay Kalantri, Vice Chairman – MVIRDC, World Trade Centre Mumbai and President – All India Association of Industries, remarked "Trade infrastructure should be upgraded to meet international standards as this will facilitate exports from India and also make MSMEs competitive in the global markets. Depreciation of rupee may not be an answer to revive exports. We should also try to promote import substitution to strengthen MSMEs' productivity, innovation and competitiveness. There is a need to lay thrust on improving infrastructure, boost the manufacturing sector and reduce transaction costs to revive our stagnant exports".

SAARC Development Fund plans cross-border e-commerce platform	**Business Line** https://www.thehindubusinessline.com/economy/saarc-development-fund-plans-cross-border-e-commerce-platform/article24373639.ece

SAARC Development Fund (SDF), the cross-border umbrella financing institution for SAARC member states, is in the process of developing an e-commerce platform to enable seamless trade of goods and services across SAARC member states, a top official said.

It would also fund start-ups, giving a boost to budding entrepreneurs in the region, said Sunil Motiwal, Chief Executive Officer, SDF.

"A proposal to develop a cross-border e-commerce platform, along with a SAARC money card for the common people across the region, is under finalisation," said Motiwal. The plastic SAARC money card can have denominations of all the currencies in the region.

Summarising the outcome of the recent two-day SAARC Development Fund Partnership Conclave, Motiwal said that the common e-commerce platform has a great potential for enhancing intra-SAARC trade and services. For instance, consumers of Bangladesh textile – located anywhere in the region – can place orders on the e-commerce platform. Likewise, a range of commodities, including fruits and vegetables grown in Bhutan, Pakistan and India, can be sold and bought online, which will immensely help the producers and consumers, he said

Currently, only 4 per cent of the total trade of SAARC member states takes place within the region. This can be increased significantly by initiatives such as e-commerce, a booming business across the world, according to Motiwal.

Motiwal said initiatives such as the e-commerce platform, along with the funding of start-ups, found instant support among the international funding organisations.

GST discount on digital payments deferred	**Business Line** https://www.thehindubusinessline.com/economy/gst-discount-on-digital-payments-deferred/article24366595.ece

Ministers' group also recommends provision relating to reverse charge mechanism be deleted

A Group of States' Finance Ministers on Sunday reached a consensus on putting off a GST discount on digital payments for the time being. It also decided to suggest empowering the GST Council to finalise goods for applicability of the Reverse Charge Mechanism (RCM).

"In principle, we support a GST discount in digital payment. However, considering the current revenue situation, it would be better to wait for some more time. Accordingly, we have proposed to defer this proposal," Sushil Kumar Modi, Chairman of the State Finance Ministers' Group and Deputy Chief Minister of Bihar, told reporters here.

The proposal could be considered after one more year of revenue collection under GST, he added. Modi said one important reason for deferring the proposal is revenue implication of ₹14,000-15,000 crore.

These two recommendations — deferment of the GST discount on digital payment and RCM — will be placed before the 28th meeting of the GST Council, scheduled for July 21.

The proposal for a GST discount on digital payment envisages providing "a concession of 2 per cent in the GST rate on B2C (Business to Consumer) supplies, for which payment is made through digital mode [1 per cent each from the applicable CGST and SGST rates, if the applicable GST rate is 3 per cent or more] subject to a ceiling of ₹100 per transaction." The scheme, however, will not be available to registered persons paying tax under the composition scheme.

With the incentive, the consumer will be offered two prices: one with normal GST rates for purchases made through cash payment and the other with a rate 2 per cent lower for digital payments. As a result, the consumer will see visible benefits of making payments through the digital mode.

For example, if the GST rate applicable to supply particular goods/services is 18 per cent, and if payment is made through digital means, then the applicable GST rate will be 16 per cent.

Reverse charge mechanism

Earlier in the day, the Group finalised deleting sub-section (4) of section 9 of the CGST Act, 2017, and sub-section (4) of section 5 of the IGST Act, 2017, which prescribe a Reverse Charge Mechanism. "We have recommended omitting the present Section 9(4) and introducing a new Section 9(4), which will permit the government, on the recommendations of the GST Council, to notify a specific class of registered persons and goods who would be covered under the RCM provision," Modi said, adding that the conditions and the date for levying of RCM will be decided by the council.

RCM is a mechanism where the buyer of the goods or service will have to pay GST, which is otherwise paid by the seller.

The charge is applicable on a registered dealer, if he buys goods from a dealer not registered under GST. However, the receiver of the goods is eligible for input tax credit, while the unregistered dealer is not.

Since introduction of GST, this scheme has generated a lot of debate because of which it was decided in the 22nd meeting of the GST Council, held on October 6, to defer it till March 31, 2018.

It was also decided that the scheme would be reviewed by a committee of experts.

The date for suspension has been extended twice and the new date that has now been fixed is September 30, 2018.

Implications of a steep hike in cotton MSP	**Live Mint** https://www.livemint.com/Money/PsJxMCOIPAiA52csJ1ucuI/Implications-of-a-steep-hike-in-cotton-MSP.html

Given the recent pest attacks and reduction in crop acreage, MSP hike will work well to keep farmers committed to cotton cultivation, in spite of adversities

The steep hike of 28% and 26% in the minimum support price (MSP) on medium-staple and long-staple fibre cotton respectively has come as a surprise, for two reasons. One, the MSP hike comes after five consecutive years of only single-digit MSP increases. The last such hefty one was 29% and 22% respectively in 2013. Two, the cotton prices currently are higher than the proposed MSP, because of the deficit in global and domestic supply.

Is higher MSP for cotton redundant then? Yes, in the short term. However, given the recent pest attacks and reduction in crop acreage, MSPs will work well to keep farmers committed to cotton cultivation, in spite of adversities.

The proposed MSP ensures a 50-60% return over the cost of production. Given that India is now the largest producer of cotton after it overtook US and China in 2015-2016, it pays to support farmers in cotton growing. Besides, MSPs mitigate the risk of price volatility too.

But, in the longer term, a steep rise in Indian MSPs will set the stage for a high floor price in both domestic and global markets.

This could puncture the fortunes of spinning mills. Note that the large integrated mills fared well in the last three to four quarters. Ebitda (Earnings before interest, tax, depreciation and amortization) margin had improved by 100-150 basis points (bps) year-on-year for the March quarter.

A report by Icra Ltd says that the MSP revision may elevate working capital requirements for mills. This, in turn, would warrant a calibration of the end product pricing, to accommodate the upward shift in cost trajectory. Larger mills that stocked up low price cotton may not feel the impact in the near term, but smaller ones would bear the brunt of high raw material cost.

In such a scenario, the key to spinning mills' profits is high demand for yarn and the ability to pass on cost pressures.

Besides MSP, another development at the global level is China's retaliatory imposition of 25% duty on yarn imported from the US. This could indirectly foster cotton yarn exports from India.

With the festive season ahead, demand for yarn in home markets should be stable too. So demand for cotton should stay strong.

To sum up, while high MSPs would engage farmers in cotton growing, the higher floor price could impact profit margins of spinning mills if demand slows down.

India, South Korea sign trade and commerce agreements, hold talks	**Asian Age** http://www.asianage.com/india/all-india/090718/india-south-korea-sign-trade-and-commerce-agreements-hold-talks.html

The two leaders will visit Samsung's manufacturing site which will be producing 10 million units of mobile phones per month by 2020.

Minister of External affairs, Sushma Swaraj on Monday called on visiting President of Republic of Korea, Moon Jae-in and held discussions with him.

The South Korean President is currently on a three-day visit to India, having arrived in New Delhi on Sunday evening. He and his wife, Kim Jung-sook, were received by Minister of State (MoS) for External Affairs General (retd) VK Singh.

President Moon then visited the Gandhi Smriti with Prime Minister Narendra Modi, from where the two leaders will travel to a Samsung plant in Noida. Moon is also scheduled to attend the India-Korea Business Forum later in the day.

On July 10, he will be accorded a ceremonial reception at the Rashtrapati Bhawan.

Union Industries Minister Suresh Prabhu and South Korean Trade Minister Kim Hyun-Chong signed agreements on trade and commerce.

"Trade and commerce will play their own roles in taking bilateral relations between both the countries forward. We are going to take this relationship to a new level. We had a fruitful and forward looking discussion, some ideas have come to forward while some will work in progress," Prabhu told the media in New Delhi.

Earlier on Monday, both the ministers began their meeting with breakfast, after which the agreements were discussed and signed.

Meanwhile, Hyun-Chong highlighted on the Samsung plant in Noida and said that the site would produce almost 10 million units of mobile phones in the coming years.

"Keeping with Prime Minister Narendra Modi's 'Make in India' policy, the first step was taken today, both the leaders (South Korean President and Prime Minister Modi) will visit Samsung's manufacturing site which will be producing 10 million units of mobile phones per month by 2020," Hyun-Chong told media.

South Korean President Moon Jae-in and Prime Minister Narendra Modi later took the Delhi metro to travel to the inauguration of the mobile factory of Samsung in Noida, Uttar Pradesh.

Need stressed to upgrade textile industry	**Nation.com** https://nation.com.pk/10-Jul-2018/need-stressed-to-upgrade-textile-industry

There is a dire need to make sincere efforts to upgrade textile industry on modern lines, promote value-addition in textile sector, besides providing level playing field to the businessmen engaged with textile sector.

This was stated by Caretaker Provincial Minister for Industry and Commerce Punjab Mian Anjum Nisar and Caretaker Provincial Minister for Labour and Transport Punjab Mian Nouman Kabir while addressing the participants of an interaction session held at PRGMEA House here on Monday. The session was organised under the supervision of Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA). Central Chairman PRGMEA Ejaz A. Khokhar presided over the event.

Addressing the participants, Mian Anjum Nisar highly hailed the pivotal role of Sialkot exporters in strengthening the national exports by earning precious foreign exchange to the tune of $2 billion annually. He said the government was actively considering several proposals to give maximum relief to textile sector in the country for its upgradation on modern lines by motivating the textile exporters towards the promotion of value addition. He said the government was well-aware of the perturbing problems of the country's textile sector and was making hectic efforts to boom up textile sector as well.

Speaking on the occasion, Mian Nouman Kabir hailed the services of Sialkot exporters for providing better health, education and residential facilities to more than 40,000 registered industrial workers and their dependents, saying that Social Security Department was spending Rs 700 million annually for providing advanced medical and health facilities to the registered industrial workers and their dependents (total number 175,000) in Sialkot annually as well.

Central chairman PRGMEA Ejaz A Khokhar said that proper government patronage for the textile sector was also needed to flourish this sector, besides giving maximum relief to abolish the unnecessary taxes from this sector. Later, both of the ministers visited several leading industrial units and witnessed the international standard craftsmanship of Sialkot artisans.

S. Korean president urges increased cooperation between S. Korea, India	**English Yonhapnews** http://english.yonhapnews.co.kr/news/2018/07/09/0200000000AEN20180709006800315.html

South Korean President Moon Jae-in on Monday called for efforts to further expand cooperation between his country and India.

"India and South Korea are the world's seventh and 11th largest economies. However, trade between the two countries came to US$20 billion last year, which is not small but far short of our expectations," President Moon said during a South Korea-India business forum attended by some 400 top business leaders from both countries.

The South Korean president arrived here Sunday for a four-day state visit.

Moon said the countries share many common values while both their governments pushed for what he called the "3Ps" -- people-oriented peace and prosperity. "First of all, I wish to propose to India a '3P Plus' by adding future-oriented cooperation to our existing 3P policy," he told the forum.

The business forum was held one day before the South Korean president was set to hold a bilateral summit with Indian Prime Minister Narendra Modi. Moon said his country will seek to actively support the Indian leader's Make in India policy, noting some 500 South Korean companies are already doing business in India.

"They have mostly been centered around automobile, electronics and textile companies so far, but the country will expand its business cooperation to various other areas, including shipbuilding, medical equipment and food processing," the president said.

The president also expressed hope for South Korean companies to take part in major infrastructure projects in India, such as the move to build 100 smart cities and industrial corridors between major cities here.

"South Korea has been accumulating advanced technology and vast experience in developing infrastructure and new cities throughout its own industrialization process. The vast network of expressways and spider web-like subway systems are the symbol of such achievement. I am confident South Korea is the best partner for India," he said.

Moon insisted technology cooperation between the two countries will also create new opportunities for both countries while also preparing the two for the fourth industrial revolution.

"When India's world-class software technology is combined with South Korea's strong applied technology and hardwares, the two countries may be able to spearhead the era of the fourth industrial revolution," the president said.

He also asked Indian companies to invest in South Korea, saying the ongoing rapprochement between his country and North Korea may lead to new opportunities.

"South Korea is currently facing a historic transition. We have opened a way to the establishment of peace through the South-North Korea summit and North Korea-U.S. summit. Once peace is established, investment conditions in South Korea will improve and many new business opportunities may be created," the president said.

Japanese textile company can open office in Uzbekistan	**Azernews** https://www.azernews.az/region/134513.html

Uztuqimachiliksanoat” (Uzbekistan Textile Industry) Association hosted a meeting with the delegation of the Japanese company YKK led by the head of the Central Asian office of the company Y.Yamashita, the UzDaily portal quoted the press-service of the Association as saying.

At the meeting, the sides discussed prospects for establishing bilateral cooperation of domestic manufacturers of textile industry with a global brand.

The importance of the decree No. 5285 of the President of the country dated December 14, 2017 "On measures to accelerate the development of textile and garment-knitting industry" was emphasized at the meeting, in particular the exports of finished textile products of the country increased dramatically as a result of the reforms in the field of textile industry.

Yamashita noted that the company specializes in production of textile accessories and is a leader in this field. It operates in more than 70 countries around the world, and production facilities are located in 6 countries in Europe and Central Asia.

The constructive exchange of views took place during the meeting. The sides emphasized that cooperation will have a fruitful influence in development of both sides.

The Japanese side noted the impressive dynamics of changes in the economic and political life of the Republic of Uzbekistan, emphasizing that Uzbekistan is a priority state for development of international cooperation.

Following the meeting, the sides discussed the possibility of opening an office of YKK in Uzbekistan, as well as creation of a joint venture of textile accessories and fittings.

Also, the negotiations with manufacturers of sewing and knitted products of Namangan region are planned to be held during the visit of the Japanese delegation.