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# NEWS CLIPPINGS –12-11-2018

| India dismisses US' notification that it has breached cotton MPS | Live Mint<br>https://www.livemint.com/Politics/6eeRHjawky1PqYEPiFdk9M/India-dismisses-US-notification-that-it-has-breached-cotton.html |
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It is Washington's second notification similar to the one on India's rice and wheat several months ago

India has dismissed a counter notification issued by the US alleging New Delhi's market price support (MPS) for cotton breached the permitted levels of trade-distorting domestic support in the past seven years at the World Trade Organization (WTO), people familiar with the development said.

The US has alleged that India paid trade-distorting subsidies to its cotton farmers well in excess of the limit of 10% for developing countries. "It appears that India provides MPS for cotton vastly in excess of what it has reported to the WTO," the US said in its nine-page notification that will be made public on 12 November.

Washington's latest counter notification, which is the second of its kind after a similar notification on India's rice and wheat several months ago, says: "India's apparent MPS for cotton appears to have been between 53% and 81% of the value of production in each of the covered years (2010-2017)."

"India appears to be providing signification MPS both in terms of absolute value and as a percentage of the value of production (VoP), for cotton." The US has questioned India's notification on cotton, which was submitted a couple of months ago saying it has "dramatically" under-reported. "For example, India's notification for MY(marketing year)2015/16 showed a value of support, converted from US dollars, of ₹1,176.48 million for cotton…By comparison, the United States estimates that India's MPS was ₹504.150 million for MY2015/16 for cotton."

The market price support for agricultural commodities is calculated as the difference between the applied administered price and external reference price prevailing in 1986-88 multiplied by eligible production.

India had all along opposed the methodology adopted for arriving at the MPS. India, along with more than 45 countries of the G-33 farm coalition, had demanded that the MPS must be calculated by using an external reference price of a recent period instead of 1986-88, which was built into the equation following the Uruguay Round of trade negotiations. But the US and other erstwhile farm trade-distorting countries such as the European Union, Japan, Norway and Switzerland, vehemently blocked India's efforts for changing the methodology.

"The US wants to paint India with a dark brush as a culprit for global distortions in cotton trade in which the US and the four poor West African countries—Benin, Burkina Faso, Mali, and Chad—are the main victims," said a trade envoy, requesting anonymity.

A senior Indian trade official, also requesting anonymity, said: “The US’ counter notification is a cut-and-paste job of what Washington previously did on India’s rice and wheat and it is based on a flawed and erroneous methodology.” India will categorically dismiss the notification on cotton when it comes up for consideration at the special negotiating session, the official added.

Moreover, the US has used the rupee for calculating the market price support, while India calculates in dollar terms, which makes a tremendous difference, said an analyst on global farm trade. Also, the US was wrong to use total production for the calculation of MPS as opposed to India’s calculation based on the procured production. Further, the Cotton Corporation of India does not procure more than 1% of the total production of cotton, the analyst said.

In short, the US wants to pit India against poor West African countries who are seeking substantial reduction in cotton subsidies provided by the US, he added. “Incidentally, the US was already condemned by the WTO’s appellate body for distorting global trade in cotton.”

| **India clocked highest export growth in past six years YoY Diwali comparison: Prabhu** | **Uni India** http://www.uniindia.com/india-clocked-highest-export-growth-in-past-six-years-yoy-diwali-comparison-prabhu/business-economy/news/1401561.html |
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India has clocked highest export growth in the past six years Year-on-Year Diwali comparison, said Commerce and Industry Minister Suresh Prabhu on Saturday.

'India clocks highest export growth in the last 6 years Year-on-Year Diwali comparison.

'Our sector specific interventions, export promotion initiatives, transparency and quick issue resolution have led to an impressive export growth of 14.76 per cent in 2017-18 (October-September) over previous year,' the Minister said on micro-blogging site Twitter.

He said the Purchasing Managers’ Index signalled a sparkling continuous expansion between last Diwali to this Diwali.

Purchasing Managers’ Index signaling a sparkling continuous expansion between last Diwali to this Diwali.

'PMI in Oct’18 stood at 53.1 compared to 50.3 in Oct’17. October 2018 is also the 15th consecutive month of PMI above 50 indicating expansion in the manufacturing sector,' Mr Prabhu said in another tweet.

The ministry has identified nine sectors, including gems and jewellery, leather, textiles, agriculture and pharmaceuticals, to drive India’s exports to 400 billion dollars in the next five years. These sectors accounted for 242 billion dollars which is 80 per cent of the country’s total exports of 302 billion dollars in 2017-18.

Mr Prabhu had asked exporters to prepare action plans and develop strategies to double India’s exports by 2025 to help create jobs, bring in foreign exchange and validate India’s international competitiveness.

| Cotton textile exports grow 26% in Apr-Sept | Thehitavada http://thehitavada.com/Encyc/2018/11/11/Cotton-textile-exports-grow-26--in-Apr-Sept.aspx |
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India's cotton textile exports grew by 26 per cent at USD 6,235 million in the first six months ended September 2018 and the on-going trade war between US and China will open up new export opportunities, the Cotton Textiles Export Promotion Council (Texprocil) said.

The country had exported cotton textiles (raw cotton, yarn, fabrics and made-ups) worth USD 4,917 million in April-September 2017-18, the association said.

However, exports of textiles and clothing declined by 3 per cent with exports of readymade garments registering a steep decline of 16 per cent during H1FY19.

India held a special place in global textile trade as the second largest textile exporter in the world. Today, cotton yarn and fabric exports account for over 23 per cent of India's total textiles and apparel exports.

Ujwal Lahoti, Chairman of Texprocil, stated that the ongoing trade war between the US and China would possibly open up new opportunities for cotton textile exports from India.

| More raw cotton hit the market despite lower acreage, sells less than MSP | **Times of India** https://timesofindia.indiatimes.com/city/chandigarh/more-raw-cotton-hit-the-market-despite-lower-acreage-sells-less-than-msp/articleshow/66561983.cms |
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This season, the markets of Punjab saw the arrival of a relatively higher quantity of raw cotton compared with the previous year, despite lower acreage. A total of 2,45,500 bales (one bale=170kg) arrived in the mandis till November 8 whereas in 2017, 2,35,000 bales had arrived during the corresponding period.

Central government's agency, Cotton Corporation of India (CCI), is yet to make any purchases even though the crop is fetching rates less than the minimum support price (MSP). The prevailing rates of raw cotton are in the range of Rs 5,250 - Rs 5,300 per quintal whereas MSP for the 27.5- 28.5mm long staple (grown in Punjab) is Rs 5,350 per quintal.

The crop fetched less than Rs 5,000 per quintal in early October. CCI had then announced to make purchases directly from farmers without any arhtiya (commission agent). However, farmers were unwilling to spoil their relations with the commission agents and opted to sell their produce through them thus leaving no space for CCI to intervene and stabilise the market rates.

"I had brought my produce to the market on Thursday, which sold today at Rs 5,290 per quintal. It is not much lower than the MSP. As I wanted my crop to be sold through an arhtiya, I did not approach the CCI," said farmer Balwant Singh of Sangat village who cultivated cotton in over 3.5 acres. Farmers Amrik Singh and Manjinder Singh of Jai Singh

Wala village in Bathinda also sold their crop on Friday through arhtiyas.

After four years, cotton is being sold at rates lower than the MSP. During the past four seasons, cotton had been sold at rates higher than MSP. CCI had procured the crop from the Punjab farmers in 2014-15.

Cotton has been sown over 2.84 lakh hectares in Punjab. Bathinda district tops the list with 1.10 lakh hectares under the crop. Last year, the fibre crop was sown over 2.91 lakh hectares.

Experts expect the yield this season to be better than the last year at nearly 770kg lint per hectare, up from 750 kilogram per hectare in the 2017-18. Lint is prepared by ginning process of raw cotton, which is calculated at 1/3rd or 34% of total raw cotton. Production of cotton this season is estimated to be at 12 lakh bales.

A senior official of CCI said, “We are ready to make purchases but no one comes to us. However, now as the prices are near MSP, farmers don’t have to face big losses. They had not preferred to sell raw cotton through CCI when it was being sold at nearly Rs 5,000 per quintal”.

| **Exports: 16 out of 30 sectors in negative zone in September** | **Economic Times** https://economictimes.indiatimes.com/news/economy/policy/exports-16-out-of-30-sectors-in-negative-zone-in-september/articleshow/66575597.cms |
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Exports of over half of the 30 sectors closely monitored by the Commerce Ministry were in the negative zone in September, according to official data. Overall exports in September contracted by 2.15 per cent to USD 27.95 billion mainly due to the base impact.

Outbound shipments of as many as 16 key sectors -- including rice, tea, coffee, tobacco, engineering, leather, spices, cashew, fruits and vegetables, marine products and gems and jewellery -- dipped during the month under review, the commerce ministry data showed.

Federation of Indian Export Organisation (FIEO) President Ganesh Gupta said the negative growth in September is primarily due to high base effect last year.

However, he expressed hope that the export growth would be better in the coming months as the order books are healthy. Steps like increasing interest subsidy to 5 per cent from 3 per cent recently would give a further boost to exports, he said adding the government, however, needs to look at ensuring smooth flow of credit.

Gupta demanded for augmentation of the flow of credit to the export sector as a sharp decline in credit when exports are growing at the double-digit does not augur well for the future.

During September, important segments like engineering, readymade garments of textiles, gems and jewellery and leather exports contracted by 4.12 per cent, 33.58 per cent, 21.7 per cent and 13 per cent, respectively.

These sectors contribute significantly in the country's total outbound shipments. Agri-products, which constitute over 10 per cent of the country's total shipments, too recorded a negative growth during the month under review. The government is in the process of rolling out an export policy to boost shipments.

Overall, eight out of 13 main agriculture products slipped into negative territory. Exports of rice, cashew and tea fell 31.64 per cent, 29.3 per cent and 15 per cent, respectively. However, shipments of pharmaceuticals, plastic, chemicals, and electronics have recorded positive growth in September. During April-August 2018-19, exports recorded a growth of 12.54 per cent. Imports during the period rose by 16.16 per cent, leaving a trade deficit of USD 94.32 billion in the first half of the current fiscal.

Similarly, as many 12 importing sectors including silver, transport equipment, project goods, pearls, precious and semi-precious stones, and cotton raw and waste too reported negative growth in September.

| **Minister seeks ₹ 20,000 crore investment from Coimbatore** | **The Hindu**<br>https://www.thehindu.com/news/cities/Coimbatore/minister-seeks-20000-crore-investment-from-coimbatore/article25469973.ece |
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Companies from Gujarat have conveyed their readiness to invest ₹20,000 crore in the State: M.C. Sampath

The second edition of Global Investors' Meet (GIM) in Tamil Nadu is expected to attract investment of ₹20,000 crore from Gujarat. The industrial city of Coimbatore should strive for a similar volume of investment, Minister for Industries, Steel Control and Special Initiatives, M.C. Sampath said here on Sunday.

Stating that companies from Gujarat have conveyed their readiness to invest ₹20,000 crore in the State, a Memorandum of Understanding (MoU) of which will be signed at the GIM to be held in Chennai on January 23 and 24, 2019, Mr. Sampath said that the diverse industrial sectors in Coimbatore have all the potential to invest on a par with Gujarat. "Factors like availability of skilled manpower and low cost of production are advantages of Tamil Nadu in attracting investments. Tamil Nadu Business Facilitation Act, 2017, has brought ease of doing business in the State. Our aim is to become one of the 10 top manufacturing hubs in the world and the top in automotive sector," said Mr. Sampath at a road show of GIM held here.

The Minister said that GIM 2019 is expected to have more investments in 12 sectors including textiles and apparel, automobiles and auto components, agro and food processing, aerospace and defence, pharmaceuticals and biotech, chemicals and petrochemicals, renewable energy, and IT and IT enabled services.

Minister for Municipal Administration and Rural Development S.P. Velumani said the second edition of GIM is expected cross ₹2.4 lakh crore of investment which it had in the first edition. As many as 98 MoUs were signed at the first edition of GIM in 2015 and 68 companies have started works.

"To boost the industrial sector, we have taken efforts to extend the Mumbai-Bengaluru industrial corridor up to

Coimbatore. We have sought the Centre to include Coimbatore in the project which will turn it into one of the10 world class cities in the country," said Mr. Velumani. Minister for Rural Industries P. Benjamin said that the Single Window Portal of the Government has helped MSME do hassle-free business as renewal of approvals from 11 departments and 37 services can be done online.

K. Gnanadesikan, Additional Chief Secretary-Industries, M. Velmurugan, Executive Vice Chairman of Investment Promotion, Industrial Guidance and Export Promotion Bureau, Dharmendra Pratap Yadav, Secretary to the Government, MSME Department, Rajendra Kumar, Principal Chief Secretary, Industries Commissioner and Director of Industries and Commerce, District Collector T.N. Hariharan, MLA Amman A. Arjunan, M. Ponnuswami, Chairman of CII Tamil Nadu, M. Ramesh, Chairman of CII Coimbatore Zone and R. Ramamurthy, president of Codissia, were present at the road show.

| **Scientists design fabrics that can store charge for smart clothes** | **Business Standard** https://www.business-standard.com/article/international/scientists-design-fabrics-that-can-store-charge-for-smart-clothes-118111000838_1.html |
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Scientists have developed a method that can allow fabrics to store charge, paving the way for self-powered smart garments that can monitor health in real time.

A major factor holding back development of wearable biosensors for health monitoring is the lack of a lightweight, long-lasting power supply.

Scientists at the University of Massachusetts Amherst in the US have developed a method for making a charge-storing system that is easily integrated into clothing for "embroidering a charge-storing pattern onto any garment." "Batteries or other kinds of charge storage are still the limiting components for most portable, wearable, ingestible or flexible technologies. The devices tend to be some combination of too large, too heavy and not flexible," said Trisha L Andrew, who led the study published in the journal ACS Applied Materials & Interfaces.

The method uses a micro-supercapacitor and combines vapour-coated conductive threads with a polymer film, plus a special sewing technique to create a flexible mesh of aligned electrodes on a textile backing.

The resulting solid-state device has a high ability to store charge for its size, and other characteristics that allow it to power wearable biosensors. While researchers have remarkably miniaturised many different electronic circuit components, until now the same could not be said for charge-storing devices.

"We show that we can literally embroider a charge-storing pattern onto any garment using the vapour-coated threads that our lab makes. This opens the door for simply sewing circuits on self-powered smart garments," said Andrew. Researchers point out that supercapacitors are ideal candidates for wearable charge storage circuits because they have inherently higher power densities compared to batteries.

However, "incorporating electrochemically active materials with high electrical conductivities and rapid ion transport into textiles is challenging," they said. Researchers showed that their vapour coating process creates porous conducting polymer films on densely-twisted yarns, which can be easily swelled with electrolyte ions and maintain high charge storage capacity per unit length as compared to prior work with dyed or extruded fibres.

Andrew noted that textile scientists have tended not to use vapour deposition because of technical difficulties and high costs, but more recently, research has shown that the technology can be scaled up and remain cost-effective.

Researchers are working on incorporating the new embroidered charge-storage arrays with e-textile sensors and low-power microprocessors to build smart garments that can monitor a person's gait and joint movements throughout a normal day.

| **An artificial intelligence app that can ‘Mirrorsize’ apparel** | **Business Line** https://www.thehindubusinessline.com/info-tech/an-artificial-intellignce-app-that-mirrorsize/article25469039.ece |
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Getting an apparel of your choice that fits right is a challenge, especially if it is ordered online.

Studies show that nearly 30 per cent of online users drop out before a purchase, because of size and fit issues. Returns, post an online purchase due to sizing issues, range anywhere between 25 and 40 per cent.

And this is where US-based tech start-up ‘Mirrorsize’ comes in with its artificial intelligence-enabled device agnostic body scanning app.

Launched on a trial basis earlier this month — on both Android and iOS platforms — the app takes 3D body scan to deliver “precise body measurements” on tablet PCs and smartphones.

While an individual user gets the right fit, for an apparel maker or e-tailer it could lead to increased sales, lesser returns and customer loyalty. For custom tailoring outfits, it is a chance to enhance their business opportunities and reach larger audiences.

No wonder then that Arup Chakraborty, Founder and CEO, Mirrorsize, wants to extend his offerings to brands, e-commerce companies and even bespoke players (custom tailoring outfits and start-ups). Currently, individual users and some bespoke players are using the app.

“We are in the process of filing patents. Once through, we will focus on the go to market strategy,” he told *BusinessLine*.

Mirrorsize has already developed two products: ‘Get Measured’ for custom-tailoring outfits; while ‘Size2Fit’ is targeted towards ready-made apparel makers. More additions in terms of product expansion are being planned.

Getting the idea

Chakraborty admits that he was on the look-out for custom tailoring, but was having fitting issues. Tailors would either ask him to be present in person at their shops or he used to send them his measurements. Size charts across e-tailers would confuse him. Even images used in 'virtual trial rooms' were not up to the mark. Thus, began his quest for "a solution". During this time, he met a couple of professors from IIT-Delhi and, along with them, his company Mirrosize started developing the product.

"Measurements taken will be precise because of the use of AI (artificial intelligence). This apart, we will be a cost-effective solution provider," Chakraborty said.

Monetisation, licensing

Monetisation plans are being worked at. "We may look at a click-based model for companies and brands. I am not much interested in charging individual users," he added.

The company is already in discussions with at least seven to eight brands and custom-tailoring outfits (bespoke tailors) for licensing pacts.

This means, an apparel maker will provide Mirrorsize with its brand specifications. A buyer will click on the 'body measurement' option on the apparel maker's website or an online shopping site and get to know what size fits him/her the best.

Mirrorsize is also in talks to raise funds which, according to Chakraborty, should not be more than $5 million, as of now. Funds will be used for setting up a global sales and marketing team and to step up focus on R&D.

| **North East's first 'water handloom hut' inaugurated in Manipur** | **Business Standard**<br>https://www.business-standard.com/article/news-ani/north-east-s-first-water-handloom-hut-inaugurated-in-manipur-118111200069_1.html |
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North East's first 'floating water handloom huts' were inaugurated at Loktak Lake in Bishnupur district of Manipur on Sunday. The five handloom huts were inaugurated by Tripura's Forest and Tribal Welfare Minister, Mevar Kumar Jamatia in presence of other government officials.

The handlooms huts including looms were gifted to people of the region on an experimental basis.

"This is just an experiment. We are trying to engage the female in the weaving activities," said K. Lamlee Kamei, Director of Directorate of Handloom and Textiles. "If the experimental work is successful, the project will be carried out on a wide scale," he added.

The motive behind the experimental venture is to attract more tourists and to promote handloom weavers.

| India, Russia banks to discuss rouble-rupee trade today | Bulaway.com<br>https://img.bulawayo24.com/articles/bulawayo24.png |
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Bid to by-pass sanctions imposed by the US on trade with Moscow

Representatives of atleast three Russian banks operating in India, including Vnesheconombank, Sberbank and VTB, will meet executives from top Indian banks in Mumbai on Monday to discuss rupee-rouble settlements between businesses of the two countries. According to sources close to the development, the meeting being organised by the Indian Banks' Association (IBA) will also see participation from the RBI and Russia's central bank representatives. India and Russia have been trying to establish mechanisms for trade in national currencies, bypassing the US dollar, for about a decade, but there has been little progress on the ground.

The need for rupee-rouble trade has increased in the past one year as Russia continues to face pressure of US sanctions. India-Russia bilateral trade is highly dominated by defence deals and several Russian defence majors contracted by the Indian government are currently under US sanctions. Since the beginning of this year, Indian banks have halted defence-related payments worth several billion US dollars.

The issue was raised during the 24th meeting of Indo-Russian working group on banking and financial matters held in August in the Russian city of Tula chaired by Ksenia Yudaeva, first Deputy Governor of the Central bank of Russia, and Bibhu Prasad Kanungo, Deputy Governor of the Reserve Bank of India. According to the minutes of the meeting reviewed by *BusinessLine*, the infrastructure for such settlements is in place, but banks need to make further progress to start transactions.

The Indian side expressed concern over negative implications of the US sanctions against Russia while the Russian side said these challenges "can be addressed through a more accurate interpretation by Indian banks of the unilateral restrictions imposed against Russia by third countries". The Russian side said it will provide the Indian side with regular updates on the sanctions regime which would then be communicated by the RBI to Indian banks. Experts believe the current volume of trade between India and Russia, which is around $10 billion, is too less to move to settlements in national currencies, and for the beginning the countries could start with agreement on currency swap.

"The trade volumes should go up by at least 30-50 per cent for the entire ecosystem to be interested," an analyst with a Moscow-based brokerage said. "The rupee-rouble settlements could be more expensive and time consuming, at least in the initial phase. Hence, for business participating in this the governments and regulators of both countries should ensure they create a favourable environment," he added.

Analysts said that the launch of rupee/dollar futures by the Moscow Exchange last month is a favourable step. Although technically it does not pave the way for settlement in national currencies, it could popularise the rupee in the Russian market.

| China-backed trade deal center stage at summit as US retreats | Arab News http://www.arabnews.com/node/1402786/business-economy |
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China, Japan, India and other Asia-Pacific countries could announce a broad agreement on the Regional Comprehensive Economic Partnership (RCEP) at the summit

The US is not part of the deal, and is skipping the summit in Singapore

SINGAPORE: World leaders will push for the rapid completion of a massive, China-backed trade deal that excludes the US at a summit this week, in a rebuke to rising protectionism and Donald Trump's "America First" agenda. China, Japan, India and other Asia-Pacific countries could announce a broad agreement on the Regional Comprehensive Economic Partnership (RCEP), which covers half the world's population, on the sidelines of the annual gathering.

Not only is the US absent from the deal, but Trump is skipping the summit in Singapore, highlighting how far he has pulled back from efforts to shape global trade rules and raising further questions about Washington's commitment to Asia.

Trump launched his unilateralist trade policy with a bang shortly after coming to office by withdrawing from the Trans-Pacific Partnership, a deal spearheaded by predecessor Barack Obama that aimed to bind fast-growing Asian powers into an American-backed order to counter China.

His approach has left the floor open for Beijing to promote a rival pact it favors, the 16-member RCEP, a free trade deal which also aims to cut tariffs and integrate markets, but gives weaker protection in areas including employment and the environment. The pact championed by Obama has been kept alive even without the US, and is due to go into force this year, but the Beijing-backed pact has now overtaken it as the world's biggest.

Announcing in Singapore that talks for the deal — which formally began in 2012 — are mostly concluded would be "important as a symbol of Asia's commitment to trade at a time of rising global tensions," Deborah Elms, executive director of the Asian Trade Center, told AFP.

She said negotiations in some areas were likely to continue into next year, however, while a diplomat attending the summit, speaking anonymously, said "substantial progress" had been made but there were still sticking points. The gathering of 20 world leaders comes against a backdrop of a months-long trade dispute between China and the United States after Trump imposed tariffs on most Chinese imports this summer, and Beijing retaliated with its own levies.

The standoff is having an impact far beyond the US and China, and leaders at the four days of meetings that begin Monday will be keen to voice their grievances to Vice President Mike Pence, attending in Trump's place, and Premier Li Keqiang.

Trump's absence from the Singapore gathering and a subsequent meeting of world leaders in Papua New Guinea is even more notable given Obama, who launched a so-called “pivot to Asia” to direct more US economic and military resources to the region, was a regular participant.

Washington, however, argues that it remains committed to Asia, pointing to regular visits by top officials. “We are fully engaged,” insisted Patrick Murphy, one of the State Department’s most senior Asia diplomats. “That is very sustained and has been enhanced under the current administration.”

Myanmar’s embattled leader Aung San Suu Kyi is attending the meetings, and will deliver a keynote address at a business forum Monday

She may face criticism over a military crackdown on the Muslim Rohingya that saw hundreds of thousands flee to Bangladesh last year, and has sparked rare criticism of Myanmar from within regional bloc the Association of Southeast Asian Nations (ASEAN).

Also on the agenda will be North Korea’s nuclear program. Trump and North Korean leader Kim Jong Un signed a vaguely worded agreement on denuclearization at a historic summit in June, but progress has been slow since. Pence will also keep on pressure on Beijing over its growing aggression in the South China Sea. China claims almost all the strategically vital waters, a source of friction with Southeast Asian states that have overlapping claims as well as the US, the traditionally dominant military power in the region.

Other leaders attending include Russian President Vladimir Putin and Japanese Prime Minister Shinzo Abe. But much of the focus will be on the RCEP as leaders seek to send a message in support of free trade. The deal groups the 10 ASEAN members plus China, India, Japan, South Korea, Australia and New Zealand. World leaders “should present a united front advancing trade liberalization in (the Asia-Pacific) despite global headwinds to trade from the rising tide of global protectionism,” Rajiv Biswas, chief regional economist at IHS Markit, told AFP.

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| **China, India to focus on trade at RCEP** | **Nhk.org**<br>https://www3.nhk.or.jp/nhkworld/en/news/20181112_03/ |

China's government is eager to spearhead the RCEP debate in support of free trade. Behind their actions is the Trump administration's relentless imposition of tariffs on Chinese goods.

But Beijing is facing difficult negotiations on the issue of violating intellectual property rights.

Countries such as Japan and Australia want China to implement rules that will prohibit illegally copied products from being shipped abroad.

A major focus of the RCEP negotiations is whether China will compromise on this issue.

Meanwhile, India is reluctant to abolish or lower tariffs. India is dealing with a 40 percent trade deficit with China.

Prime Minister Narendra Modi is apparently worried that the RCEP deal could lead to the further ballooning of that imbalance. Modi is also concerned about the agricultural sector and the negative impact of opening that market, where about 60 percent of the country's population is employed.

| SA scraps 54-year-old bilateral trade agreement with Zimbabwean | Bulaway<br>https://bulawayo24.com/index-id-news-sc-national-byo-149363.html |
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Fears of significant job losses in the textiles and clothing sector have arisen after Archer Clothing in Bulawayo laid off 200 workers following South Africa's decision to scrap a 54-year-old bilateral trade agreement giving Zimbabwean firms preferential access to Africa's biggest economy.

Pretoria gave Harare 12 months notice of its intention to terminate the 1964 pact last November.

Archer Clothing, which was saved from liquidation after a $5 million investment by Paramount Garment Works in 2015, is one of the success stories of the local textiles industry, and in the past three years, the company has created more than 1 400 jobs.

Now Archer is provisionally downsizing because of looming restricted access to the South African market.

Its woes have been compounded by the Zimbabwe Electricity Supply Authority's failure to match incremental demand for power from the clothing manufacturer.

Chairperson of the Zimbabwe Clothing Manufacturers Association Mr Jeremy Youmans, who is group finance director at Paramount Garments, said: "Given that July was when we had elections and the multitude of changes which have occurred in the new Government, we simply do not have time left to react and respond adequately. The ongoing uncertainty for some of our products has forced us to act now."

The 54-year-old agreement allowed relaxed rules of origin of single transformation, enabling clothing and textiles firms to use imported fabrics from Asia to produce for the South African market.

Under "double transformation" rules governing the Sadc Trade Protocol, fabric should be from within the region.

Those in the sector say while fabric is readily available from mills in Mauritius, Madagascar, Tanzania, Lesotho, South Africa and Zimbabwe, this can only be used to manufacture particular clothing items like work and denim wear.

"The full range of fabrics are not available, particularly for fashion wear, and this means that the desired intra-region trade cannot happen and, instead, finished goods are imported from outside the region, particularly Asia, with no value addition happening within the region," explained Mr Youmans

Attempts to get a comment from Industry and Commerce Minister Mangaliso Ndlovu were unsuccessful by the time of going to print.

Sources privy to the goings on said Harare has been pushing for a meeting with Pretoria over the issue, and an indaba has been tentatively scheduled for January 2019.

Meanwhile, Archer says Zesa's failure to avail more electricity to the firm has prevented them from creating 400 jobs.

Mr Youmans said: "We have been working with Zesa to get the infrastructure expanded to cope with the increased demand for the last four months, but progress is so slow. In the meantime, we have been forced to curtail any future growth so that our demand does not lead to a total failure of the electrical systems, a situation which could put lives at risk.

"Only once the infrastructure is made secure and sufficient will we be able to return to the expansions we have prepared at the factory and get back to employing the 400 additional employees we have capacity to take on. It is very frustrating and upsetting that we have to take this action and people have to lose their jobs over such matters. We will keep chasing for the necessary actions to sort out these issues, to be done."