



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 –27-10-2018

Global textile expo will be a model to the world: Minister

Business Line

<https://www.thehindubusinessline.com/news/global-textile-expo-will-be-a-model-to-the-world-minister/article25338302.ece>

The three-day international textile exhibition beginning here from January 27 would be a model to the world, Tamil Nadu Minister of Handloom O S Manian said on Friday.

Speaking at a function as a prelude to the exposition, he said the handloom sector, next to agriculture, has been growing in terms of production and export and this is the first time a state government is organising such an exhibition.

There would be 600 stalls in the show that is expected to attract 300 importers and buyers from different countries, he said.

Stating that chief minister K Palaniswami has raised the problems being faced by textile exporters with the central government, Manian said the state government was also periodically discussing the issue during the council meeting on goods and services tax.

State minister of municipal administration S P Velumani said the government has allocated Rs 2 crore for conducting the exhibition.

Only 11.68% of GIM investments in handlooms, handicrafts and textiles have taken shape

The Hindu

<https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/only-1168-of-gim-pledges-materialise-in-handlooms-and-handicrafts-sector/article25341439.ece>

One firm has pulled out; industry sources say procuring land is a tedious task

Data collated from the Handlooms, Handicrafts, Textiles and Khadi sector in the State show that only 11.68% of the investments pledged during the Global Investors Meet (GIM) in 2015 have materialised till date.

As on September 19, 2018, the department concerned had managed to bring in investments worth Rs. 228.39 crore, creating over 1500 jobs. Industry sources said that procuring land for some projects was a tedious task, and that obtaining clearances from certain departments was a 'nightmare'.

During the first edition of GIM, the Handlooms Department had signed 10 MoUs, entailing investments worth Rs.

1,954.83 crore with a potential to provide job opportunities to over 65,000 people.

No record of deal

Enquiries revealed that of the 10 MoUs signed, one firm, called Fashion Knits (a garment manufacturer), which had pledged to invest Rs. 100 crore, was now unwilling to pursue the project. Also, the department did not have any information on its records for a MoU signed by Estee Exports, entailing investments worth Rs. 192 crore.

On the other hand, two companies – Poppy’s Knitwear Private Limited and SRG Apparels Private Limited (expansion of existing plant) — had completed construction work. Poppy’s Knitwear had even started manufacturing operations.

Southern District Textile Processing Cluster (P) Ltd., which had agreed to invest Rs. 151 crore in Kariyapatti Taluk (Virudhunagar), had procured 102 acres of land, but construction work was yet to begin.

The firm was yet to get approvals from the Directorate of Town and Country Planning and the Tamil Nadu Pollution Control Board. In the case of SIMA Textile Processing Centre Ltd., the construction work was yet to begin as the firm’s request for water supply was pending with the State Industries Promotion Corporation of Tamil Nadu (SIPCOT). The firm had been allotted 247 acres by SIPCOT.

Projects still under way

Perarignar Anna Handloom Silk Park had commenced construction work on the 75-acre land it had procured in Kilkathirpur village (Kancheepuram). In the case of Arni Handloom Silk Park, which inked a deal for Rs. 94 crore, procurement of land was under way.

Two other firms – Sri Mahasakthi Pvt. Ltd. and SIPCOT SIMA — were yet to obtain land for their projects. In the case of the former, land was yet to be allotted, while for the latter, land had not been procured and, as per the EIA notification of 2006, environmental clearance had to be obtained from The Ministry of Environment & Forests (MoEF), New Delhi.

Last week, The Hindu looked at the investments pledged in the IT sector during GIM 2015 and found that only 29.30% of the promised investments had materialised three years on.

**Fiscal deficit exceeds 95% of Budget
Estimate in H1**

Business Line

<https://www.thehindubusinessline.com/economy/fiscal-deficit-exceeds-95-of-budget-estimate-in-h1/article25324034.ece?homepage=true>

The deficit was at ₹5.94 lakh crore on account of slow growth in revenue mop-up

NEW DELHI, OCTOBER 25

The fiscal deficit for the first six months — April-September — of the current financial year has exceeded 95 per cent of the Budget Estimate, a government data revealed on Thursday.

Fiscal deficit is the difference between expenditure and income of the government. Normally it is bridged by the borrowing raised by the government in consultation with the Reserve Bank of India (RBI). The government has estimated to keep the fiscal deficit at 3.3 per cent of the GDP (Gross Domestic Product).

According to the data released by the Controller General of Accounts (CGA), fiscal deficit for the period April-September crossed ₹5.94 lakh crore which is 95.3 per cent of the Budget Estimate (over ₹6.24 lakh crore). The corresponding figure for the same period of the last fiscal was over 91 per cent of the Budget Estimate.

One of the reasons for the higher fiscal deficit during the period was frontloading of expenditure. The current fiscal is the second year in succession when the Budget was presented on February 1 and the entire Budget-making exercise was completed before March 31. This means money for expenditure was available from April 1. However, taxes cannot be front loaded and is deposited with a lag. All this results in higher expenditure, but lesser income during the first six months of the fiscal, which in turn has an impact on the fiscal deficit.

Also, Goods and Services Tax (GST) collection has not been up to the mark. As against the target of ₹1-1.10 lakh crore, actual collection has been ₹94-96,000 crore. Revenue growth stood at 11 per cent during the period under consideration falling short of the 13.8 per cent rise in revenue expenditure, and marginally trailing the 11.1 per cent rise in capital outlay.

Aditi Nayar, Principal Economist at ICRA, said: "Likelihood of meeting the budgeted targets for revenues related to the GST, dividends and profits, and disinvestment, and the adequacy of outlays for revised MSPs, the NHPS, fuel and other subsidies, and bank recapitalisation would determine whether a fiscal slippage emerges relative to budgeted level for FY2019,"

Sunil Kumar Sinha, Principal Economist at India Ratings, said at a more disaggregated level some of the ministries have spent higher during April-September as compared to the last fiscal. Drinking water and sanitation, heavy industries and public enterprises, labour and employment, power, labour, steel and road transport and highways are a few such ministries.

Similarly, some ministries have spent less — consumer affairs, food and public distribution, north-eastern region, food processing, housing and urban affairs, to name a few. "India Ratings believe there is nothing alarming in this data as typically Centre's expenditure is front-loaded in the first half of the fiscal and revenues (both tax and non-tax) mostly gets realised in the second half," he said. In September, the tax revenues (gross of refunds of States) displayed a moderate growth of 9 per cent, with the healthy performance of direct tax collections being counteracted by the muted indirect tax growth. The cut in excise duty on fuels earlier this month, would modestly dampen indirect tax revenues during second half (October-March) adding to the fiscal stress points.

Non-tax revenues expanded by 34.8 per cent and stood at 44.5 per cent of the Budget Estimates for the year. With a modest rise in the disinvestment proceeds in September, the collections in H1 stood at a limited 12.4 per cent of the Budget Estimate for FY19, enhancing concerns over the achievement of the full-year target.

<p>China has agreed to increase its imports from India, says Suresh Prabhu</p>	<p>Business Standard https://www.business-standard.com/article/economy-policy/china-has-agreed-to-increase-its-imports-from-india-says-suresh-prabhu-118102700041_1.html</p>
<p>Commerce and Industry Minister Suresh Prabhu said on Friday that China has agreed to increase its imports from the country.</p> <p>“Global disruptions offer a chance to increase Indian exports,” Prabhu said at an event organised by the Confederation of Indian Industries (CII). Prabhu said Chinese authorities will hold a meeting in November specifically with Indian exporters to address their concerns relating to market access and trade regulations.</p> <p>India’s trade deficit with China is its widest with any country, with large amounts of electronics and other items flowing across the border with its northern neighbour.</p> <p>Prabhu asked the industry to become more aggressive in exploring export opportunities in new markets such as Africa and Latin America. He said the action plan prepared by the ministry to boost exports will be released soon.</p> <p>“There are huge opportunities for exports in Saarc and Asean countries,” Prabhu said, adding India is working with the US to resolve all the pending issues to boost bilateral trade.</p> <p>“The US is raising issues related to data localisation, issues related to duty imposed by Indian on IT products. We are engaged with the discussion (with them),” he added.</p>	

<p>Wear handlooms, people urged</p>	<p>The Hindu https://www.thehindu.com/todays-paper/tp-national/tp-andhrapradesh/wear-handlooms-people-urged/article25342030.ece</p>
<p>Joint Collector, Mayor inaugurate exhibition</p> <p>Calling upon people to encouraging weavers by wearing handlooms, Joint Collector A. Mallikarjuna on Friday said that the craftsmanship of Indian weavers had crossed the boundaries long back and received laurels from many foreigners.</p> <p>Along with Mayor Sunkara Pavani, he inaugurated the ‘National Handloom Expo-2018,’ organised by the department of Handlooms and Textiles at the SRMT Function Hall on the Main Road. Weavers from different parts of the country displayed their works in the stalls in the exhibition-cum-sale where saris, dress materials, shirting and other clothing woven by the traditional weavers were on the display.</p> <p>‘Win-win situation’</p> <p>Speaking on the occasion, Dr. Mallikarjuna said that the government was taking up several measures to improve marketing facilities to the handlooms and conducting exhibitions was one such move to provide a direct platform to</p>	

the weavers and the customers.

“It is a win-win for both the artisans and the customers, as there is no scope for middlemen in this direct mode of marketing,” he said.

Ms. Pavani expressed satisfaction over the collection and advised the public to make use of the exhibition by doing festival shopping at discounted prices. “One can get qualitative clothing at remunerative price here,” she said.

The exhibition would be on till November 11 and cultural programmes were arranged on the sidelines of the expo in the evening hours at the venue.

‘India must create jobs in textiles, leather’

The Hindu

<https://www.thehindu.com/todays-paper/tp-business/india-must-create-jobs-in-textiles-leather/article25327420.ece>

‘It will benefit unskilled youth’

India needs to work on creating jobs in sectors such as textile, garments and leather to generate employment for its unskilled youth, Zarin Daruwala, CEO, Standard Chartered Bank India said at the India Summit 2018 organised here.

“People are always talking about the macro situation. They should focus on the micro story which is very, very good. India’s engineering exports is growing among merchandise exports. We have three times increased exports of auto components and have achieved 40% increase in automobile production,” she said.

“[As many as] 1,400 global multinational companies have opened their global centres in India. More than 45% of their global centres outside their own countries are in India. This micro story is making Indian industry a high tech one. Since that part of the economy has moved up, the government should now need to work on how to create jobs to the youth who are not that educated,” Ms Daruwala said.

Call for accurate data for speedy GST refund

The Hindu

<https://www.thehindu.com/news/cities/Kochi/call-for-accurate-data-for-speedy-gst-refund/article25326863.ece>

Customs offers spot assistance, social media platforms for entrepreneurs

An awareness seminar on foreign trade policy here on Thursday urged businesses to be extremely careful while handling GST paperwork as faulty data was a major reason for non-refund of taxes.

Speakers pointed out that ignorance and reluctance to check with competent authorities for technical support and hand-holding added to GST-related issues in export and import sectors.

The seminar was organised by jointly by the Federation of Indian Export Organisations and Customs

Commissionerate and the Joint Director General of Foreign Trade.

Sumit Kumar, Commissioner of Customs, Kochi, who opened the sessions, said the Customs Department had a lot of interactive platforms readily available for people to address their doubts and concerns.

“Even spot assistance through social media platforms such as Facebook and WhatsApp too is available for needy people,” he said.

“We wish to get feedback from people as we welcome all types of questions. We are encouraging people to approach us directly for guidance,” said Mr. Kumar. He also assured hand-holding support by the department to entrepreneurs in the sector.

Delivering the keynote address, K.M. Harilal, Deputy Director General of Foreign Trade, Kochi, said explained to the participants various provisions under the Foreign Trade Policy for promotion of exports. He also listed out various supportive schemes for entrepreneurs in the sector and the yet-to-be-explored possibilities.

Resource persons from Customs and State GST Departments made separate presentations on the possibilities of transparent exports with the opening of the new Kannur International Airport and the much awaited strengthening of minor ports in the northern Kerala regions. They said that the entry of more investors from neighbouring States such as Karnataka and Tamil Nadu too would double the healthy competitions in the sector and it would be an added advantage to think of and achieve bigger business goals.

Focus on exports to stabilise Rupee

Orfonline

<https://www.orfonline.org/expert-speak/focus-on-exports-to-stabilise-rupee-45181/>

There is a myth that a falling currency helps exports grow. Some economists, including those associated with government-run institutions, have been opining that the Rupee should be allowed to fall, as it will lead to buoyant exports and economic recovery. There is also a mistaken notion that countries undervalue currency willfully so that the exports become more price competitive. No country other than China can manipulate its currency value and keep it low to boost exports. If that was so, the economies of Greece and Argentina would have miraculously recovered. Also, the US exports should have fallen and become really uncompetitive. But, though the US dollar perpetually grows in strength, so does US exports. While it is true that exporter profits improve when a currency value falls, there is no evidence to suggest that the exporter’s business volume increases as a result of currency devaluation.

Exports have been falling and so was the Rupee

India’s exports have been falling since the year 2011-12. The Indian Rupee has also been depreciating since March 2012. The US dollar which was valued at Rs 50.95 during end March 2012 had fallen to Rs 65 by March 2018 and further slumped to Rs 72.5 by end September 2018. But if you thought that exports rose proportionately, you would be mistaken. The last time that happened was six years ago when the Rupee fell by 14.2% and exports recorded a 21.8% growth. That was 2011-12 when exports touched \$306 billion. That has been coincidentally the highest export

growth in this decade after which exports have gradually slipped. It has not really recovered since then and was lower at \$302.8 billion even in the year 2017-18, a relatively good year for exports.

If we see statistically, the export growth was negative at (-) 1.8% in the year 2012-13 and (-) 4.7% in the year 2013-14 when the Rupee tumbled. By end March 2013, the Rupee had slid by 6.6% to Rs 54.35 and by March 2014, it went down further. After a precipitous slump to Rs 68.00 in August 2018, it recovered to Rs 59.96 by March 2014. The net drop in Rupee value in the financial year ended March 2014 was a high 10.32% but that did not help exports grow.

The Modi Government was voted into power in 2014, but it was not able to do much to reverse the trend. The exports dropped by 1.3% in the year ended 2015 and a humongous 15.5% next year. Certain measures taken thereafter has improved the condition with exports rising moderately by 5.2% in the year 2016-17 and 9.8% in the year ended March 2018. The Rupee also continued its journey south as the Government was unable to check the rise of the current account deficit (CAD). By March 2015, the Rupee had declined by 4.08% to Rs 62.41 and by March 2016 it had fallen by another 6.1% to Rs 66.15. The currency recovered slightly by 1.9% to Rs 64.86 in the year ended March 2017 when exports actually rose. It slipped marginally by 0.4% to Rs 65.13 the next year. Both these years, exports were higher than previous years dispelling the notion that a falling currency helps exports.

Free fall of Rupee needs to be stopped

There are seven reasons other than the global headwinds that has led to the Rupee fall. Apart from the first, most of the others can be fixed. The first is the rise of global crude prices, which is not in our hands. The second is the rise of non essential imports (other than oil and gas) that has led to the increase in current account deficit. The third is the rising expenditure that has led to the budgetary deficit touching its annual limit in the first six months of the financial year. The fourth is the slow disinvestment programme for the current year that is well behind its schedule. The fifth is the half hearted recapitalisation of banks that again is creating uncertainty in the money markets. The sixth is lack of private investment because of uncertainty in the capital and bond markets again largely as the banking sector is reworking its options. The seventh is the lack of appetite shown by the RBI to defend the Rupee.

The free fall of the Rupee needs stopping. This is simply because India imports more than it exports. It is still not a difficult task because the demand side numbers are still good and the India growth story is still big. So investors and NRIs are still interested. It is the best bet amongst the BRICS. China is showing multiple weaknesses for the first time in two decades, with rising debt, sanctions, trade war, waning export markets and shrinking domestic demand. Russia is showing signs of weak growth, and economic isolation due to sanctions despite willingness to open its economy. Brazil is showing high inflation, rising debt, shrinking domestic demand, corruption and political instability. It's election whose result will be announced on the last Sunday of October could bring in right wing strongman congressman Jair Bolsonaro. The leftist who have brought the economy to a crisis point fear that with Bolsonaro as President, many of them could land behind bars on corruption and other charges. South Africa has dived into recession following reckless nationalisation by the current Government, high national debt and lack of domestic demand. Comparatively, the Indian economy is a good bet.

Firm steps needed to revitalise exports

The Indian economy has been managed well in comparison to the other emerging economies. Both GDP growth and domestic demand is high and the fiscal deficit is under control. Though oil prices are a concern, the current account deficit is still not spiraling out of control like in 2013 when it touched 4.5% of the GDP. The resolution of stressed assets has already started and the stressed assets are being sold under the newly formed bankruptcy law. NPA due to bad debts have been rising fast, but with little more effort by the NCLT, the closures can be faster, like in the Western democracies. It is expected that the high NPAs in the Banks today will be firmly under control by March 2020 and with a few more mergers and acquisitions in the banking sector, public sector Banks should be more healthy than now in a years time.

What is needed, however, is speed of economic decision making in certain areas. Non essential imports must be identified and tariffs raised. Gold and olive oil imports need to be taxed heavily and taxes on diesel rationalised further. Import duties in the capital goods sector needs to be selectively raised so that industries like Telecom, Automobile and Consumer Durables where Indian consumers are the buyers are rapidly indigenised. The Trump Administration has shown that there is a scope for rapid indigenisation if any Government forces the issue.

Similarly tax incentives should be given for global acquisitions by exporters. China has shown that there is scope of greater exports if a nation encourages third party acquisitions on foreign soil only for exports. China has turned it into a fine art. Today if you import telecom or solar power equipment you will have fully owned Chinese companies based out of China, competing with partly owned Chinese companies based in Malaysia and Singapore as suppliers. Vishal Sikka of Infosys had proposed the transformation of the Indian IT giant into a global company with a similar plan. He had even acquired companies in Israel and South America for that purpose, so that exports to the US from those countries would not be deemed as exports from India by the Trump Administration. However, the inward looking management that took over Infosys following Sikka's ouster has turned down his proposal of \$1 billion strategic acquisition to transform Infosys into a global conglomerate.

Not only the Government but even the private sector must apply new methods to push exports, so that the earnings stay buoyant and the CAD stays low. This is crunch time for world trade with an ominous trade war creating deep fissures, that could lead to a global economic meltdown. The opportunities to expand exports at this stage must not be missed.

**India's exports to reach new high:
commerce secretary**

Fibre 2 Fashion

<https://www.fibre2fashion.com/news/textile-news/india-s-exports-to-reach-new-high-commerce-secretary-245365-newsdetails.htm>

India's commerce secretary Anup Wadhawan has said exports will hit a record figure both in rupee and US dollar terms in 2018-19. Underlining government commitment to address concerns of the leather and textile sectors like easier credit availability and lack of enough incentive schemes, he said export growth has been steady in the last two and a half years.

The export scenario in the region, especially in Tamil Nadu, is healthy, he said, lauding exporters for their performance despite protectionism and unilateralism, according to a news agency report.

The government is doing its best to expedite a free trade agreement with the European Union, he added

State Government to release textile policy soon

The Hindu

<https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/state-government-to-release-textile-policy-soon/article25341642.ece>

Rs. 40,000 crore worth of business happening in T.N. textile industry: Minister

The Tamil Nadu Government will announce a textile policy very soon, according to Minister for Handlooms and Textiles O.S. Manian.

At a curtain-raiser event held here on Friday for Tex TN, an international textile expo to be organised in Coimbatore, the Minister told presspersons that about Rs. 40,000 crore worth of business was happening in the textile industry in Tamil Nadu, with investments by the Governments and the private players in the sector. The State led in textile production across the value chain and had several co-operative societies for the handloom sector. To a specific question on waste cotton, the Minister said it was a byproduct and the Government did not want to levy cess on it.

The expo to be held in January will have 600 stalls and about 300 participants are expected from other countries. Speaking at the programme, Mr. Manian said the expo would be held at CODISSIA Trade Fair Complex for three days in January. The State Government had sanctioned Rs. 2 crore. The stalls would be provided to the participants at a minimal cost. This was the first time a State Government was conducting such an event. The Government was supporting the growth of the textile industry in the State with several schemes and discussions with the industry.

Minister for Municipal Administration S.P. Velumani said the event would showcase the strengths of the textile sector in the State to international customers. The textile sector was significant for growth of manufacturing and employment generation. The Chief Minister had announced several schemes for the development of Coimbatore, he added.

The Ministers launched the brochure, website, and logo for the expo.

Kumar Jayant, Secretary of Handlooms and Textiles, said the expo would be held from January 27 to 29 next year and after that once in two years. Tamil Nadu was a leading textile producer in the country. "We want to build on the strength," he said. The industry needed to constantly innovate, expand, and change. If the industry prepared the content, got the trainers, and identified candidates for skill development, the Government would support with funding, he said.

GST likely to have three-slab rate structure in future: Bibek Debroy

Business Standard

https://www.business-standard.com/article/economy-policy/gst-likely-to-have-three-slab-rate-structure-in-future-bibek-debroy-118102601500_1.html

The current four-slab GST rate structure is likely to be reduced to three as the process of rationalising India's new indirect tax regime proceeds further, the Prime Minister's Economic Advisory Council (PMEAC) Chairman Bibek Debroy said on Friday.

In his address at the launch here of "GST: Explained for Common Man" written by former Central Board of and Excise and Customs Chairman Sumit Dutt Majumder, the PMEAC Chairman noted that only very few countries that have implemented GST follow the principle of "dual GST" (Goods and Services Tax) whose "terminal role from an economists point of view is to have a single tax structure."

"Only a few countries have actually implemented GST," Debroy said.

"Only very few..two or three, including India, Canada and perhaps Australia have dual GST, while the rest have a single, unitary tax," he said.

Noting that a multiple tax structure makes GST implementation an "extremely difficult" process, he said the consensus on this overhaul of India's indirect tax regime was that the reform, although not perfect, should be rolled out and "it (GST) could be tweaked as we go along".

He pointed out that countries had taken as long as 10 years for their GST systems to stabilise.

"Going ahead, we in India will probably have three rates, instead of the current four," Debroy said.

In his address earlier, former President Pranab Mukherjee recalled how the "biggest reform of India's indirect tax system" had been proposed by the previous Finance Minister P Chidambaram in the Union Budget in 2006, but the process of political consensus building had stalled it around 2011.

He said that cooperative federalism had finally been institutionalised through the Committee of State Finance Ministers, which later became the GST Council that has taken all its decisions unanimously in its 30 meetings held so far since new tax regime was rolled out in July 2017.

Commerce ministry working on export incentives

New Indian Express

<http://www.newindianexpress.com/business/2018/oct/27/commerce-ministry-working-on-export-incentives-1890526.html>

In the first half of the current fiscal, exports grew by 12.5 per cent to \$164 billion, while they registered a growth of around 10 per cent during 2017-18 at over \$300 billion.

lan to boost exports, including export incentives that can make Indian exporters more competitive in markets where

competing exporters enjoy some kind of free trade agreement. The ministry is also working on tax rebates, duties and embedded taxes, besides alternative payment mechanism in countries like Venezuela, Sudan, Cuba and CIS nations.

Speaking at the Confederation of Indian Industry's Export Summit, Director General of Foreign Trade (DGFT) Alok Chaturvedi said that the Commerce Ministry is "trying to finalise a scheme (where) you can provide incentive to partially compensate for that disadvantage" in such markets. The DGFT said that it was the right of exporters to get rebate on those levies as "those duties and taxes should not be exported". The ministry is working on a pilot scheme for this, he said. According to the DGFT, the ministry has prepared several action plans for specific sectors, including engineering, gems and jewellery, chemicals, textiles and pharma, and issues pertaining to these areas are being taken up with the concerned departments. It is also planning to revamp the IT system for exporters completely.

In the first half of the current fiscal, exports grew by 12.5 per cent to \$164 billion, while they registered a growth of around 10 per cent during 2017-18 at over \$300 billion. Meanwhile, Commerce Minister Suresh Prabhu asked the industry to be more aggressive in exploring export opportunities in new markets such as Africa and Latin America.

"There are huge opportunities for exports in SAARC and Asean countries," Prabhu said, adding India is working with the US to resolve all the pending issues to boost bilateral trade.

Waterways connectivity to boost India-Bangladesh trade

Fibre 2 Fashion

<https://www.fibre2fashion.com/news/apparel-news/waterways-connectivity-to-boost-india-bangladesh-trade-245353-newsdetails.htm>

India and Bangladesh have signed several agreements for enhancing inland and coastal waterways connectivity between the two countries for trade and cruise movements. The agreements will facilitate easier movement of goods and passengers between the two countries, giving an impetus to trade, tourism, and export-import cargo by reducing logistic costs.

The two countries have signed an agreement to use Chattogram and Mongla Ports in Bangladesh for movement of goods to and from India, India's shipping secretary Gopal Krishna and his Bangladesh counterpart Md. Abdus Samad said while briefing media person in New Delhi after signing the agreements.

A Standard Operating Procedure (SOP) has also been signed for movement of passenger and cruise services. In addition to this, an addendum to 'Protocol on Inland Water Transit and Trade' (PIWTT) between India and Bangladesh has been signed for inclusion of Dhubri in India and Pangaon in Bangladesh as new Ports of Call.

"The two sides agreed to consider inclusion of Rupnarayan river (National Waterway-86) from Geonkhali to Kolaghat in the protocol route and to declare Kolaghat in West Bengal as new Port of Call. Chilmari was agreed to as a port of call in Bangladesh. The new arrangement will facilitate movement of flyash, cement, construction materials etc from India to Bangladesh through IWT on Rupnarayan river," India's ministry of shipping said in a statement.

Further, both sides agreed to declare Badarpur on river Barak (NW 16) as an Extended Port of Call of Karimganj in

Assam and Ghorasal of Ashuganj in Bangladesh on reciprocal basis.

Currently 3.5 MMT cargo is transported on protocol routes through inland waterways which is expected to increase substantially after the declaration of additional Ports of Call and extension of protocol routes.

The North Eastern states would get connected directly to the ports of Kolkata and Haldia in India and Mongla in Bangladesh through waterways which would facilitate movement of export-import cargo and would also reduce the logistic costs.

In another important understanding reached at between the two countries, the Standard Operating Procedure (SOP) for movement of passengers and cruise vessels on Inland Protocol route and coastal shipping routes have been finalised. These river cruise services are likely to commence between Kolkata – Dhaka – Guwahati – Jorhat and back.

Both sides have also agreed for development of Jogighopa as a hub/trans-shipment terminal for movement of cargo to Assam, Arunachal Pradesh, Nagaland and Bhutan and notifying Munsiganj River terminal by Bangladesh Customs for routing third party Exim cargo through Kolkata Port.

'India's Export On 6-year High In 2017-18' Says Suresh Prabhu	Republic World https://www.republicworld.com/india-news/general-news/indias-export-on-6-year-high-in-2017-18-says-suresh-prabhu
<p>Union Minister of Commerce and Industry and Civil Aviation Suresh Prabhu on Friday, October 26 said that country's exports rose by 9.8 percent in the financial year 2017-18, which is the highest rate of growth in last six years</p> <p>Suresh Prabhu further stated that he is personally monitoring the progress and regular meetings that are being held with sectoral ministries, export promotion councils, and exporters</p> <p>Union Minister of Commerce and Industry and Civil Aviation Suresh Prabhu on Friday, October 26 said that country's exports rose by 9.8 percent in the financial year 2017-18, which is the highest rate of growth in last six years.</p> <p>Suresh Prabhu further stated that he is personally monitoring the progress and regular meetings that are being held with sectoral ministries, export promotion councils, and exporters. Certain issues which were affecting the growth of exports have been specifically taken up with the Department of Revenue and Ministry of Environment.</p> <p>The Commerce Minister also said that the soon-to-be-unveiled Agri export policy will give a major boost to the agricultural sector and will pave the way for Indian farmer's income to be doubled. India produces 600 metric ton of agricultural produce and has the capacity to export excess production to the world.</p> <p>Directorate General of Foreign Trade (DGFT), Alok Vardhan Chaturvedi also participated in the event and lauded the Commerce Ministry for taking initiatives to smoothen procedures for exporters.</p>	

Govt working on product and region-specific export strategies: Commerce Minister

The Hindu

<https://www.thehindu.com/business/Industry/govt-working-on-product-and-region-specific-export-strategies-commerce-minister/article25339511.ece>

: Exports must drive India's growth story going forward, Commerce Minister Suresh Prabhu said on Friday, adding that the government was working on product and region-specific export promotion strategies.

“We are preparing sectoral export strategies and project specific strategies,” Mr Prabhu said while speaking at a CII event. “Commodity and territory specific strategy is also being prepared. We are looking at boosting trade with smaller countries and explore new territories like Africa which has 54 countries but accounts for only 8% of exports from India.”

The Minister said that India’s exports have been constantly rising for the last year, despite significant global headwinds.

“We must now achieve more,” he added. “India’s export must drive India’s growth story.”

“Global disruptions present opportunities to increase Indian exports,” Mr Prabhu said. “India and China are working together to resolve issues relating to market access. India and China will hold meetings Indian exporters soon to address their concerns relating to market access and trade regulations. Some progress has already been made with Indian rice exports being shipped to China.”

HARYANA-Tax evasion in cotton trade causes losse

Talk News

<http://www.tatkalnews.com/news/177511-haryana-tax-evasion-in-cotton-trade-causes-losse.aspx>

The evasion of market fee and goods and service tax (GST) in cotton trade has been causing revenue losses to the state exchequer.

Introduction of the GST last year had reportedly led to a spurt in incidents of tax evasion as shell firms operating in the cotton belt indulged in generating fake cotton produce bills.

The Indian Cotton Association (ICA) said some complaints had been forwarded to the GST authorities for action against tax evaders.

Ram Kanwar, farm activist, said comparison of cotton production and arrival in mandis indicated large-scale evasion of market fee and GST.

He said figures provided by the government in the Assembly revealed that 313.29 lakh quintals of cotton had been produced in the state from 2013 to 2018.

He said only 157.48 lakh quintals of cotton had arrived and was procured in mandis while no market fee, VAT or GST

was paid on 155.81 lakh quintals.

In a complaint to the Directorate of GST in Delhi, Kanwar exposed the modus operandi of unscrupulous traders evading taxes.

“Farmers brings cotton for sale through arhtiyas, who collect tax under reverse charge mechanism and pay the government. The tax is collected from ginning mills for raw material. The cotton is processed into refined or ginned cotton, which has 5 per cent GST,” he elaborated.

“The cotton is sold by ginners to agents, spinning mills or textile unit. At this point, bogus bills are issued by shell firms by purchasing high tax goods such as steel, supari and sugar, on which accumulated input tax credit under the GST is passed by way of bogus bills of cotton,” he explained.

Jatinder Singh, ICA secretary, said traders, ginners and suppliers gave third party bills of cotton, which were not traceable. He said bogus billing and third party bill accounts vanished after two or three seasons.

“Such a malpractice is a black spot on traders. It is creating unhealthy competition and hurting the genuine people. It is like a silent volcano waiting to erupt and hit all of us who are into this trade,” he wrote.

Internet services sector in India to reach \$124bn by 2022

Fibre 2 Fashion

<https://www.fibre2fashion.com/news/textiles-technology-news/internet-services-sector-in-india-to-reach-124bn-by-2022--245352-newsdetails.htm>

The internet services sector in India has a potential to reach \$124 billion by 2022 if certain critical factors are realised, says a report by the Internet and Mobile Association of India (IAMAI). The sector includes e-tail, fin-tech, food-tech, digital classifieds, digital advertisements, e-travel and ticketing, edu-tech and digital entertainment.

The Indian internet services sector is currently valued at \$33.8 billion, and is expected to reach \$76.4 billion by 2022, says the report titled 'Economic Impact of Internet Services in India'. Right now, the market size in 2022 has been estimated considering the growth of existing sub-sectors in internet services. However, it has the potential to grow bigger, owing to rapid innovations and emergence of new sub-sectors.

The critical factors identified by the report, which can lead the sector to grow to its potential are forward looking and supportive government policies, better infrastructure for widespread internet connectivity, developed distribution network enabling better reach and connectivity to customers in tier II/III cities for e-commerce, adoption of digital and advanced technologies across the ecosystem and offline sectors, etc.

IAMAI, in course of the study has recognized that the digitization of conventional sectors being enabled by the internet services, can have long run positive consequences for the Indian economy. There are currently around 51 million SMEs in India, which contribute approximately 37 per cent of the manufacturing output, 46 per cent of exports and employ 117 million people. It has been observed that digitally enabled SMEs generate 2x revenues as compared to offline SMEs, attributed to the access to a wider base of customers, newer geographies/markets, additional sales channel etc. However, presently only 2 per cent of these SMEs are digitally enabled. There is a

conscious effort by government agencies and internet businesses to digitize SMEs, and this trend is expected to generate immense benefits.

By the year 2022, India is expected to become a country of 1.4 billion people. With the proliferation of affordable internet connectivity, the number of internet users in the country is projected to increase 1.6x times from 481 million to reach 762 million in 2022. Along with increased availability of internet connectivity, the number of smartphone users in India too is estimated to grow at 1.75x times to reach 526 million in 2022. On the technology and business side of the internet services, internet will fundamentally change the way the needs, aspirations and demands of the consumers will be addressed. Pivoting on that, the internet services sector is expected to witness plethora of changes in the future.

Trade Chiefs Say WTO No Longer Sustainable and Needs Reform

Bloomberg

<https://www.bloomberg.com/news/articles/2018-10-25/trade-chiefs-say-wto-is-no-longer-sustainable-and-needs-reform>

A group of trade ministers from around the world voiced their support for strengthening the World Trade Organization at a time when the Trump administration has threatened to pull out of the body if it doesn't treat the U.S. more fairly.

"The current situation at the WTO is no longer sustainable," top trade officials from 12 nations and the European Union said in a communique after discussions in Ottawa over how to reform the global body. The U.S. and China were absent from the meeting.

A group of trade ministers from around the world voiced their support for strengthening the World Trade Organization at a time when the Trump administration has threatened to pull out of the body if it doesn't treat the U.S. more fairly.

"The current situation at the WTO is no longer sustainable," top trade officials from 12 nations and the European Union said in a communique after discussions in Ottawa over how to reform the global body. The U.S. and China were absent from the meeting.

Ministers identified three areas for "urgent consideration," including negotiation, dispute settlement and the implementation of WTO agreements.

"There was unambiguous recognition that the WTO faces serious challenges, which if not solved, render it an ineffective organization," New Zealand Trade Minister David Parker said in an interview.

"Rather than standing back, arms folded and looking grumpy about it saying 'the WTO isn't working,' we instead get on with saying 'how do we make it work, make it work better, make it fit for the future?'" said Australian Trade Minister Simon Birmingham.

The ministers plan to evaluate the progress on their reform agenda in January during the WTO's annual mini-ministerial meeting in Davos, Switzerland.

U.S., China

The absence of representatives from the world's largest economies, which are locked in a trade war, loomed large over the meeting and officials acknowledged that the U.S. and China must at some point be involved.

"There can be no meaningful reform of the WTO without the Americans and Chinese," Canadian Trade Minister Jim Carr said during the press conference on Thursday.

"It was our thinking that as a first step we would bring in a group of nations who are reflective of diversity internationally -- but who share the value and a belief that the rules-based international order is worth preserving and the best way to preserve it is to reform it."

'Deeply Concerned'

President Donald Trump has threatened to withdraw from the WTO, repeatedly attacked the organization as being biased against U.S. interests and is slowly strangling the appellate body, which mediates trade disputes that affect some of the world's largest companies.

"Not one member for one minute" blamed the U.S. for sparking the current crisis at the WTO, Carr said. "This was a positive discussion about where we ought to go from here. There was no blaming, there was no shaming, it was all forward-looking to find points of consensus upon which we can build."

The meeting's focus on revamping the global trade body met with a positive reception on Capitol Hill in Washington. "I am pleased that some of our key trading partners appear to be engaged in serious discussion of the concerns the United States has raised for many years about the need for reform," Rep. Kevin Brady, chairman of the House Ways and Means Committee, said in a statement.

Appellate Body Concerns

Carr said he didn't know when the U.S. and China would ultimately be drawn into the WTO reform discussion.

Members were open to considering alternative means of dispute settlement if the WTO appellate body becomes paralyzed due to U.S. inaction, Carr said.

Over the past year, the U.S. has refused to consider any appellate body appointments because it says the forum's current members have strayed from their original mandate.

The three judges remaining are the bare minimum required to adjudicate appellate cases. If the U.S. allows the terms of two of the three remaining appellate body members to expire in December 2019, it would essentially paralyze the WTO's ability to arbitrate trade disputes. "We are deeply concerned that continued vacancies in the appellate body present a risk to the WTO system as a whole," the communique said. "We therefore emphasize the urgent need to unblock the appointment of appellate body members."

Google is working on an improved 'smart garment, here's the proof

Gadgets Now

<https://www.gadgetsnow.com/more-gadgets/google-is-working-on-an-improved-smart-garment-heres-the-proof/articleshow/66381709.cms>

smartphone, speaker and software departments but is also working on a different category of wearables. The search giant has been awarded a patent that talks about giving improved haptic feedback to users who are wearing an 'interactive garment'. The firm thinks that including smart clothing in day to day lives is easier than including smartphones.

The patent states that the smart clothing by Google will have multiple points to give haptic feedback instead of just one point where the user may or may not feel it. A couple of use cases for this smart wearable could be that it may give feedbacks for an incoming notification or when someone taps on the touch sensitive parts.

As mentioned in the patent, the tech can be used in jacket, shirt or pants.

"This document describes techniques using, and objects embodying, a haptic feedback mechanism for an interactive garment. A wearable interactive garment (e.g., a jacket, shirt, or pants) may include various sensors that can sense user interactions in the form of single or multi-touch-input (e.g., gestures). A haptic feedback mechanism is integrated within the interactive garment and includes a vibration source (e.g., a vibration motor) and a transmission structure coupled to the vibration source. A controller is configured to control the haptic feedback mechanism to provide haptic feedback by causing the vibration source to distribute vibration to multiple vibration points within the transmission structure," states the patent abstract.

This is nothing new for Google as the firm introduced a similar product last year in partnership with Levi's. The firm introduced 'Commuter Trucker Jacket' that used company's own Project Jacquard software. The jacket has touch sensitive features and the ability to let users control music playback, information about their commute and more. It uses a plastic sensor placed on the sleeves of the jacket.

Japan top destination for Bangladeshi garments in Asia

Fibre 2 Fashion

<https://www.fibre2fashion.com/news/apparel-news/japan-top-destination-for-bangladeshi-garments-in-asia-245366-newsdetails.htm>

Bangladesh is the second largest garments exporter, with Japan being the top destination for garments in Asia, Bangladesh ambassador to Japan Rabab Fatima said at a seminar in Tokyo. Bangladesh is the third largest garments exporter to Japan in value and volume, with 5.9 per cent of the volume and 3.9 per cent of the value of Japanese imports, she said.

During January-August 2018, the 128.2 per cent growth in garment exports was the highest among all exporting nations, she said. Knitwear is at present the top export item to Japan, Bangladesh media reports quoted Fatima as saying.

The seminar was organised by the embassy of Bangladesh in collaboration with the ministry of commerce and export promotion bureau of Bangladesh, and was supported by Japan External Trade Organization (JETRO), United Nations Industrial Development Organization (UNIDO), Japan-Bangladesh Committee for Commercial and Economic Cooperation (JBCCCEC), the Japan and Tokyo Chamber of Commerce and Industry (JCCI & TCCI) and Japan Textile Importers Association.

Indonesia plans to complete 13 trade agreements

The jakartapost

<http://www.thejakartapost.com/news/2018/10/25/indonesia-plans-to-complete-13-trade-agreements.html>

The Indonesian government is seeking to complete 13 trade agreements with other countries and trade organizations in an attempt to boost its exports amid the trade war between China and the United States, which has seen a trend toward global trade protectionism.

Trade Minister Enggartiasto Lukita said from the 13 afforded agreements, eight of which were in the process of negotiation, three were under revision and two were still in the initial process of negotiation.

“Most of the trade agreements can be signed next year,” he said in Jakarta on Tuesday, as quoted by kontan.co.id, adding that several others were expected to be signed this year.

He said one of the agreements that would be signed was the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), the negotiation of which has been completed.

“Substantively, the IA-CEPA has been completed. We are just waiting on our foreign policy,” Enggartiasto said.

Another process that has been given high priority is the Regional Comprehensive Economic Partnership (RCEP), a proposed free trade agreement (FTA) between ASEAN and six Asia Pacific states — China, India, Japan, South Korea, Australia and New Zealand, the minister said, adding that the RCEP would represent 45 percent of the world’s population.

He said the Indonesian government was also pushing negotiations on the trade agreement between ASEAN and Australia and New Zealand (ANZFTA) as well as a trade agreement between Indonesia and the European Free Trade Association (IE-CEPA).

Meanwhile, trade agreements under the Preferential Trade Agreement (PTA) scheme with Mozambique, Tunisia and Morocco were expected to be completed this year, said Enggartiasto.