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NEWS CLIPPINGS –24-10-2018

IIP shows major jump for textile and clothing sector: CITI	**SME Times** http://www.smetimes.in/smetimes/news/top-stories/2018/Oct/23/iip-textiles40907.html

Reacting to the Quick Estimates of Index of Industrial Production (IIP) and Use-Based Index for the Month August, Sanjay Jain, Chairman, CITI stated that the quick estimates of IIP for August 2018 shows an encouraging trend for the Textile and Clothing Sector.

The monthly Index for Textiles has increased from 116.0 during August 2017 to 125.1 during August 2018 showing an increase of 7.8%.

However, the Cumulative Index has increased from 116.3 during Apr-Aug'2017 to 119.7 during Apr-Aug'2018 showing an increase of 2.9%.

Similarly, the monthly Index for Wearing Apparel has increased from 121.4 during August 2017 to 144.3 during August 2018 showing a robust increase of 18.9%. for however, the cumulative index has increased from 142.6 during Apr-Aug'2017 to 144.2 during Apr-Aug'2018 showing a marginal increase of 1.1%.

Jain stated that the General Index for the month of August 2018 is 4.3 percent higher as compared to the level in the month of August 2017.

The cumulative growth for the period April- Aug 2018 over the corresponding period of the previous year stands at 5.2 percent.

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
21752	45500	78.89
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
23150	48424	83.96
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		78.99
ZCE Cotton: Yuan/MT (Jan 2019)		15380
ZCE Cotton: USD Cents/lb.		85.35
Cotlook A Index - Physical		87.25
B. Currency		
USD/INR	Close	Previous Close
Spot	73.569	73.564

Cotton Guide:

We were very hopeful that the momentum would be continued and ICE cotton will break 80.40 cents very quickly. However, on Tuesday market corrected down from its intraday high and December contract settled a tad lower at 78.99 cents per pound down by 103 points from previous close. Earlier on Monday December future was up by 210 points. The other months settled from 7 to 75 points lower. On the trading front volume was 37,519 contracts. Cleared yesterday were 40,573 contracts. Open Interest stood at 264,103 up 2,172. We aren't so sure of why price corrected on Tuesday in fact no major reason for it to rise on Monday's trading session. China's ZCE cotton futures had small gains on light volume. That market has not seemed to mind the big falls in the Shanghai Composite Index; down 4.09 percent yesterday and down 2.26 percent today.

US equities had a wild ride Tuesday. The three major indexes slammed lower on their open, leaving big gaps below yesterday's lows. By the end of the day, though, prices filled in those gaps and daily losses were about a half percent. That was much better than the 2-plus percent losses traded early in the session. The other markets like grains and softs were mixed on Tuesday's trading session.

This time if price fails to break above 80.40 means it will again move into the same consolidation range where 75.50 and 80.40 would be considered as two major key support and resistance level in the near term.

Events that are scheduled in the near term: Weekly Export sale report and CFTC on-call Report on 25th October. Next week three days Jim Rogers' Long Spec Fund rolls and on November 8 we have the USDA World Supply and Demand report.

On the domestic front, spot price advanced to trade at Rs. 47100 per candy ex-gin. With a slightly weaker rupee, today's equivalent value is approximately 81.40 US cents per lb. Punjab J-34 has also moved higher, to Rs. 4,660 per maund (76.80 cents per lb). Daily seed cotton arrivals have approached 100,000 lint equivalent bales (170 kgs), including 37,000 in the Northern Zone, 24,000 in Gujarat and 12,000 in Madhya Pradesh. The MCX Cotton future for October has corrected down a bit from higher level to end the session on Tuesday at Rs. 22980 down by Rs. 170 from previous day's close.

Since the ICE cotton is down this morning more half per cent and the Indian rupee is trading strong at 73.26 against the US dollar the Indian cotton future price might see price correction. The trading range for the day would be Rs. 22700 to Rs. 23100 per bale.

Fx Guide:

Indian rupee has opened firmer by 0.5% to trade near 73.17 levels against the US dollar. Rupee has benefitted from sharp correction in crude oil price and some stability in Asian equity markets today. Brent crude trades near $76 per barrel today after a sharp 4.2% slide in previous session. Weighing on crude price is Saudi Arabia's promise to raise production to meet demand and any supply shortfall caused by Iran sanctions. Asian equity markets shed early losses to trade higher. China's stimulus expectations have helped equity market stabilize. As per Bloomberg report, the Chinese central bank plans to give 10 billion yuan ($1.4 billion) to China Bond Insurance Co. to provide credit support for debt sales by private enterprises. However, weighing on rupee are global economic concerns and weaker outlook for emerging market economies. Fed's rate hike outlook will also keep US dollar supported. Rupee has opened on a firmer note but may not sustain the gains as risk sentiment is unlikely to improve significantly. USDINR may trade in a range of 73-73.65 and bias may be on the upside.

M'rashtra drought: cotton farmers suffer loss	**Deccan Herald** https://www.deccanherald.com/national/mrashtra-drought-cotton-699424.html

More than 4 million cotton farmers of Maharashtra are in distress and agitated due to crop failure in 4.4 million hectares of land. The drought-like situation in the state has hit farmers hard. According to Kishor Tiwari, Chairman of Maharashtra Government appointed, Vasantrao Naik Sheti Swavalamban Mission, climate change, failure of Bt Cotton (Bollgard II varieties), very poor soil health and low moisture level has resulted in the lowest cotton crop. "The average cotton yield will be 2 to 3 quintals this season as per the ground information in Vidarbha and Marathwada region resulting in huge financial losses to the tune of Rs.8000 crore," said Tiwari, the founder-President of Vidarbha Jan Andolan samiti.

Tiwari, in a letter to Union Agriculture Minister Radha Mohan Singh, has requested for long term and short term intervention in the prevailing cotton crisis. He said farmers suffered total loss during the cotton season of October 2017-March 2018 because of used BT (Bollgard II varieties) of cotton seeds supplied by various companies.

Sircilla weavers to host thanksgiving meeting for TRS	Telangana Today https://telanganatoday.com/sircilla-weavers-to-host-thanksgiving-meeting-for-trs

They thanked KTR for introducing innovative schemes for revival of loom industry which was on the verge of closure when the State was formed.

In a thanksgiving gesture, representatives of textiles traders and weavers associations of Telangana State on Tuesday invited Textiles Minister KT Rama Rao to participate in a massive public meeting being held in Sircilla on November 2. They thanked the Minister for introducing innovative schemes for revival of loom industry which was on the verge of closure when the State was formed.

The weavers and textile traders who met the Minister at his camp office here on Tuesday, said weavers were living in fear of debts and many of them even committed suicides. But the TRS government especially Minister KT Rama Rao brought unique schemes that helped all sections of the loom industry starting from weaver to trader and even workers, they said. The weavers thanked Chief Minister K Chandrashekhar Rao and Minister KT Rama Rao for providing them enough work to feed their families. They extended complete support to Rama Rao who is contesting from Sircilla constituency in the upcoming elections.

Minister Rama Rao said that government took up weavers' issues as a priority and introduced schemes like Bathukamma sarees, modernisation of looms and others that boosted the prospects of textile industry over a period of four and half years. He said the TRS government will continue to work for strengthening the industry further and make it sustainable. He pointed out that the monthly salary of loom workers increased from Rs 10,000 to Rs 20,000 due to proactive measures of the government.

The Minister also assured to establish a skill development centre to train 10,000 women workers for the upcoming Apparel park on the outskirts of Sircilla. He said government succeeded in supplying drinking water to Sricilla by completing Mid Manair project and assured to develop the constituency further with a multi-pronged approach.

Traders against merger of DGFT offices	Tribune India https://www.tribuneindia.com/news/amritsar/traders-against-merger-of-dgft-offices/672751.html

Importers and exporters are irked at the merger of the local Director General Foreign Trade (DGFT) office with the DGFT, Ludhiana.

The Union Commerce Ministry’s foreign trade arm, Directorate General of Foreign Trade, took the decision of closing its regional offices in Amritsar, Goa and Puducherry with a view to optimally utilise its human and material resources two days ago.

These three offices have been merged with Ludhiana, Mumbai and Chennai offices.

A leading pharmaceutical exporter, Raman Gupta, said the excuse forwarded by the ministry that the local office didn't have substantive workload to justify a full-fledged regional office did not sound plausible

He said the border district was exporting merchandise, including, basmati rice, shawls, chess, pharmaceuticals and textile worth over Rs 2,200 crore.

He said the figure apparently pointed towards a good number of exporters active in the region and they had to frequently consult the DGFT office for documentation.

“All exporters have to seek import and export code numbers, popularly known as IEC number, for dabbling in export,” he said. Later, they regularly come in touch with the DGFT. For instance, banks issue relation certificate to exporters which is dispatched to the DGFT which displays these on its website. "The DGFT is also authorised to release two to five per cent subsidy on export of freight on board value,” he added.

A city resident, Harjap Singh Aujla, flayed the decision of the Union government. He said the holy city was among the fastest growing cities in the state. He asserted that the potential of export of perishable produces from the Sri Guru Ram Das Jee International Airport remained unutilised. He recalled that direct flight to London had made it possible to conveniently export fresh farm produce from Himachal Pradesh and Punjab. He said it was a major demand of restoration of direct flight to London.

Aviation experts have already stated that exports to the Central Asian countries, like Afghanistan, Turkmenistan, Uzbekistan and Tajikistan, would be the next prominent markets, he said. He added that in case vital infrastructure was withdrawn at this stage, it would be extremely difficult in future to commence their trade.

Centre’s refusal to provide IGST refund hurts exporters	**The Hindu** https://www.thehindu.com/todays-paper/tp-business/centres-refusal-to-provide-igst-refund-hurts-exporters/article25304517.ece

Govt. says it has already given them drawback on taxes paid

While exporters are saying that a large part of their working capital is tied up in the Integrated Goods and Services Tax (IGST) they have paid on inputs, the government in a recent circular said that it would not be refunding this amount to them since it has already paid them a drawback on the taxes they have paid.

Exporters, however, say that the drawback amount paid back is only a fraction of the total amount they have paid and that most of it is locked in IGST. The system of drawback is such that exporters were eligible for two options: either an industry-wide drawback rate, or a higher brand rate.

“What they did was that in the transition period they said that if you take a higher drawback, then you will not get an IGST refund, and the exporters had to mention this choice,” Suranjan Gupta, Executive Director of Engineering Export Promotion Council of India said.

"Now, in the period when all of this was not very clear, what happened was that the companies ticked the higher refund box. But the problem is that where the drawback was say, Rs. 40,000, the IGST paid was Rs. 2 lakh."

Several small exporters, The Hindu spoke to, said that the actual amounts tied up in IGST ran to Rs. 20 lakh each or so, whereas what they received as drawback was only Rs. 5-6 lakh. What they also say is the current system creates an unfair advantage for exporters operating in a single State, as opposed to those who have operations that cross State lines. "An exporter who operates in, say, Delhi and has all his suppliers in Delhi, pays CGST and SGST and gets a refund for that and also gets the drawback," one fabric exporter based in Delhi and Gurgaon said, on the condition of anonymity as he did not want to speak against the tax authorities, "an exporter operating across State lines, however, does not get the IGST refund and only gets the drawback. How is this fair?"

"The inherent definition of drawback is that all the taxes you have paid on inputs, the government is giving back to you," a senior official in the Finance Ministry said on the condition of anonymity as the government has made its official position clear in the circular. "Many exporters after GST came and said that they are entitled to a drawback and in addition they wanted a refund of the IGST." "What we have clarified is that you cannot have both," the official added.

Legal position

"We have also pointed out the portion of the law that says that when you claim a drawback, then you cannot claim any other benefits, and this is something the exporter has to sign while claiming drawbacks. They have done this, so where is the question of getting IGST credit?"

The circular, reviewed by The Hindu , reads thus: "It has been noted that exporters had availed the option to take drawback at higher rate in place of IGST refund out of their own volition. Considering the fact that exporters have made aforesaid declaration while claiming the higher rate of drawback, it has been decided that it would not be justified allowing exporters to avail IGST refund after initially claiming the benefit of higher drawback. There is no justification for re-opening the issue at this stage." The exporters, however, are saying that there is more nuance to this argument than the government is making out to be.

"What a lot of exporters are saying is that fine, if it was the case of a higher drawback rate, then no IGST will be refunded," Mr. Gupta said. "But what if the drawback rate is identical in both types available? This is the case in a lot of tariff lines, so it doesn't matter if the exporter ticked the higher rate box or not. If there is no revenue loss to the government, then why can't they give the IGST refund?"

Right to sit’ becomes law	**The Hindu** https://www.thehindu.com/news/national/kerala/right-to-sit-becomes-law/article25303094.ece

Shops will have to provide seating facility at workplaces

It’s a hard-fought win for the thousands of women workers in shops and commercial establishments in the State, who had come out on the streets seeking a decent working environment.

During their protests, they had also said that in between the long hours they were at work, they had the “right to sit”

.All shops and establishments in the State will now have to mandatorily provide seating arrangements at work places for women workers, especially saleswomen, with the Governor on Tuesday promulgating the Ordinance approving the amendments made by the State government last year to the Kerala Shops and Establishments, 1960.

The draft Bill brought out by the government last year, proposing amendments to the 1960 Act, includes several provisions that shop owners are bound to make for the safety of women workers. It also includes other women-friendly initiatives, including providing seating arrangements for saleswomen during working hours as well as arrangements to ensure women’s safety during night shifts.

Minister for Labour and Excise T.P. Ramakrishnan, in a statement here, asked Labour officials to ensure that all shops and establishments, including restaurants, were implementing the amendments, now that these had become the law.

Last year, saleswomen in textile shops had staged protests for the “right to sit,” as they were required to stand for long hours, often exceeding 10 hours a day, during which they were not allowed to sit or even take toilet breaks. They were not allowed to sit even when there were no customers in the shop.

Govt measures, I-T efforts raise tax-GDP ratio to 10-year high	**Indian Express** https://indianexpress.com/article/business/economy/govt-measures-i-t-efforts-raise-tax-gdp-ratio-to-10-year-high-5413543/

A sharp rise in the number of Income-Tax returns filed and an increase in the number of taxpayers have widened and deepened the tax base during the last three assessment years, which in turn has seen the direct tax-GDP ratio touch a decadal high of almost 6 per cent.

Legislative and administrative measures, combined with enforcement efforts by the Tax Department to check tax evasion, have meant that the average tax paid by corporates has jumped 55 per cent to Rs 49.95 lakh in 2016-17 compared with Rs 32.28 lakh in 2013-14.

In the case of individuals, the average tax paid has increased by 26 per cent to Rs 58,576 in 2016-17 from Rs 46,377 in 2013-14, according to data released Monday by the Central Board of Direct Taxes.

The Tax Department data also show better compliance among salaried taxpayers vis-à-vis non-salaried taxpayers. During the three-year period (2013-14 to 2016-17), the number of salaried taxpayers increased from 1.70 crore to to 2.33 crore, a growth of 37 per cent. The average income declared by salaried taxpayers rose by 19 per cent to Rs 6.84 lakh from Rs 5.76 lakh during the same period.

The number of non-salaried individual taxpayers grew 19 per cent to 2.33 crore from 1.95 crore and the average non-salary income declared increased by 27 per cent to Rs 5.23 lakh in 2016-17 from Rs 4.11 lakh in 2013-14.

The number of taxpayers disclosing gross total income above Rs 1 crore rose 16.7 per cent year-on-year to 1.40 lakh in financial year 2016-17, according to the data.

Over a three-year period from the financial year 2013-14, a growth of 60 per cent has been recorded for the number of total taxpayers (including corporates, firms, Hindu Undivided Families, individuals) disclosing income above Rs 1 crore. In the individual taxpayers category, a 68 per cent growth was registered in 2016-17 to 81,344 from 48,416 in 2013-14.

Making an yearly comparison, taxpayers showing gross total income above Rs 1 crore grew by 16.7 per cent in 2016-17, higher than the growth of 10.9 per cent shown in 2015-16 but lower than the 22.2 per cent growth seen in 2014-15.

The number of returns filed also increased to 6.85 crore in 2017-18 from 5.57 crore in 2016-17 and 3.79 crore in 2013-14. The number of taxpayers increased to 7.41 crore in financial year 2016-17 from 6.92 crore in 2015-16 and 5.71 crore in 2013-14. Taxpayers, as defined by CBDT, include "persons who have filed a return of income for the relevant Assessment Year or in whose case tax has been deducted at source in the relevant Financial Year but the taxpayer has not filed the return of income".

CBDT Chairman Sushil Chandra said the rise in compliance is the result of many non-intrusive administrative and enforcement measures taken by the Tax Department. Explaining one of the measures, Chandra said that last year, the Department had analysed data on the purchase of properties worth over Rs 1 crore, and asked taxpayers to pay the advance tax on time.

"The total number of taxpayers (corporates, firms, HUFs among others) showing income of above Rs 1 crore has registered a sharp increase over the three-year horizon. While 88,649 taxpayers had disclosed income above Rs 1 crore in assessment year 2014-15, the figure was 1,40,139 for AY 2017-18, which is a growth of about 60 per cent," the CBDT said.

A closer look at the data reveals that while 14,068 individuals paid tax exceeding Rs 1 crore in 2016-17 as against 11,123 individuals in 2015-16, only four individuals paid tax exceeding Rs 100 crore but less than Rs 500 crore in 2016-17 (about Rs 665 crore) as against seven individuals (tax paid Rs 1,098 crore) in the same category in the preceding year. No individual paid tax of over Rs 500 crore in 2016-17 and 2015-16.

The Income-Tax Department is also focusing on information being received from other countries through automatic exchange of information to investigate cases of illegal funds and properties stashed abroad by Indians and may invoke the new anti-black money law for strict criminal action in many such cases, officials said.

The Department, in coordination with their foreign counterparts, is investigating offshore bank deposits and purchase of assets by "thousands of Indians", the officials added.

Surprise communiqué	Business Line https://www.thehindubusinessline.com/opinion/columns/surprise-communiqu/article25302421.ece

And an important one, on GST input tax credit

Just after most taxpayers had filed their monthly returns for September comes a press release with no title, number, signature or information as to who has issued it. This was not a notification, circular or order, but just a press release that was unleashed on a large population of taxpayers.

The press release dealt with an important topic — the last date for getting input tax credit (ITC) in respect of invoices or debit notes relating to such invoices pertaining to the period from July 2017 to March 2018. According to section 16(4) of the CGST Act, 2017, a registered person shall not be entitled to take ITC in respect of any invoice or debit note for supply of goods or services or both after October 20 (date of filing monthly return) or December 31 (date of filing annual return), whichever is earlier.

The press release was issued with an intention to clarify a misgiving about the last date for taking ITC. This misgiving appeared to stem from the government's decision to extend the last date for furnishing of details of outward supplies in Form GSTR-1 from time to time.

At the outset, the press release clarifies that the last date for filing GSTR 3B remains October 20. It goes on to state that the attempting to link GSTR 1 with GSTR 2A would not be necessary to get input tax credit in GSTR 3B. The release draws reference to taxpayers who obtained provisional IDs but could not transition to GST for whom a special window is available to file their returns in GSTR 3B till December 31, 2018.

The press release ends on an advisory note: "All the taxpayers are encouraged to take note of the legal requirements and be compliance savvy." Considering that GST notifications till date have never used words like "compliance savvy" and the manner in which the entire release was constructed, it is not surprising that some taxpayers felt that this was a fake press release issued without any authority. The only fact that lent some credibility was the fact that the CBIC put out this press release on its Twitter handle.

Sunset date

There can be no two arguments on the whether an extension of the sunset date to utilise ITC on invoices should be extended — it definitely should. It is only now that GST taxpayers have some clarity on how the GST system works in respect of ITC because the concept of the portal matching invoices never took off. A new system of matching of invoices with the onus on the supplier and the receiver is due to be notified soon.

Taxpayers should not be denied credit just because they are utilising credit on the basis of a stop-gap system. The question whether GSTR 3B is a return that has been notified as per Section 39 of the CGST Act can be questioned on the grounds that it was meant to be a temporary return but has become semi-permanent due to lack of alternatives.

Attempts to reconcile GSTR 1 with GSTR 2A throws up some bizarre mismatches just because the software seems to be capturing data in silos. GST authorities have enough of data and tools at their command to spot fake transactions for utilising credit. They should use these tools and go after non-genuine taxpayers. They should permit genuine taxpayers to make use of ITC till their proposed new system of " Upload, Lock, Pay" works successfully.

Opinion | The investment cycle has finally begun to turn	**Live Mint** https://www.livemint.com/Opinion/mz5FFxWqG30mkFcZo06JLO/Opinion--The-investment-cycle-has-finally-begun-to-turn.html

Has the investment cycle turned?

There are convincing signs that it has. The most immediate one is the momentum in cement demand, steel demand and the import of capital goods. There are also some weak signals that corporate deleveraging has begun. The interest cover ratio of manufacturing firms has been rising in recent quarters, and is currently at its highest level since the March 2012 quarter. However, much of the fresh investment seems to be concentrated in expanding existing production facilities rather than in greenfield projects. The burden of delayed projects continues to weigh on the investment cycle.

One of the best ways to assess whether companies have reason to buy new capital equipment to meet demand is by looking at the capacity utilization numbers released by the Reserve Bank of India (RBI). There is some good news here. Seasonally adjusted capacity utilization is now at a five-year high. It is also above the long-term average. Excess capacity continues to be far higher in an aggregate sense than what it was a decade ago—at the end of an unprecedented economic boom—but its steady decline in recent quarters should increase the attractiveness of new corporate investments.

There is another way of looking at the issue of capacity. Higher consumer demand is more likely to be inflationary when excess capacity shrinks, because companies cannot respond to strong demand by quickly increasing production. Some of the extra demand could also spill over into higher imports. Most economists would agree that the output gap has more or less closed, or that the Indian economy is now expanding at a rate that will have inflationary consequences. The supply side has to respond to higher consumer demand if further macroeconomic imbalances are to be avoided.

The current phase of the investment cycle has an estimated four years to go before the next downturn begins. A new study by economists at the Indian central bank provides some useful insights into the Indian investment cycle since 1950. First, the typical Indian investment cycle lasts for 12 quarters, with an acceleration of seven quarters followed by a slowdown of five quarters. Second, there have also been episodes of longer downturns, the one after 2011 being the most recent example. In fact, the magnitude of investment downturns have been significantly larger after the 1991 reforms. Third, it is important to empirically distinguish between the cyclical and structural components of investment downturns.

Take the most recent downturn that has gone on for far more than the typical five quarters. RBI economists Janak Raj, Satyananda Sahoo and Shiv Shankar noted: “While the trend component has consistently moderated from 2011-12 onwards, the cycle component has turned from 2016-17.” This means that the ongoing investment revival will not take gross domestic capital formation to the highs we saw in the previous investment boom that ended with the North Atlantic financial crisis. The structural decline in investment activity will ensure that.

The investment rate in the Indian economy is sensitive to several factors—the real interest rate, capacity utilization, availability of bank credit, global growth, the pool of domestic financial savings and the fiscal deficit. Many—though not all— of these factors are now positive for capital spending by companies. Capacity utilization has improved, non-food bank credit has recovered, the global economy is doing well, there has been a shift of household savings from physical to financial assets, and the fiscal deficit is far lower than it was five years ago.

The impediments to a stronger investment recovery are also well known. The domestic monetary policy has shifted into tightening mode relatively early in the investment recovery cycle, the global economy is showing signs of overheating, the banking mess is still deep and the fiscal situation could be deteriorating. Yet, the overall constellation of forces should support the investment uptick.

Many have used the analogy of an airplane to explain the state of the Indian economy in recent years. It has been flying on one engine—consumer spending. The other three engines of aggregate demand have been stuttering—government spending, investment spending and exports. Indian exporters missed benefiting from the recent recovery in the global economy because supply chains were disrupted during the twin shocks of demonetization and the transition to the goods and services tax (GST). The recovery in investment spending is thus good news because economic growth is less imbalanced than before.

The three RBI researchers say that the current investment recovery will peak in fiscal year 2023, with an investment rate of 33% of gross domestic product (GDP) — or around three percentage points lower than the fiscal year 2007 peak. A quick calculation based on this estimate suggests that India has lost around 75 basis points of potential growth over the past decade. Inflation will tend to pick up much earlier than before. Even as the cyclical investment recovery is to be welcomed, there needs to be policy attention on the structural shift to a lower investment rate that will eventually hurt economic growth over the medium term.

The Indian investment cycle had its longest downturn ever after 2012. There are now finally reasons to believe that a cyclical recovery is underway—though the larger structural decline in the investment rate has not yet been addressed. That will be a key policy challenge in the years ahead.

Go Coop: Making handloom accessible	**The Hindu** https://www.thehindu.com/life-and-style/fashion/go-coop-making-handloom-accessible/article25285382.ece

Even if we wore handloom once a week, says Siva Devireddy, founder and managing director of GoCoop, an online global marketplace for weavers, it will create work for millions of artisans.

"Handloom should be made a mainstream product, people from across strata should be able to enjoy it," he says. "If you go to villages in the South, you will be able to see people wearing Ikat and Ilkal. Isn't that craft as well? People are wearing handloom, and it is not completely unaffordable. However, it is important to make sure quality and design are maintained and that means it is going to be more expensive. Still it should continue to be a mainstream product."

This is what has been driving the six-year-old enterprise, which has now built a network of over 350 weaver groups and cooperatives across 10 states, reaching out to over 85,000 weavers. Their interventions have largely revolved around the weaves in Andhra Pradesh, Tamil Nadu, Orissa, Madhya Pradesh, Karnataka, West Bengal, and Bihar. They are now moving further North to regions such as Uttar Pradesh and Himachal Pradesh.

One of their latest collections of saris, 'The Ilkal Saree Project', was also featured at the Lakme India Fashion Week. The project, which brought in a 'monochrome twist' to the sari, sought to empower 80 women weavers in the Ilkal clusters of Karnataka through skill upgradation to 'catalyse job opportunities by creating sustainable and scalable livelihood opportunities'.

"Ilkal is one of the largest handloom clusters in Karnataka. The saris woven there (in the regions of North Karnataka) are typically meant for local consumption. Since local consumption is not very high, it is hard for the weaver to make enough in wages. Unless we can make these saris more suitable for the contemporary market, in cities, or in urban areas, it will be hard for the weaver to fetch a certain price," explains Siva.

"We have tried to reimagine Ilkal saris to make them suitable for everyday wear, for women in urban areas, even for working women. We can then help weavers increase their wages. If the weaver doesn't get this kind of value, he will not be able to practise the profession."

This project falls under GoCoop's 'Good Loom' label, that presents woven fabrics for the contemporary market.

"It is an artisanal fashion brand for this generation. With craft as the tradition and the base, we are looking at how we can make good fashion by contributing to the community and to the environment. We have been working with menswear and saris so far. We hope to launch a women's collection early next year."

This is important, according to him, because it is the consumer that keeps the artisan alive and such patronage dates back thousands of years.

"Patronising crafts has been part of our culture for a long time. Villages in Karnataka, for instance, have been supporting and adopting clusters for centuries. The Vijayanagara kings were known to have supported weaves such as the Molkalmuru," he says. "Today the designer is the important middle, consumers' needs are changing all the time. Women like to wear more ready-to-wear clothing. They want their saris to be more designed, more contemporary. The designer plays an important role in connecting consumer requirements, tastes, and preferences, with what artisans can produce."

GoCoop, therefore, also supports enterprising designers, by offering a platform for collaboration on projects, apart from having their own design (and merchandising) team. They are also working to further develop their online marketplace (they also organise flea markets and exhibitions, and work with entrepreneurs by supplying in wholesale).

"Our vision has been to build a tech platform, innovate on an e-commerce site that small artisans in remote parts of the country can use through their phones to start selling to the world," he explains. "Our platform is based on three components: mobile, web, and ERP. We are also working on services such as voice messaging, since most artisans aren't very educated, where orders can be placed through voice messages. Small interventions like that could play a huge role. While we do product design and development, tech is our core. It is essentially what we are doing to bring social change."

Their next exhibition, 'A Saree Melange from the looms of India', featuring curated handcrafted and handwoven saris, will take place from October 26 to 28 at 188/1, 6th Main Road, Defense Colony, Indiranagar. Visit gocoop.com for details.

Opinion | India and the new face of globalization	**Live Mint** https://www.livemint.com/Opinion/el6AfeJjhtHUSGjvR04AaL/Opinion--India-and-the-new-face-of-globalization.html

Globalization itself is evolving, with changes in global trade flows, capital flows, and the Fourth Industrial Revolution. This has huge implications for India's future. How well placed is India to benefit from the new face of globalization? Trade flows have attracted more attention than capital flows and technological changes as drivers of globalization. But the new technology is changing the global composition of trade flows. Trade in services are now increasing at a much faster pace than trade in goods. The cost differential in the production of services across the world is still enormous. The cost differential in traded services is much greater than in trade in goods. In the past, the only means to narrow such cost differentials was migration. However, global international migration has not increased but instead remained steady at about 3% for decades.

Technology has enabled services to be digitized and transported long distances at low costs without compromising on quality. The internet has enabled firms to sell services without crossing national borders, and dramatically increased the size and the scope for exploiting cost differentials in services compared to trade in goods. India's trade characteristics are well aligned with the new face of globalization. Unlike China, India's global trade has been spearheaded by exports of modern services. Global service trade also tends to be more resilient compared with the goods trade during global downturns. Overall, India is much better off today than before, thanks to the new face of globalization. But there are many challenges ahead.

Globalization of capital flows is also evolving with huge implications for macroeconomic management and growth. Some capital flow tends to be more volatile than others. Remittances, which tend to be more resilient, have been the dominant form of capital inflow into India. They have often exceeded foreign direct investment and other capital inflows in the past (see Rahul Anand and Ejaz Ghani, How will changes in globalization impact growth in South Asia, World Bank). But given that global migration trends are not increasing, remittances are not enough, and new policy instruments are needed to attract more long-term capital inflows to invest in India's human and physical infrastructure. Many long-term investors, such as pension funds and insurance companies, which are ideally suited for human and physical infrastructure investments, see India as an important investment destination. There is increasing interest from global investors in solar power, water management, waste management, affordable housing and much more. Policy makers have many options to attract more remittances inflows, issue non-resident Indian (NRI) bonds, and attract NRI investors from countries with which India has a double-taxation agreement. There is also increasing interest, both from philanthropic and private foundations, in promoting public private partnerships and maximizing finance for welfare development.

Technology has become a bigger force of globalization, changing cross-border mobility of goods and services, and capital flows. New technological revolution has huge spillovers and externalities. Data and information technology is now the lifeblood of the global economy, fuelling ideas for new products and services, and advancing the transnational flow of trade, capital, and ideas. There are at least three times as many connected devices in the world today as there are people. The cross-border flow of digital information—searches, transactions, communications—has increased five-fold since 1990. The shift in value from physical to digital information services will only increase. The new era of innovation, in which cutting-edge technologies are replacing old production methods has impacted everybody. Latecomers to development, like India, face a bigger challenge compared to the US and UK, on how to capitalize on their comparative advantage, benefit from new technology, and create more jobs.

This is where the policy challenges come in. While investment in physical infrastructure has attracted the attention of policy makers in the past, investment in building human infrastructure has become even more important (see Ejaz Ghani, Reshaping Tomorrow, World Bank). Given India's young population, and to benefit from its demographic dividend, India needs to dramatically scale up investments in human infrastructure. India's demographic dividend suggests that 7-10 million people will join the labour force every year. But less than 4 million receive skill training. Early learning and stimulation interventions for children under three are virtually non-existent. Less than 17% of government schools provide one or two years of pre-primary education. Less than 15% of rural children in grade 2 can read at the expected level. Technological change has one key message: invest in people—through education, health, nutrition, social protection, and skills. Human development is the sturdiest way forward. If workers are to stay competitive against machines they need to be able to learn new skills and be better trained from the start.

India faces a dual challenge—demographic dividend and rapid technological change. Technological progress is placing a higher premium on skills, and any failure of countries to lay the groundwork for their citizens to lead productive lives will not only carry high cost, it will also generate more inequality and conflict. In most countries, children born to more affluent parents start having access to better opportunities early in life, and these lead to lifelong advantages, whereas children born to poorer parents miss out on these opportunities. If policy makers make more effort to make early childhood development programmes universal, income inequality would fall.

Technology is now the largest sector of the world economy, eclipsing even financial services, and includes five of the top 20 public companies by market capitalization. Spillovers and externalities associated with the Fourth Industrial Revolution are global in nature and call for global coordination as well as national level interventions. Late comers to developments can better manage trade-offs between economic growth and environmental degradation, thanks to technological progress that can increase both economic growth and better management of resource. Scaling up investments in human capital to promote growth and prevent digital divide is an easy call for the policy makers.

The dark side of FDI in Vietnam	**VnExpress** https://e.vnexpress.net/news/business/economy/the-dark-side-of-fdi-in-vietnam-3828323.html

Cheating and overexploitation of workers are among the myriad of negative impacts FDI has had on Vietnam.

Large corrugated metal roofs, small corrugated metal roofs and farmland.

Satellite images of Tan Vinh Hiep Commune in the southern province of Binh Duong don’t show much more, but on the earth, these pictures are worth more than the proverbial thousand words – they tell a thousand stories, and counting.

The commune stands just an hour's drive north of Ho Chi Minh City in Tan Uyen Town, and the satellite images are typical of Vietnam's economy in the 21st century.

The large corrugated metal roofs are those that cover factories spanning thousands of square meters. Such factories have been the core economic component of both Tan Uyen and the whole Binh Duong Province for decades. And most of these factories belong to foreign direct investment (FDI) companies.

Surrounding the factories are the small corrugated metal roofs, just over 2 meters wide, dozens of meters long, branching out from the roads and alleyways around the factories. These are the roofs of dormitories for migrant workers - the main workforce component in industrial parks across the country.

The large and the small roofs are set against the background of patches of farmland - reminders of a not-too-distant rural, agricultural past.

Huge swathes of farmland across rural Vietnam have been sacrificed to set up hundreds of industrial parks, attracting massive investments looking to exploit cheap labor made available by such sacrifices.

Oppressed workers

Truong T.A, a 22-year-old man from a coastal district in the Mekong Delta's Soc Trang Province, is one such rural worker.

In the recruitment announcement of the South Korean garment firm that T.A had applied for, which can still be found online, the promises are alluring: Dynamic, professional working environment; Promotion opportunities for dedicated, long-term committed employees; and most importantly, full entitlement to laborer's benefits and rights in accordance with the Labor Code."

These were the promises with which T.A. started working for the ironing unit of E.V, a South Korean-invested garment firm in Vietnam, on April 24, 2017.

He received a monthly salary of VND4.4 million ($190) and got to sign an official one-year employment contract on July 1, 2017. However, just six months later, he was dismissed for "repeated violations over many days of failing to meet ironing productivity during pay-rise period."

T.A was not alone. On January 22 this year, the E.V company dismissed several workers of the ironing unit, citing the same reason.

However, the workers did not accept these dismissals, arguing that they couldn't have committed "repeated violations" since they’d never received any disciplinary notice prior to being fired.

They sued the company.

In the lawsuit filed by the workers against the company at the Tan Uyen People's Court, all plaintiffs are migrant workers from the Mekong Delta provinces of Long An, Bac Lieu, Soc Trang and An Giang. All of them received monthly salaries of around VND4 million ($171) and lived in dormitories near the company before being fired for "repeated violation over many days of failing to meet ironing productivity."

The workers demanded that they be paid their salaries for the remaining months of their contracts, which they argued was illegally terminated without justification.

Lee Sang S., director of the company with the self-proclaimed "professional working environment" and his legal representatives did not attend any court hearing and the company did not reply to any of the court's summons.

In the absence of the defendant - a multinational company just 20 minutes from the courthouse, the Tan Uyen People’s Court in May and June this year ruled that E.V.'s dismissals were illegal and ordered the company to compensate the workers.

Whether the workers will get their compensation or not remains to be seen. It depends on how the judgment is executed, and whether a lengthy battle with foreign employers ensues.

The series of lawsuits against E.V are not the only ones on illegal dismissal of workers that the Tan Uyen court has received this year.

Tan Uyen, with a population of just under 200,000, has repeatedly made headlines for workers being fired illegally, the spread of illegal gambling games, a food poisoning case in a local factory with 300 victims and several cases of company owners disappearing without paying workers.

While the flow of FDI has brought to Vietnam in general and Binh Duong in particular undeniable achievements, they are accompanied by problems that have become inherent.

Conflicts, contradictions

The story of "old" workers at industrial parks being fired, a common occurrence among FDI companies, was a topic hotly debated in National Assembly meetings and in media accounts throughout July 2017.

While the labor ministry suspected that the companies "intentionally dismissed old workers," the Dong Nai Province People's Committee reported that "the businesses and workers agreed on the dismissals in the spirit of mutual agreement" and the Vietnam General Confederation of Labor said workers were "forced to quit their jobs due to productivity pressure and high labor standards."

The workers, of course, have seen it differently, as oppression that ignores their legitimate right to reasonable pay and good working conditions.

In another case handled by the Tan Uyen court earlier this year, the workers claimed that their South Korean employer had demanded that they sign resignation letters instead of firing them. They refused, and took the employer to court.

However, most workers of companies in industrial zones do not have the "luxury" of taking their employers to court, steeped as they are in poverty and dependent on their salaries to feed their families. They quietly endure their employers' unfair conditions and treatment.

Footwear firms – who foots the bill?

The last few decades of the 20th century saw state-owned companies and family businesses dominate Vietnam's textile and footwear sectors.

However, as the 21st century dawned, the proportion of FDI companies in these sectors began skyrocketing. It was the first significant sign of the coming flow of FDI and of a new era as Vietnam opened up its economy to the world.

The turn of the century was also when Hoa, then just a 17-year-old girl, packed up her belongings and left her home in central Nghe An Province to work for a Taiwanese factory in Saigon.

Nearly two decades have passed, enough time for Hoa's company to grow into the world's largest footwear manufacturer, but she has never changed her job.

Having witnessed the risks in the life of a worker, she believes that only staying with a big company would keep her safe.

"As long as the factory and machinery are still here, the owner wouldn't dare to run away; and seeing that there are lots of workers, they wouldn't dare to play dirty," she explained.

In just the Tan Tao Industrial Park, where Hoa works, the number of workers employed by her company has already crossed 90,000 people.

DoT reg made mandatory for apparel factories	**Newage** http://www.newagebd.net/article/53982/dot-reg-made-mandatory-for-apparel-factories

Textile Act-2018 which was passed recently made it mandatory for the textile owners to get registration from the Department of Textile for running their business.

As per the act, all sub sectors of textiles including primary textile, readymade garment, allied textile, packaging and accessories manufacturers and buying house, would remain under the control of the Department of Textiles under the textile ministry.

Textile Bill was passed by the parliament on September 12 and the act, which took effect on October 1, declared the Department of Textile as the 'Sponsoring Authority' for the textile and clothing industry.

It says that the authority would provide all-out support to the industry and the operation of any textile and clothing industry would not be allowed without registration of the authorities.

As per the new act, buying house owners would also have to come under the registration of the sponsoring authorities to run their business.

Under the textile act, the government would establish a one stop service centre so that entrepreneurs and investors get required services including approval, clearance and licence within the shortest possible time.

The proposed OSS centre would also help implementing projects or moves related to textile and clothing industries.The formation and activities of the proposed OSS centre would be administered by the rules. It also said that the director general of the Department of Textiles would act as textile registrar and the textile owners would get registration within 60 days after filling applications.

The act empowered textile registrar to suspend or even cancel registration for giving wrong or false information while getting registered.

The law states that authorised officer of the department would inspect textile industries to oversee whether the industries are running as per the condition of the registration.

The law has been enacted to meet the domestic demand of apparel, increase export, generation of new employment, attract foreign direct investment, facilitate the clothing industry for gaining global competitiveness and to introduce need-based curriculum for the textile sector.

To achieve the target of the new act, the government would take initiative to establish required number of educational institutions including university, college, fashion institute and textile training centre.

The designated officers of the DoT would be responsible to inspect quality and standard of various elements used in textile products including paint and other chemicals.

Mohammad Ismail, director general of DoT, told reporters that his department would not act as the controlling authorities rather it would facilitate the textile sector.

Philippine textiles in the spotlight	**Manilastandard** http://www.manilastandard.net/lifestyle/style-beauty/278679/philippine-textiles-in-the-spotlight.html

For three days, Oct. 12-14, the HABI Fair held at the Glorietta Activity Center in Makati City showcased Philippine-made textile products, traditional woven native materials, and cotton.

More than 80 exhibitors participated in the trade fair, the most number since the HABI Fair started several years ago. Also, for the first time, textile exhibitors from the ASEAN region (Brunei, Laos, Indonesia, Myanmar, Malaysia, and Vietnam) took part.

Co-founded by Maribel Ongpin and HABI The Philippine Textile Council, the fair is designed to show the craftsmanship of the country’s indigenous weavers from Kalinga, Ifugao, Mindoro, Ilocos Region, Samar, and Basilan’s Yakans.

Metro Manila consumer market, long conditioned to the use of synthetic fabrics, got updated on the many ideas and possibilities locally woven textiles could turn into.

But the fair wasn’t all about selling the displayed products, it was also a way to impress upon the public’s awareness the utilization of earth-friendly resources and their sustainability, as well as the primacy of preserving the traditions of many generations past.

A fashion show featuring clothes made of natural materials proved the unlimited extent to which style and elegance could feel and look.

A highlight of the fair, aside from the workshops and lectures on sustainability, was the first Lourdes Montinola Prize for piña weaving. Montinola wrote “Piña,” a book that aims to substantiate the pineapple cloth as a national treasure.

The contest was open to all artisans who weave, dye, embroider, or embellish the fabric in the most innovative way. The winners—Arlene Tumbokon of Heritage Arts and Crafts, Ursulita de la Cruz of the De La Cruz House of Piña, and Ana Legaspi of La Hermania Atelier—and their winning pieces would make any Filipino proud.

New clean dye on fast track to scaling	**Innovation Textiles** https://www.innovationintextiles.com/new-clean-dye-on-fast-track-to-scaling/

In 2016, the Italian textile chemical company Officina+39 invented Recycrom – colour powders made from 100% textile waste. In 2017, the clean dye won the Keyhouse Hightex Award at Munich Fabric Start 2017 and was applied to the first of two capsule collections by Italian high-street retailer OVS. As interest in this start-up technology increases exponentially, Recycrom is now set for truly mass volumes, the company reports.

Recycrom is a full range of coloured powders made by recycling textile fibres from used clothing and manufacturing waste. Through a patented process, these fibres are upcycled into a uniform and solid powder that can be used as a pigment dye for fabrics and garments made of cotton, wool, nylon or any natural and most artificial fibres and blends. Recycrom can also be applied using various methods: exhaustion dyeing, printing and spray – with coating now under development.

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Global textile machinery market may grow at 14% by 2020'	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/-global-textile-machinery-market-may-grow-at-14-by-2020--245268-newsdetails.htm

Analysts have predicted that the global textile machinery market may grow at about 11-14 per cent by 2020, said the head of Mario Crosta, an Italian firm which is a leader in design and production of machinery and plants for dry finishing. Countries like China, Italy, Germany and Switzerland export finishing machines worth about €580-600 million every year.

“Our competency is a mix of tradition and newest technology application. We are recognised in the market for our high degree of heavy-duty machinery and the longevity and low maintenance of our machines. For more than 93 years, we have been in the first line in the development of new technologies to be applied to our production machines,” Marco Crosta, the owner of the company told Fibre2Fashion in an exclusive interview.

Mario Crosta manufactures all of its machines in its two factories located in Busto Arsizio, close to Milan. All of its suppliers are also Italian.

Talking about the major challenges faced by the Italian textile machinery manufacturers, Crosta said, “Big difficulties come from our Italian system, which is not helping small and medium enterprises to be in the global market, at least at the same level as the competitor countries are in. We have always faced competition from countries such as China, India, Korea and Taiwan, which offer low-priced products to the market.”

The company’s future plans include developing its service network, developing technology for better and efficient output and investing in Industry 4.0

Trade avenues: Pakistan to take part in Chinese expo	**Tribune India** https://tribune.com.pk/story/1831742/2-trade-avenues-pakistan-take-part-chinese-expo/

The China International Import Expo (CIIE), starting from November 5 in Shanghai, will widen the country’s market further on a global level and many Pakistani exporters plan to utilise this unique opportunity. A look at China’s market reveals that it is the world’s largest destination for agricultural products including grains, cotton, sugar, meat and milk and Pakistan abundantly produced almost all these commodities, according to an article published by media website Chin.org.cn on Monday. The CIIE will help Pakistan in exploring new trade avenues. Just a few years ago, China was the second largest buyer of Pakistan’s non-basmati rice. Nonetheless, traders and governments of both countries have recently shown willingness to engage in high-volume trade.

ITC announces program to support textile, clothing exports from 4 Arab states	**Egypt Today** http://www.egypttoday.com/Article/3/59385/ITC-announces-program-to-support-textile-clothing-exports-from-4

The Government of Sweden and the International Trade Center (ITC) have announced a new program aimed at strengthening the international competitiveness of textiles and clothing producers in Egypt, Jordan, Morocco and Tunisia.

The program targets boosting exports, creating jobs and raising incomes across the Middle East and North Africa region, the ITC website reported on Monday.

The three-year program is intended to support the four countries to build sustainable export-oriented sectors with increased sales to traditional markets in Europe and North America along with new markets in sub-Saharan Africa.

To achieve lasting improvements in the sector's export competitiveness, the project will focus on bolstering the capacities of national institutions such as textile and clothing business associations and training centers to help better support local businesses to export.

The project 'Strengthening the International Competitiveness of the Textile and Clothing Sector in selected Middle East and North African Countries' (MENATEX), is funded with SEK 42 million ($4.63m) from the Swedish government and will be implemented by the Geneva-based ITC in close collaboration with the Swedish International Development Cooperation Agency .