The Southern India Mills' Association
Post Box No. 3783, 41 Race Course, Coimbatore - 641 018
Phone: 0422 4225333 | Fax: 0422 4225366
E-mail: info@simamills.org | Web: www.simamills.org

NEWS CLIPPINGS –22-11-2018

Exporters facing significant shrinkage in their working capital under GST; their ability to take new orders are restricting: World Bank	KNN India https://knnindia.co.in/news/newsdetails/economy/exporters-facing-significant-shrinkage-in-their-working-capital-under-gst-their-ability-to-take-new-orders-are-restricting-world-bank

Exporters are facing significant shrinkage in their working capital under the new system which is restricting their ability to take in new orders, said a World Bank Report on Challenges of the Goods and Service Tax (GST) implementation in India.

The report suggested that reducing the cash flow burden on exporters and reducing cases of refunds would require immediate policy interventions.

A Goods and Services Tax in a federal structure by very nature is complex. The GST system in India tries to minimize the complexity by applying a common base and rate across the country. However, the multiple rate structure and an enforcement framework using onerous reporting requirements for businesses places a huge compliance burden on businesses especially SMEs and is having a negative impact on the economy, said the report.

It suggested that the government could reduce the compliance burden on SMEs by providing a longer transition period for them to be part of the full GST requirements.

The World Bank report, released last week, said that the economic impact of the new system will last for at least a few months until businesses can comply with the new system.

The additional cost of compliance and the higher tax compliance is likely to render some marginal businesses unviable which would have real economic impact on investment and jobs.

However, over time, the benefits of the implementation in the form of positive economic benefits such the removal of tax restrictions on free movement of goods across the country and higher tax collection will over time make up the temporary slowdown.

In the interim, the government would need to take additional measures to address these issues of potential slowdown to the economy and minimize any additional compliance burdens on businesses especially SMEs.

Highlighting the issues faced in GST implementation, the report elaborated that these include onerous requirements on businesses on collecting and reporting transaction-wise date onto the electronic portal for all businesses with turnover over 7.5 million rupees a year.

Issues also arise due to identification of the goods and services with a HSN code to arrive at the correct tax rate to apply.

Exporters who earlier had benefited from tax exemptions on their inputs are now required to pay taxes on inputs up front and claim their refunds after filing of tax returns. Exporters are required to also collect tax on exports as it were a domestic sale if they do not have a Letter of Undertaking or Bond.

This is putting pressure on the working capital of small exporters, said the World Bank report.

It said informal businesses are under severe pressure having to now pay taxes (and the additional cost of compliance) and marginal businesses are likely to close thus having a real economic impact which could spread down the value chain. Some of these issues such as classification and uploading of returns are transitory, however structural issues on multiple rates and treatment of exporters and marginal businesses will continue.

On Political Economy of the implementation of the GST, the report said the government had a limited window to implement the GST before the political cycle kicked in. This may have played into the hurried implementation without full preparation.

The government hoped that by the time the next elections campaigning begins at the end of 2018 the issues in the GST would have settled and the benefits of the implementation in the form of positive economic benefits such the removal of tax restrictions on trading and higher tax collection.

Highlighting the potential ways to address the issues faced by businesses on the implementation of the GST, the World Bank's report suggested allowing longer period for filing of tax returns such as quarterly filing; supporting taxpayer assistance like the Tax Return Preparer Scheme for Income Tax; Introducing a GST suspension regime for small exporters; Allowing automatic refunds for certain categories of exporters using a risk based approach; Moving to fewer tax rates to address the issue of classification and refunds; Postponing the introduction of the e-way bill until the system stabilizes; and Clarifying to taxpayers the administration of the GST by the dual Central and State Tax Administrations.

The report pointed that prior to the GST, exporters did not pay VAT on their inputs that were imported. Under the new GST, exporters are required to pay GST taxes on all inputs including imported inputs and these taxes can be credited and as exports are zero rated the entire tax is refunded to the exporter.

However, and a refund will be available only if all the input taxes are deposited by the suppliers of these inputs. Further, under the new GST, exporters are required to also collect tax on exports as it were a domestic sale if they do not have a Letter of Undertaking or Bond.

On issues in uploading of tax returns, the report said tax returns are required to be filed every month requiring the need for additional accounting support. The additional cost on accountants especially for SMEs are non-trivial. There are reports that due to the paucity of qualified accountants available, the additional cost of accountant is on average Rs.10,000-15,000 (US$ 150-230) per month per SME.

On issue in refunds for exporters and others, the World Bank report said odeally refunds should arise mainly in the case of exporters and in the case of long gestation projects where items are delivered long after inputs were purchased.

However, refunds may also arise due to the design of the GST with multiple rates. If businesses are making sales at a lower rate but pay tax on inputs at a higher rate then refunds may result in the natural course of business.

Exporters have been badly hit by the requirement to pay tax on imports up front resulting in cash flow issues unlike in the past they have been benefiting from tax exemptions on their inputs. This has put a lot of pressure on their working capital requirements. Further, refunds are not yet being issued expeditiously as the system is designed to be risk averse to any fraud that may arise on refunds. Other transition issues include delays in providing formats for Letter of Undertaking and Bond for exporters to export without paying taxes on export sales.

According to Federation of Indian Export Organisation (FIEO), exporters have stopped taking orders with least or no working capital at their disposal due to blockage of funds under GST and uncertainties looming large on refunds for the months of July to October, 2017.

Suggesting ways to address the issue of Refunds to exporters, the report suggested that reducing the delays on issuing refunds could be done by providing them on a risk basis whereby refunds are provided automatically at the end of the return filing process in cases where the business has a good track record of compliance reserving additional scrutiny only for high risk cases where refunds are demanded.

In the medium to long term two additional steps could be contemplated to address this issue:

Allow suspension of VAT for exporters who source their inputs from exports. This reduces the burden on exporters as otherwise tax is paid to the treasury on imports only to reclaim it on exports. Such a system addresses their cash flow problems that the current system has created.

Move to a single rate of VAT which addresses multiple issues including refunds as well as difficulties in classification of sales under the various rates mentioned above.

India push for free trade pact with Britain	**Telegraphi India** https://www.telegraphindia.com/business/india-push-for-free-trade-pact-with-britain/cid/1676116

Trade talks with the UK are scheduled next month that will give impetus to a free trade pact even as the Theresa May-government grapples with the complexities of Brexit that is being keenly watched by India Inc, which has a sizeable interest in the island nation.

“India and Britain are expected to hold unofficial talks on free trade agreement and discuss the issues that need to be incorporated and areas of sensitivity in the post Brexit trade relations next month,” a senior commerce ministry official said.

Commerce minister Suresh Prabhu is expected to hold discussions with UK Secretary of State for International Trade Liam Fox, who is due to visit the country in December.

Officials said the two leaders were expected to lay the broad contours of the trade talks during their discussions so that negotiators can take them forward.

About 800 Indian companies use Britain as a gateway for entry into the European Union and would be keen to continue their relations as Brexit unfolds.

Indian firms employ more than 1.1 lakh people in the UK and account for more than $68 billion in revenues. Roughly half of India’s investments to the European Union go to the UK and about three-fourths of that from London.

“India and the UK have always shared a close economic relation. It has been the second largest trade partner for India in the EU after Germany. It is in the interest of both countries to work towards intensifying the relations,” the official said.

UK’s official exit from the EU will take place in March 2019, but the old rules and regulations will continue till December 2020.

Trade between India and the UK stands at $24 billion a year, and analysts believe this can be easily ratcheted up to $30 billion by 2020, even without a trade pact. However, a formal deal can increase trade manifold.

India is keen on deals to ease the export of software as well as the movement of IT and healthcare professionals. New Delhi also wants a greater access for generic drugs and pharma firms.

India's textile and garment sectors are also extremely keen on a trade pact. They are the country’s biggest forex earners after software and gems and jewellery.

India has been getting a raw deal in garments over its main competitors — Bangladesh, Cambodia, Vietnam and Pakistan — which have the advantage of either preferential agreements or quotas. Indian export of garments to Europe on the other hand attracts a 9.6 per cent duty, making such products uncompetitive.

Maharashtra to launch outreach project to foreign investors to boost FDI inflow	DNA India https://www.dnaindia.com/mumbai/report-maharashtra-to-launch-outreach-project-to-foreign-investors-to-boost-fdi-inflow-2688066

The state industries department and the Maharashtra Industrial Development Corporation (MIDC) will soon jointly launch an outreach project to hold interaction with the with the consul generals of 10 countries, overseas and Indian trade bodies, government agencies and companies. The outreach is aimed at reaching out to those who have already carried out investments in the state to understand their experience and seek suggestions to improve ease of doing business. MIDC in the first phase has shortlisted US, Japan, China, UK, Russia, Germany, France, South Korea, Sweden and Singapore. The state undertaking hopes to start interactive sessions from the first week of December which will go on til February next year.

MIDC CEO P Anbalagan told DNA,'' Maharashtra is the favoured investment destination. In order to further increase the FDI inflow, the state industries department and MIDC will reach out to the overseas firms to understand their issues, bottlenecks faced by them in carrying out investments and trouble shoot them. MIDC will clear those plans through single window system in a fixed time frame.''

He further informed that Maharashtra already accounts for 48% of the FDI as on date. This is largely due to several initiatives taken by the government for Ease of Doing Business (EoDB), investor friendly policies, quality infrastructure and skilled manpower. He said that MIDC has already started contacting consulates of 10 countries and investors to line up meetings. ''Confederation of Indian Industry and Federation of Indian Chambers of Commerce and Industry will be roped in to facilitate joint venture by overseas companies with Indian partners,'' he added.

Another MIDC officer said that the state's industrial base comprises pharmaceuticals, petrochemicals, heavy chemicals, electronics, automobiles, engineering, food processing and plastics. Based on national and international trends in demand and also based on state's own resources, the state has identified auto, engineering, electronics, textile and defence as main focus sectors.

US inflated Indian cotton subsidy by measuring in Rupee: India to tell WTO	Business Standard https://www.business-standard.com/article/economy-policy/us-calculated-india-s-cotton-subsidy-in-rs-ballooning-figure-officials-118112200035_1.html

India will furnish a rebuttal at the World Trade Organization (WTO) against allegations that it underreported the subsidy amount paid to cotton growers as part of the Minimum Support Price (MSP) programme. Last week, Washington DC told the WTO that India has given subsidies ranging between 53 per cent and 81 per cent of the value of production from 2010-11 to 2016-17, much higher than the 10 per cent limit allowed by the multilateral body. However, rather than calculating product subsidies provided by India in US dollar, the US government has furnished figures for India in rupee.

In a post-Brexit scenario, EU may rework FTA with India	Live Mint https://www.livemint.com/Politics/jbN79my4EwLIhGIBlxES9I/EU-unveils-policy-paper-on-boosting-ties-with-India.html

EU hints at negotiating balanced, ambitious and mutually beneficial agreements on trade, investment

The European Union (EU) may be looking at reworking the proposed free trade pact with India —called the Broad Based Bilateral Trade and Investment Agreement (BTIA)—in a post-Brexit scenario, negotiations for which have dragged on for 11 years with little progress.

In a strategy paper for India released on Tuesday, the EU did not mention BTIA, but sought to negotiate a "balanced, ambitious and mutually beneficial" free trade agreement (FTA) with sufficient level of ambition to respond to each side's key interests in trade and investment.

"In particular, the EU will continue to engage with India to ensure that such an agreement will be economically meaningful, delivering real new market openings in all sectors to both sides, and contain a solid rules-based component," it said in the paper released on Tuesday by the EU's ambassador to India Tomasz Kozlowski.

The EU, however, is adamant on having a comprehensive trade and sustainable development chapter, notably in order to deal with social and environmental impacts.

Negotiations on the India-EU FTA started back in 2007 and 16 rounds have been held since then —the last in 2013, before negotiations were suspended. Both sides have explored restarting negotiations after the Bharatiya Janata Party-led government assumed power in May 2014, but uncertainties over Brexit and inflexibility on both sides have prevented a formal resumption.

The EU in its strategy paper said it wants the investment deal to be negotiated along with the trade agreement including a contentious dispute settlement mechanism which India is reluctant to sign it as it allows private foreign investors to sue the local government for unanticipated policy changes. "Ensuring a high level of investment protection in order to remain an attractive destination for new investments is also a key dimension of the EU-India partnership,"it said.

After India unilaterally terminated its current bilateral investment treaties last year with 57 countries, including with EU member countries, to negotiate fresh deals based on a new model, the EU had raised strong objection.

India brought out a new model BIT in December 2015, intending to replace its existing BITs and future investment treaties, after being dragged into international arbitration by foreign investors who sued for discrimination, citing commitments made by India to other countries in bilateral treaties.

The EU also expressed discomfort with India's reluctance to "open up to imports" and its strong reliance on exports and inward investment. "The EU will continue to encourage India to open up its economy to strengthen its international competitiveness, benefit from a better integration into global value chains, and increase its share in global trade, to bring it more in line with its growing share of global GDP," it added.

The EU also sought India's constructive engagement in addressing global trade challenges in the World Trade Organization (WTO) to fight protectionism. "While the multilateral trading system has been instrumental in integrating the global economy and helping to prevent protectionism, it is confronted with a serious crisis. The EU wants to work with India to develop a common understanding on the issues to be addressed in the WTO and its modernization and to advance rulemaking on fundamental global trade issues," the strategy paper added. The EU also proposed to establish a regular ministerial high-level dialogue to strengthen engagement with India at a strategic level and to identify shared interests on economic, trade and investment issues.

India had expressed reluctance to agree to a similar proposal by EU made earlier, holding that the existing mechanism is sufficient to address contentious issues on both sides. The EU is India's largest trading partner accounting for 14% of its total trade in goods in 2017, while India is the EU's 9th largest trading partner.

MSMEs may get Rs 6-7 lakh crore a year in digital lending alone; may cross this major hurdle	**Financial Express** https://www.financialexpress.com/industry/sme/msmes-may-get-rs-6-7-lakh-crore-a-year-in-digital-lending-alone-if-this-hurdle-is-tackled/1388630/

The survey of 1,500 MSME owners with annual business revenue between Rs 3 lakh and Rs 75 crore pointed out key challenges for the sector, which has numbers about 60 million.

With more and more micro, small and medium enterprises (MSMEs) in India adopting new technologies to grow their businesses, there is a golden opportunity for the sector as it may get as much as Rs 6-7 lakh crore annually from digital lenders alone by 2023, according to a new report.

The report titled "Credit Disrupted: Digital MSME Lending in India", by impact investment firm Omidyar Network and the Boston Consulting Group, surveyed 1,500 MSME owners with annual business revenue between Rs 3 lakh and Rs 75 crore also pointed out key challenges for the sector. There are about 6 crore small business units (MSMEs) in India, and lack of formal credit is one of the major hurdles for them.

MSMEs are considered as the backbone of the Indian economy, given their contribution of about 30% of the gross domestic product and 49% of the country's exports. MSMEs also make an enormous contribution to employment in the country as they the second largest employers, after agriculture.

Still, MSMEs contribution to the GDP of India is as much as 10% lower than in the US and 23% than in China. Unavailability of access to formal credit sources is one of the primary reasons for this gap. Therefore, about 40% of the Indian MSMEs borrow from informal sources and end up paying an interest rate that averages 2.5 times higher than the ranges charged in the formal sector.

The report, however, showed that more than 40% MSMEs in the country are now more receptive to digital lending, primarily after the introduction of goods and service tax (GST) as about 9.2 million MSMEs are now GST registered, an increase of 50% from the previous tax regime. Also, factors such as the launch of the unified payments interface (UPI) and the decline in mobile data and mobile phones cost as there is a 100% increase in MSME mobile phone adoption have led to a significant number of MSMEs to digitise their businesses.

"Easier and cheaper credit through digital lending has the potential to trigger a virtuous cycle for formalization: up to 85 per cent of MSMEs could be formal by 2023," said Saurabh Tripathi, senior partner and director and Asia-Pacific leader, Financial Institutions Practice at BCG.

According to the survey, approximately 50% of MSMEs in the country are expected to use WhatsApp payments once it is fully rolled out. It may be noted that WhatsApp Pay was rolled out in the beta stage earlier this year.

Established in 2004 by Pierre Omidyar, the founder of eBay and his wife Pam, Omidyar Network has committed over $1.3 billion to for-profit and non-profit organizations that are engaged in initiatives like financial inclusion, education, digital identity and emerging tech.

How PM Narendra Modi has helped Khadi industry's turnaround in India	**Financial Express** https://www.financialexpress.com/industry/how-pm-narendra-modi-has-helped-khadi-industrys-turnaround-in-india/1388493/

Ever since being elected as the prime minister, Narendra Modi has been promoting Khadi and mentioned it in his radio address multiple times. He even talked about the growth of the Khadi industry in this year's Independence Day address.

Last year, in his 36th monthly radio address – Mann Ki Baat, prime minister Narendra Modi had urged people to come forward and promote Khadi. He had said that poor are getting jobs because the sales of Khadi have increased and the recent data revealed by Khadi and Village Industries Commission (KVIC) backs the claim. KVIC Chairman Vinai Kumar Saxena told PTI that 18,39,887 jobs were created by KVIC till September 2018.

Ever since being elected as the prime minister, Narendra Modi has been promoting Khadi and mentioned it in his radio address multiple times. He even talked about the growth of the Khadi industry in this year's Independence Day address.

In September 2017, he had said that Khadi is not just a piece of cloth but an idea. "I am not asking people to only wear Khadi but since there are so many fabrics with people, why not one of Khadi as well? Youth is also getting attracted to Khadi. The sale of Khadi has increased because of which poor are getting jobs," PM Modi had said.

In its progress report, KVIC has acknowledged the attention it has got from the prime minister.

"KVIC has also benefitted from the personal attention and commitment provided by the prime minister towards the promotion of Khadi and Village Industries Commission and accomplished many firsts and feats," it said.

The average sales of Khadi sector stood at Rs 914.07 crore between 2004 and 2014. This increased by a whopping

100.02% between 2015 and 2018 to Rs 1828.30 crore. The average export of Khadi and village industries products also increased from Rs 87.77 crore between 2004 and 2014 to Rs 204.75 crore between 2015 and 2018.

Saxena said that the commission plans to create another 13,83,130 jobs from November 2018 to March 2020. According to KVIC's vision document presented to the MSME ministry, over 11.3 lakh jobs will be created under PMEGP between November 2018 and March 2020. Another 48,222 jobs shall be generated by Khadi and 24,000 jobs by the 'Solar Vastra' during the period.

"Thanks to the ministry's timely approvals, in the last four years, while the total employment created by KVIC till September 2018 is 18,39,887; we have planned to create another 13,83,130 jobs during November 2018 to March 2020," Saxena said.

Apart from this, KVIC has estimated that 44,029 jobs would be created through other village industries, 20,285 jobs through the Honey Mission and 1,09,200 jobs from the Kumbhar Sashaktikaran Mission by March 2020.

Cotton prices to trade sideways to lower: Angel Commodities	**Money Control** https://www.moneycontrol.com/news/business/stocks/cotton-prices-to-trade-sideways-to-lower-angel-commodities-7-3203371.html

According to Angel Commodities, MCX Nov cotton slump to 7 - week lower on Tuesday tracking weakness in international prices and balanced demand - supply situation in domestic market.

MCX Nov cotton slump to 7 - week lower on Tuesday tracking weakness in international prices and balanced demand - supply situation in domestic market. The Indian Cotton Federation (ICF) has estimated cotton crop for 2018 - 19 in the country to be 373 lakh bales of 170 kg a bale. Uneven distribution and lower rains in cotton growing regions going to hamper the yield for the kharif 2018 - 19 season will result in to lower overall output. Farmers in Gujarat - the largest grower - fear picking may come down from normal 4 - 5 to merely one or two this year. The CAI has revised downward the cotton production estimate for the country by 4.75 lakh bales, pegging it at 343.25 lakh bales of 170 kg for the current season 2018 - 19 (Oct - Sep).

Outlook

Cotton futures expected to trade sideways to lower on steady demand but expectation of higher arrivals may keep prices under pressure in coming weeks. Moreover, export demand from China, Bangladesh, Vietnam & opening up of Pakistan market to keep prices high this season.

Lower crude prices could slow down exports	Telegraphi India https://www.telegraphindia.com/business/lower-crude-prices-could-slow-down-exports/cid/1676022

Softening of global crude prices could have an impact on export growth and the country may find it difficult to reach the $350-billion shipment target set for 2018-19.

Crude prices are like a double edged sword as its spike impacts imports and the current account deficit. However, the softening of fuel prices affects shipments as it is a major contributor to the export basket.

“Maintaining export growth from November onwards will be a challenge. We expect the import bill to come down, but the bigger challenge is that the base effect of crude price will kick in along with lower crude prices and so maintaining a strong export growth will be a challenge,” Ajay Sahai, director-general and CEO of the Federation of Indian Export Organisations (FIEO), said.

India imports over 80 per cent of its crude needs. Oil imports in October totalled $14.21 billion, up 52.64 per cent from a year earlier, the data showed. Brent crude prices increased 39.66 per cent in October from the same period last year.

Petroleum exports contribute over 17 per cent of the country’s overall trade basket.

The trade deficit related to fuel items widened to $9.7 billion in October 2018 from $6.5 billion in September 2018.

Sahai said: “In the 17.86 per cent growth in exports in October, the net export, or the value of exports, is much less than the value in September, which was negative. In September, we suffered a negative growth. In October, we have a growth of around 17 per cent but still the value of exports in October is less than September”.

The October trade numbers showed that exports jumped over 17 per cent to $26.98 billion compared with $22.89 billion last year. However, when compared with September, the month-on-month dip was 3.47 per cent in October, down from $27.95 billion.

Analysts expect crude prices to moderate in the coming months and are likely to remain below $70 a barrel and exports could be in the region of 10-12 per cent.

However, the silver lining is the trade war between the US and China, which will provide a window of opportunity for Indian goods. Sahai said: “Reaching the $350-billion target would be difficult, but the trade war provides a glimmer of hope. It is allowing new markets for Indian products and opening up Chinese markets for products such as sugar and non-basmati rice.” Last fiscal, exports grew 9.8 per cent to $303 billion. In the April-October period this year, exports grew 13.27 per cent to $191 billion. Imports were up 16.37 per cent to $302.47 billion.

CCRI New Cotton Variety Gets Commercial License	Urdu Point https://www.urdupoint.com/en/pakistan/ccri-new-cotton-variety-gets-commercial-licen-486306.html

Central Cotton Research Institute's (CCRI) variety BT CIM-632 got commercial license and farmers could cultivate it for getting produce upto 40 maund per acre.

The Punjab Seed Council has issued the license to the CCRI.

Earlier, the variety was prepared and trialled by scientists of Central Cotton Research Institute for period of two years.

After getting approval from National Coordinated Varietal Trial (NCVT), a national level forum of scientists hailing from all provinces for complete inspection of new cotton varieties, the CCRI variety CIM-632 was presented to Punjab Seed Council for issuance of commercial license.

Recently, Punjab Seed Council awarded commercial license for the new variety.

The new variety of CCRI is capable of good resistance against climate change, pink boll worm, white flies, and other viruses.

CCRI sources informed the variety would bring about revolution in cotton sector. It is considered as one of the leading production variety in the country.

To a query about its expected production, the CCRI officials informed that it had capacity to offer over 4O maunds/per acre.

It is pertinent to mention here that an average productionof cotton in the country is nearly 21 to 25 maund per acre.

Bangladesh clothing factories face squeeze if safety push blocked	Reuters.com https://www.reuters.com/article/us-bangladesh-retail-analysis/bangladesh-clothing-factories-face-squeeze-if-safety-push-blocked-idUSKCN1NQ1WD

A group set up to improve safety in Bangladesh’s garment industry after the Rana Plaza disaster in 2013 is warning global fashion firms that they will have to stop sourcing from some factories if the watchdog is forced to close next week. The threat to the apparel sector, which accounts for the bulk of Bangladesh’s exports, comes at a precarious time for the country ahead of a bitterly contested election in December, when Prime Minister Sheikh Hasina is seeking another term.

“The consequences of a closure of the Accord liaison office in Bangladesh will be significant, immediate, and damaging,” said Joris Oldenziel, the deputy director of the Accord on Fire and Building Safety in Bangladesh.

More than 200 firms - including the world's top fashion retailers like Zara-owner Inditex (ITX.MC) and H&M (HMb.ST) - signed the legally-binding, five-year Accord after at least 1,100 people were killed when the Rana Plaza complex collapsed.

German business delegation to visit Egypt next week	**Daily News Egypt** https://dailynewsegypt.com/2018/11/21/german-business-delegation-to-visit-egypt-next-week/

German delegation of 16 companies will visit Egypt to study investment opportunities in the market next week, according to Jan Noether CEO of German-Arab Chamber of Industry and Commerce-AHK.

Noether told Daily News Egypt that the delegation includes Germany's largest textile machinery manufacturer.

He explained that the German companies specialise in the manufacture of machines for all stages of textile production, whether printing or dyeing, textile and others.

Additionally, Noether pointed out that the delegation will arrive on 25 November and is scheduled to meet with Egyptian companies working in the field of spinning and textiles.

He predicted the arrival of several trade delegations from Germany, during the next year, with a strong focus on some industrial sectors.

Noether praised the efforts exerted by the Egyptian government to stabilise prices and achieve sustainable growth of the Egyptian economy.

He pointed out that the Chamber is working to support the economic relations between Egypt and Germany, and provide economic and industrial information and the adoption of industrial or operational networks, in addition to providing a variety of services to link individual business interests of Egyptian companies with those in Germany.

Last year, trade exchange between the two countries reached €5.814bn, compared to €5.568bn in 2016, an increase of 5%, making Egypt the third largest trade partner for Germany in the Middle East after the UAE and Saudi Arabia.

Moreover, German investments in Egypt currently amount to $641m in 1,107 projects in the fields of industry, services, agriculture, construction, communications, information technology and finance. Egypt's total investment in Germany is $35.5m in finance, medicine, furniture, medical equipment, tourism and trade.

Nigeria: Minister Launches New Cotton Breed to Boost Textile Industry	**All Africa** https://allafrica.com/stories/201811210602.html

The Minister of Science and Technology Dr. Ogbonnaya Onu has launched the transgenic cotton seed aimed at boosting the textile industry.

Dr. Onu said the introduction of new cotton seeds will boost the economy by giving birth to more Small and Medium Scale Enterprises (SMEs) in the production of cotton seedlings and its by-products.

The new cotton seedlings will also result in higher yields and better pest-resistant varieties, he added.

Garment, textile expected to outdistance last year export turnover	**Sgg News** http://sggpnews.org.vn/business/garment-textile-expected-to-outdistance-last-year-export-turnover-78799.html

Garment, textile expected to outdistance last year export turnover

At present, many enterprises are rushing to complete orders signed last year to deliver goods on schedule and negotiate new orders for 2018. This is a good signal showing that businesses have well adapted to fluctuations in the market economy as well as headed towards sustainable development, said chairman of HCMC Association of Garments, Textiles, Embroidery and Knitting (Agtek) Pham Xuan Hong.

According to Mr. Vu Duc Giang, chairman of Vietnam Textile and Apparel Association (Vitas), with currently positive market signals, US$35 billion export turnover is likely obtainable for the garment and textile industry.

Experts believed that garment and textile production and export by domestic firms this year continue growing strongly. Big brand names have been sending orders to Vietnam to enjoy tax incentives from free trade agreements.

However, they still warn of challenges in global supply chain.

Economic expert Le Dang Doanh said that Vietnam’s garment and textile products have faced severe competition from Bangladesh, Cambodia, Laos, Sri Lanka and Myanmar. So he prompted businesses to improve competitive ability to grasp opportunities and stand firm in the volatile market.

In addition, the US will track the origin of materials used for making garment products imported to the country to impose additional taxes on products made from Chinese materials.

Vietnamese products will be most put on the sight as Vietnam is the neighboring country of China. Therefore businesses should shift into using other material sources rather than Chinese materials to avoid risks, advised experts.