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NEWS CLIPPINGS –30-10-2018

India can seek duty cuts from China on 200 items	Economics Times https://economictimes.indiatimes.com/news/economy/foreign-trade/india-can-seek-duty-cuts-from-china-on-200-items/articleshow/66424206.cms

Naphtha, bovine leather, shrimps and cotton yarn are among about 200 export items from India for which tariff concessions can be sought from China under the Asia-Pacific Trade Agreement and the Regional Comprehensive Economic Partnership. China has granted deeper duty cuts to India's competitors including Peru, Pakistan, Australia, South Korea and ASEAN in free-trade agreements with them, which has displaced some of India's exports, commerce department officials said.

Other products eligible for potential concessions include frozen, shelled shrimps, broken rice, fresh grapes, zinc, aluminium oxide and hydrocarbons like paraxylene, polyethylene, polypropylene and benzene, according to a commerce department study. "These are the items where we can ask for deeper concessions in the Regional Comprehensive Economic Partnership," said an official aware of the details.

APTA (formerly known as the Bangkok Agreement) is the only operational trade pact linking India and China, the two fastest-growing markets. South Korea, Bangladesh, Lao PDR and Sri Lanka are also APTA members. The two countries are separately negotiating the RCEP agreement with 14 others.

India's exports of naphtha, a major industrial fuel, to China are subject to 6% duty with a 10% margin of preference under APTA. This is the highest duty for any of China's FTA partners as ASEAN countries pay zero, Australia 2.4% and South Korea 4.8%.

As per the commerce department's study, India's exports of major products like frozen shrimp and prawns form a small share in the Chinese market due to the absence of tariff concessions. ASEAN members face 0% tariff in the Chinese market and thereby account for a 6% share in that country's imports of these products.

"Another glaring example is of aluminium oxide," the department said in the study. This product is not negotiated in APTA because of which India is subject to an 8% duty, while ASEAN countries face nil tariffs.

This is the reason that ASEAN countries are a major supplier to China and form a 41% share while India's share is only 8%. Australia doesn't face any tariffs and has a 39% share in China's imports. "These along with polyethylene and zinc can be pursued in the fifth round of APTA," it said.

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
21585	45150	78.41
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
23140	48403	84.06
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		77.17
ZCE Cotton: Yuan/MT (Jan 2019)		14880
ZCE Cotton: USD Cents/lb.		82.40
Cotlook A Index - Physical		----
B. Currency		
USD/INR	Close	Previous Close
Spot	73.445	73.468

Cotton Guide:

Cotton futures initially moved higher to make an intraday high of 79.60 cents however; it failed to break or hold near 80 cents and slipped quickly down to end the session at 77.17 cents. The start of the week market became further precarious. However, the broad trend is still sideways as it is continuing to move in the range of 75.37 on the lower side to 80.40 cents on the higher side. We had our expectation that cotton future might move above 80+ cents but it failed again. This also means mixed views are ruining the market trend. The US-China trade worry is keeping a very jittery scenario for the US cotton more than the supply issue it's the US cotton demand deterioration or uncertainty moving the market to trade sideways.

On the trading front volume were 23,448 contracts. Cleared Friday were 27,675 contracts. Cotton participants have been fairly inactive since trade war concerns have put US demand on hold. The November meeting of President Trump with Chinese President XI Jinping may not take place as anticipated. The Trump administration announced more tariffs on Chinese goods if the November talks between the two countries fail. That is not good for US cotton. Monday market wasn't helped by jittery US equity markets which rallied and then crashed as the health of the global economies becomes more uncertain. Otherwise there was little fresh cotton news.

Meanwhile, China's ZCE futures had its lowest close since mid-February. Today will be day 1 of 3 for the Jim Rogers long-only spec funds to roll long December into March (buy March/sell Dec). Theoretically that should move differences in favor of carry, but it isn't always the case. The last few sessions have suggested front-runners might have put on positions to take advantage of the fund rolls. That isn't always successful, either. Certified stocks began at 26,532 bales, unchanged. There were zero bales awaiting review. Friday's new certificates of 1,690 bales were added in Houston in an Ecom-owned warehouse.

Talking on the technical front, markets' early rally failed at 50-day moving average resistance and paid a very heavy price. That 50-day has appeared to be a lid over the market in three of the past six sessions. The 50-day moving average, currently at 7961, is just one of many sources of resistance between roughly 7950 and 8250. The bulls will have a challenge getting through this zone unless and until the work improves. In the meantime, key support is the 7537-to-7600 area.

Coming to Indian front, despite a marked increase in daily arrivals, domestic prices for Shankar-6 were steady averaging Rs. 46,900-47000 per candy, ex-gin, with an equivalent value of approximately 81.50 US cents per pound. Punjab J-34 rose slightly to Rs. 4,630 per maund (76.65 cents per pound). Estimate of seed cotton arrivals is 132,800 lint equivalent bales (170 kgs), including 40,500 in the Northern Zone, 25,000 in Gujarat and 22,000 in both Andhra Pradesh and Maharashtra. The fall in the ICE future and Indian spot price trading steady the MCX Cotton future has declined sharply on Monday to close the session at Rs. 22450 down by Rs. 240 from the previous day's close. We think market might remain under stress and recommend selling from higher level.

FX Guide:

Indian rupee has opened weaker by 0.15% to trade near 73.57 levels against the US dollar. Weighing on rupee is weakness in Chinese yuan and other emerging market currencies amid renewed trade war concerns. Chinese yuan has slid to the weakest level since May 2008 on fresh signs that a trade war with the U.S. may escalate. As per Bloomberg reports, the US is preparing to announce by early December tariffs on all remaining Chinese imports if talks next month between presidents Donald Trump and Xi Jinping fail to ease the trade war. Also weighing on rupee is tensions between RBI governor and government. Economic Times reported that RBI Governor Urjit Patel won't be asked to step down despite growing differences with the government. The US dollar is supported by Fed's rate hike stance and political uncertainty in euro-zone after German Chancellor Angela Merkel announced she would not seek re-election as head of her Christian Democrats (CDU) party. However, supporting rupee is weakness in crude oil price and government measures to prop the rupee. Indian equity market rose yesterday on reports that RBI will buy up to 400b rupees of bonds next month via open- market operations. India and Japan on Monday signed a pact to raise the scope of a bilateral currency swap arrangement to a record $75 billion to bring stability in foreign exchange market. Mixed factors may keep rupee range bound but bias remains weak given weaker risk sentiment and general upbeat outlook for US dollar. USDINR may trade in a range of 73.3-73.85 and bias may be on the upside.

Garment exports dip 26% after tariff protection booster	Tribune India https://www.tribuneindia.com/news/business/garment-exports-dip-26-after-tariff-protection-booster/675642.html

India's garment exports slumped by 26% in September due to higher input cost and lack of favourable trade agreements for major global markets. The sharp fall is witnessed month after the Centre's move to protect the domestic industry by raising import duties on over 300 textile items in August.

Exports of readymade garments declined sharply in September, which is the biggest fall in the current fiscal, experts said. India exported garments worth Rs 7,968 crore in September 2018 compared to Rs 10,705 crore in September 2017, according to data released by Directorate General of Commercial Intelligence and Statistics, Kolkata.

The decline is a jolt to apparel exporters, particularly from Punjab, Haryana and Uttar Pradesh, who blame it on high input costs. Production costs in the northern hubs are high compared to other competing countries.

According to experts, manufacturers based in the northern states are not even able to compete with Tirupur cluster in Tamil Nadu because of high labour, transportation and processing cost.

Major textile hubs in the northern India are in Ludhiana, Jalandhar, Panipat, Gurugram and Noida. Textile clusters in the three northern states employ over 2 million workers. Around 200 textile exporters are based out of Punjab and Haryana alone.

According to the exporters, the Indian garment exporters are facing stiff competition from countries such as Bangladesh, Sri Lanka, Vietnam, Cambodia and Ethiopia. "Competition in the international market has become very severe, "said Harish Dua, Managing Director of Ludhiana -bases KG Exports.

While our margins are very thin, we also lose on account of trade agreements," he said.

Neighbouring competitors like Bangladesh, Pakistan, Sri Lanka, and Vietnam have duty advantage of 9.6% in major European markets compared to the Indian manufacturers because India does not have the Free Trade Agreement (FTA) with the European Union (EU). "Our products, therefore, get outpriced and we lose the market," he added

Overall, India exported readymade garments worth Rs 52,814. 52 crore in April-September 2018, a decline of 10.66% in the first half of the current fiscal as compared to corresponding period of the previous year. During April-July 2017, India's apparel exports were to the tune of Rs 59,114.39 crore.

There are many factors responsible for the decline in exports. Globally, the apparel trade has declined from $475 billion to $435 billion, impacting country like India, which is already facing stiff competition from countries such as Bangladesh, Vietnam and Cambodia," Apparel Export Promotion Council (AEPC) chairman HKL Magu said.

What is worrisome for us is that the exports from Bangladesh grew by 15%. Compared to India, products manufactured in Bangladesh are 10% cheaper. Also, Bangladesh has FTA with EU. But, there is a duty of 10% on readymade garments manufactured in India," he added.

There are over 12,000 textile units in Punjab alone across the value chain — ginning, spinning, processing, knitting and garmenting.

Only 20 quintals of cotton sold to CCI	**The Hans India** http://www.thehansindia.com/posts/index/Telangana/2018-10-30/Only-20-quintals-of-cotton-sold-to-CCI/433866

Hyderabad: Cotton farmers are opting to sell their produce to private players rather than at the procurement centres of the Cotton Corporation of India (CCI) due to prices being quoted over and above the Minimum Support Price (MSP).

According to the agriculture department officials, the CCI centres in the State could so far procure only 20 quintals of cotton from the farmers in the State.

Principal Secretary Agriculture C Parathasarathi said the MSP for cotton announced is Rs 5,700 per quintal and the Agriculture and Marketing Department (AMD) opened procurement centres in 27 out of 106 market yards.

Besides, procurement centres have also been opened at 207 ginning mills in the State. As the price offered by the private players is more than the MSP, farmers have so far sold about 6.64 lakh quintals of cotton to the private players and only 20 quintals to the CCI, he added.

Meanwhile, Green gram procurement prices in the market are lesser than the MSP. The department has so far opened eight out of nine procurement centres and so far, 12,219 metric tonnes have been procured with about Rs 85.30 crore.

Since the market prices are lesser than MSP, the State government asked the centre to increase the procurement target of the Green gram fixed at 11,500 metric tonnes so as to procure more stocks of Green gram from the farmers.

Procurement of maize at the MSP prices of Rs 1,700 has been going on and the department has established 187 out of 259 procurement centres. So far, the department has spent Rs 189 crore to procure 1, 16,614 metric tonnes of maize, he said.

Similarly, as against the fixed target of 70,250 metric tonnes of procurement of soybeans, the department has opened 26 procurement centres and lifted 2,371 metric tonnes of stocks, Parthasarathi said.

Ethio – Indian Economic Forum to boost trade, investment ties	Exchange.com https://www.exchange.co.tz/ethio-indian-economic-forum-to-boost-trade-investment-ties/

Ethiopia and India are keen on cementing their bilateral ties as both nations held an economic forum in Ethiopia's capital Addis Ababa, at Dreamliner Hotel.

Barely a week ago, the former President of Ethiopia Mulatu Teshome held a meeting with a group of businessmen from India, discussing the investment opportunities in the country.

The forum which was co-organized by Ethiopian Consulate General office in Mumbai and Ethiopian Chamber of Commerce and Sectoral Association (ECCSA) and Jain International Trade Organization(JITO) brought together 40 Indian Companies and over 80 Ethiopian Companies.

During the visit to Ethiopia, the Indians were interested in various fields of investment including manufacturing, renewable energy, education, health, and capacity building. In his opening remark, Director General of Business Diplomacy at the Ministry of Foreign Affairs, Mr. Mesfin G/Mariam implored both countries to strengthen their relations by cooperating in various areas of investments. He hailed the impact of infrastructure in the country that has steered economic development through industrialization. The construction of industrial parks continues to align the government's vision of being Africa's manufacturing hub by 2025, creating employment opportunities to fight poverty and increase the GDP production.

Mesfin implored the Indian investors to invest in prioritized sectors such as textile and garment manufacturing, renewable energy, construction, and agro-processing. The textile industry has grown at an average rate of 51 percent with more foreign firms eager to invest in the future market player.

Trade between the two countries amounted to $660 million in 2011-12. by October 2013, Ethiopia-India bilateral trade was $ 1.082 billion. India is Ethiopia's second largest source of Foreign Direct Investments with investments amounting to $5 billion. India has also extended $710 million in lines of credit to help in rural electrification and the revival of the sugar industry in Ethiopia.

A number of Indian companies have pitched their businesses in Ethiopia such as Cadila Pharmaceuticals PLC, and Tata International Limited

State's investment potential to be showcased	Daily Pioneer https://www.dailypioneer.com/2018/state-editions/state---s-investment-potential-to-be-showcased.html

Ahead of the 'Make in Odisha Conclave-2018'to be held in the city from November 11, a high-level oversight meeting was held under chairmanship of Industries Minister Ananta Das on Monday.

Principal Secretary Industry Sanjeev Chopra presented the updates and outlined the issues for discussion.

Reviewing the progress made so far, Minister Das asked the departments to accord online approval to the perspective delegates by November 9. Chief Secretary Padhi directed all departments to submit the comprehensive list of their nodal and facilitating officers to Industry Department by end of October. Padhi also directed the departments to show case various investment potential and projects of Odisha in the conclave.

Minister Das directed the respective departments to lead their sectoral sessions for harnessing the investment potential. Development Commissioner R Balakrishnan advised to tie up the event with other field visits and cultural programmes so as to make it vibrant and memorable.

It was decided that the conclave would be a five- day- long event from November 11to 15. It will be inaugurated at the Janata Maidan in the presence of various industry associations, business chambers, confederation of industries, potential investors from world business community and above all the country partners like Japan and United Arab Emirates.

The business leaders both from India and abroad will participate in the event.

Further, it was decided to have 24 broad thematic sessions covering the sectors like food processing, MSME, aerospace and defence manufacturing, electronics and IT, women entrepreneurship, biotech meet, media and entertainment, academic meet, smart city promotion, downstream industries in metal sector, chemicals and petrochemicals, logistic and infrastructure, healthcare investment, skill development, tourism investment, textile and apparel, agri-business investment and agri-marketing, etc.

This year’s conclave would be marked by a 36-hour smart hackathon in skill development sector.

Till today, around 4,000 students from various technical colleges and universities have registered themselves for participation in hackathon. From among them, so far 293 students have been selected and grouped under 93 teams.

The hackathon will start from 9 am on November 13 and will close at 10 pm on November 14.

The students will do hackathon innovations in CET, Bhubaneswar.

The outcomes of the hackathon will be presented in the seminar at the Make in Odisha Conclave on November 15.

India to create a vibrant startup eco-system and Russia will actively partner in setting up incubation centers: Prabhu	Knn India.com https://knnindia.co.in/news/newsdetails/global/india-to-create-a-vibrant-startup-eco-system-and-russia-will-actively-partner-in-setting-up-incubation-centers-prabhu

India intends to create a vibrant startup eco-system and Russia can actively partner by providing technology, assistance in setting up incubation centers and by actively investing in startups, said the Union Minister of Commerce & Industry and Civil Aviation, Suresh Prabhu during his meeting with a high level Russian business delegation in New Delhi.

They discussed about increasing investments and business engagements between India and Russia.

There is immense potential for the two countries to further expand economic ties and move beyond buyer – seller relationship, the Minister said this adding that in order to facilitate this India has set up a one stop shop for Russian companies in Invest India called Russia Plus, which will fast track investments.

There is possibility for Russian investments in Delhi-Mumbai industrial corridor, smart cities, railways, public transport, sanitation and low cost housing.

Commerce Minister said that Russia can be a valuable market in information technology and services sector considering IT and services are India's largest exports.

He added that Indian companies may also explore links with Russian companies in software for the manufacturing sector.

India's pharma exports to Russia constitute a sizable chunk but possibilities of joint investments are being considered by leading Indian pharma companies under Russia's Pharma 2020 programme.

Commerce Minister further said that although Russia is a primary source of defence equipment supply to India, ample opportunities have further opened up for both countries with the opening of FDI in defence production in India.

He said that Russian companies may consider investing in a dedicated industrial park for defence manufacturing under the new norms to supply parts to helicopters, nuclear reactors and solar panels.

During the meeting the possibility of potential cooperation in areas of oil and gas sector, aerospace, ports and shipping and railways and also in the sectors of fertilizers, gems and jewelry and tourism were discussed.

Commerce Minister also explained the procedure and policy for establishing green field and brown field airports in tier-II and III cities in India. Russian investments may also be explored in the pilot training center coming up in the country. Suresh Prabhu invited Russian aerospace companies to participate in the global aviation summit to be held in India in January 2019.

In 2017 total trade between India and Russia was USD10.13 billion. Imports to Russia stood atUSD 8.04 billion and exports from India was USD 2.08 billion.

Commerce Minister emphasized that all efforts should be made to narrow down the trade deficit. One of the major reasons for having low trade is due to trade barriers like banking, sanitary, language barrier and visa issues.

Russia has invested USD 1.2 billion in India between 2000 and 2017. In the 18th annual summit that took place in St. Petersburg between Prime Minister of India and President of Russia in 2017, it was decided to increase it by 10 times in 6 to 7 years.

The key areas of Russian investments have been oil and gas, defence equipment supplies, power and energy and large scale infrastructure project.

India likely to have 3 GST rates in future: PMEAC Chairman	**Knn India.com** https://knnindia.co.in/news/newsdetails/economy/india-likely-to-have-3-gst-rates-in-future-pmeac-chairman

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

Addressing the gathering at the launch 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 that includes India, Canada and perhaps Australia have dual GST, while the rest have a single, unitary tax," he added.

Admitting 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".

Further, he pointed that the countries had taken as long as 10 years for their GST systems to stabilize.

Adding to the statement, to make GST rates more precise and easy he said, “Going ahead, we in India will probably have three rates, instead of the current four.”

India may postpone duty hike for 29 US products by 45 days a third time	Business Standard https://www.business-standard.com/article/economy-policy/india-may-postpone-duty-hike-for-29-us-products-by-45-days-a-third-time-118102901119_1.html

The government, for the third time, is expected to postpone the deadline for the imposition of higher customs duties on 29 US products, including almond, walnut and pulses, by another 45 days, an official said.

The commerce ministry has asked its finance counterpart to extend the deadline for the rollout of duty hike further and a notification in this regard will be issued soon, the official added.

In June, India decided to impose retaliatory tariffs from August 4. But it was extended by another 45 days till September 18 and then till November 2.

The duty hike move by India was in retaliation to US President Donald Trump's March 9 decision to impose heavy tariffs on imported steel and aluminium items.

Senior officials of India and the US are in discussions to finalise a kind of trade deal. Both the sides holding two track discussions -- to increase trade in short and medium term, and identify long-term trade potentials.

India is pressing for exemption from high duty imposed by the US on certain steel and aluminium products, resumption of export benefits to certain domestic products under their generalised system of preferences (GSP), greater market access for its products from sectors, including agriculture, automobile, auto components and engineering.

As many as 3,500 Indian products from sectors such as chemicals and engineering get duty-free access to the US market under the GSP, introduced in 1976.

On the other hand, the US is demanding greater market access for its farm and manufacturing products, including medical devices.

As part of the imposition of higher import duties, New Delhi has notified higher tariffs on several products. While import duty on walnut is to be hiked to 120 per cent from 30 per cent, duty on chickpeas, Bengal gram (chana) and masur dal will be hiked to 70 per cent from 30 per cent. Levy on lentils will be hiked to 40 per cent from 30 per cent.

Other products which would attract higher duties include boric acid, phosphoric acid, diagnostic reagent, flat-rolled products of iron, certain flat-rolled products of stainless steel.

Distressed asset sales 3% of overall M&A in 2017: Report	Economic Times https://economictimes.indiatimes.com/news/company/corporate-trends/distressed-asset-sales-3-of-overall-ma-in-2017-report/articleshow/66418195.cms

The first year of the bankruptcy laws has seen many investors setting up special vehicles to snap up distressed assets, which constituted 3 per cent of the entire mergers and acquisitions in the year, says a report.

Total distressed asset merger & acquisitions has totalled USD 14.3 billion, led by deals like Bhsuhan Steel (USD7.4 billion), Reliance Communications (USD 3.7 billion) and Fortis Healthcare (USD 1.2 billion), financial consultancy Kroll said in note Monday.

"In terms of actual deals, distressed M&As accounted for 3 per cent of total M&A volume in the market. This was only 21 of the total 623 deals completed since 2017," it said.

The consultancy, however, said the M&A opportunity will only grow from here given the size of the distressed market in the country.

The report said many companies in manufacturing, textiles, consumer and metals are over leveraged and can end up at national company law tribunals (NCLTs) for resolution.

It added steel, power, real estate and infrastructure companies are "prime candidates" for bankruptcy referrals

As for investor groups, it said so far domestic dealmakers have led the distressed M&As, accounting for 90 per cent of the deals by value and 81 per cent by volume.

Foreign investors have played a "silent role" thus far with Malaysian IHH Healthcare and Singaporean Wilmar International's USD 122 million deal to acquire Shree Renuka Sugars, it said.

However, stage is being "set for a change" and the "next scene could see a very different set of investors begin to participate", it said, pointing out to reports of private equity majors KKR and Blackstone waiting in the sidelines.

However, it also said without a clear rationale and ability to carry out effective due diligence of target assets in a "market already notorious for being shrouded as well as lack of working knowledge of the regulatory system, foreigner may continue to be at the sidelines.

The report said in addition to the over 900 cases already admitted to NCLTs, another 600-1,000 are expected to bankruptcy courts in the next 12-18 months.

Traceable, recycled beddings to go on sale in US next year: RIL	Business Standard https://www.business-standard.com/article/news-ians/traceable-recycled-beddings-to-go-on-sale-in-us-next-year-ril-118102901355_1.html

Reliance Industries Ltd (RIL) on Monday said a new brand of bedding products by home textiles maker GHCL Ltd, Cirkularity, using its ecofriendly high-quality fibre will be available for sale in the United States from the first quarter of 2019.

The brand platform is inspired by Rekoop, the first bedding solution to use Applied DNA's CertainT platform and Reliance Industries' Recron GreenGold fiber for source verification and traceability of recycled polyester across the supply chain, RIL said in a release.

GHCL launched Cirkularity, the new brand of eight lines of bedding, in September at the New York Home Fashions Market week, it said.

"These lines center on 'reduce, reuse and recycle'. Rekoop, the inspiration behind Circularity, is a brand of bedding products made from recycled plastic (rPET) and is the first bedding product to use Applied DNA Sciences' CertainT platform," the company said.

Rekoop uses CertainT platform to trace and authenticate post-consumer recycled polyester plastic in its bed sheets, pillow cases and shams throughout the entire supply chain.

This technology provides forensic proof that goes beyond a paper document. It guarantees brand authenticity, a growing concern for manufacturers as counterfeiting continues to escalate - rising from $1.2 trillion in 2017 to an anticipated $1.82 trillion by 2020. "We are proud to introduce Rekoop, the first fully source-verified recycled PET bedding product line," GHCL Home Textiles President and CEO Manu Kapur said.

Rekoop uses polyester made from recycling post-consumer PET bottles. With 36 plastic bottles used for each sheet or the equivalent of one tonne of plastic (36,000 bottles) in 1000 sheets, helps reduce these PET bottles landing into the landfills, crude oil consumption and carbon emissions, RIL said.

As part of the integrated supply chain for Rekoop, Reliance is also partnering with Applied DNA Sciences in the use of the molecular-based solution for recycled PET to produce certified fiber for home textiles, apparel, footwear and other applications, it said. "Textile manufacturing must change from linear to circular paradigms to ensure transparency, authenticity and sustainability. We will work closely with Applied DNA Sciences and GHCL to forge new paths to bring required changes to drive circular concept in the industry," RIL Head (Polyester Sector) Hemant Sharma said.

GHCL, operating its home textiles facility in Vapi, Gujarat, incorporated the CertainT verified rPET fiber into its production process, from spinning to weaving to finished processed fabric.

Explained: Where India, Japan ties stand now and what is planned for the future	Indian Express https://indianexpress.com/article/explained/why-japan-means-business-narendra-modi-shinzo-abe-meeting-5424358/

The India-Japan economic relationship is old and deep, but their bilateral trade continues to lack volumes. Where do these ties stand now, and what is planned for the future — in both new and traditional areas?

The 13th India-Japan annual summit commenced with Prime Minister Narendra Modi and his Japanese counterpart Shinzo Abe visiting a factory of FANUC Corporation, one of the largest makers of industrial robots in the world, followed by a private dinner at Abe's holiday home in Yamanashi prefecture.

The visit to the FANUC facility was important in the context of India's move towards Industry 4.0 by leveraging developments in the fields such as AI, IoT, 3D printing and robotics. A series of business events were lined up Monday, with a group of Japanese venture capital companies calling on Modi, followed by lunch hosted by their top industry body, and a meeting of the India-Japan Business Leaders Forum. The big announcement was the decision to conclude a bilateral currency swap agreement, which is expected to help stabilise fluctuations in the value of the rupee vis-a-vis the dollar, and bring down the cost of capital for Indian companies while accessing foreign capital markets.

India-Japan relations

The Japan-India Association was set up in 1903, and is one of the oldest international friendship bodies in Japan. As the 13th India-Japan annual summit got under way, Japan had pledged Rs 33,800 crore in government and private sector investments following the first Modi-Abe meeting in 2014.

While Japan has been one of the biggest sources of investment flows into India, accounting for $28.16 billion in FDI between April 2000 and June 2018, trade engagements have been below potential. On the list of countries that India exports to, Japan is a lowly 18th; on the list of countries importing into India, Japan ranks 12th.

This is despite the two countries having signed a Comprehensive Economic Partnership Agreement (CEPA) in 2011 to facilitate growth in bilateral trade. This was described as the most comprehensive of all such agreements concluded by India — covering trade in goods and services, movement of persons, investments, intellectual property rights, Customs procedures and other trade related issues. The CEPA envisages abolition of tariffs on over 94% of items traded between India and Japan over a period of 10 years.

India's exports to Japan in FY18 were lower than in FY15 in value terms. Primary exports have been petroleum products, chemicals, elements, compounds, non-metallic mineral ware, fish & fish preparations, metalliferous ores and scrap, clothing and accessories, iron and steel products, textile yarn, fabrics and machinery.

India’s solution to limit rupee fall vs US dollar; trade with China may come to rescue	Financial Express https://www.financialexpress.com/economy/indias-solution-to-limit-rupee-fall-vs-us-dollar-trade-with-china-may-come-to-rescue/1365019/

India is considering allowing some imports from China to be settled in yuan, people familiar with the proposal said, as the South Asian nation moves to limit its currency’s loss against the dollar.

India is considering allowing some imports from China to be settled in yuan, people familiar with the proposal said, as the South Asian nation moves to limit its currency’s loss against the dollar. The plan would enable direct convertibility between the rupee and yuan and will help cut transaction and hedging costs, the people said, asking not to be identified citing rules. The proposal would allow Indian exports of pharmaceuticals, oilseeds and sugar to China to be settled in rupee, while keeping out trade in high volume products such as electronics, they said.

India-China trade is mainly settled in U.S. dollars since currencies between the two nations aren’t directly convertible. By allowing Indian importers to pay for Chinese goods in yuan, the South Asian nation would be able to save on dollars to pay for escalating oil import costs in the face of higher crude prices and the rupee’s slump to a record low.

Oil is India’s biggest import item and the government estimates it will pay a record $125 billion, or 8.8 trillion rupees, for crude imports this fiscal year, the highest in rupee terms since 2001.

Currency Risks

A small but viable and ring-fenced basket of commodities is being considered for rupee-yuan trade, according to the person. Allowing direct convertibility can help cut currency risks for Indian traders, the person said.

India’s Commerce ministry spokeswoman didn’t immediately respond to two phone calls to her mobile phone. China’s Ministry of Commerce and the central bank didn’t immediately respond to separates faxes seeking comments.

Limiting the basket to a few items will help Prime Minister Narendra Modi’s government keep India’s $56 billion trade deficit with China in check. The current-account deficit is already at the highest level in five years, with the government raising tariffs on imports of items ranging from air-conditioners to communication gear in a bid to curb the shortfall and stabilize the rupee.

For China, the move would help broaden the yuan’s influence and improve liquidity overseas. The option of invoicing half of trade between the so-called BRICS nations — Brazil, Russia, India, China and South Africa — in yuan had already been discussed by the group.

Bank of China Ltd. started a yuan clearing and settlement service in Pakistan in May, and similar yuan hubs have been set up in Russia and Canada to allow traders to settle transactions. A similar system could be considered in India, the people said.

Earlier discussions about trading in local currencies had made little progress with Indian banks expressing apprehension about U.S. regulations and with 80 percent of the nation's trade valued in dollars.

China has been seeking to expand bilateral trade with India amid an intensifying trade conflict with the U.S. However, Indian policy makers are worried manufacturers may not be able to cope if Chinese imports rise dramatically with the currency plan, the people said.

US-China trade war: Indian leather market thrives	**Business Line** https://www.thehindubusinessline.com/economy/us-china-trade-war-indian-leather-market-thrives/article25363019.ece

Hit by tariffs on products imported from China, US companies have begun shopping in India.

"US importers are panicking," said Mecca Rafeeque Ahmed, a leading exporter and founder of the Farida group, a Chennai-based exporter of footwear.

"There is one US company which is looking to buy 50 million pairs of footwear," said Ahmed, and added that India is short of capacity.

"The entire country exports 135 million pairs," he said (The Council for Leather Exports puts the export figures at 115 million pairs.)

Footwear is not yet in the list of Chinese goods on which the US has slapped a tariff of 10 per cent, which could rise to 25 per cent on January 1, 2019.

Other goods, such as handbags and wallets, are in the list, but industry insiders such as P R Aqeel Ahmed, the Vice Chairman of the Council for Leather Exports, said that it is only a matter of time before President Trump tariffs leather footwear as well.

Aqeel Ahmed said that the industry is receiving more overtures from US companies for buying leather products. "We have to grab this opportunity," he said.

The leather industry

The industry has prepared a roadmap to raise exports from $5.6 billion to $10 billion by 2021-22; the US-China trade war has come in handy for meeting the target.

According to Rafeeque Ahmed, in the footwear sub-sector, capacity is an issue, as the industry has to cater to a large domestic market. Data by the Council for Leather Exports (in December 2017) shows that the industry makes 2,065 million pairs, of which 1,950 million pairs are sold in the domestic market. This sub-sector accounts for half of India's leather exports.

The leather garment sub-sector produces 16 million pieces a year and accounts for one-tenth of the exports. Other products such as articles (wallets, handbags), industrial gloves, harness and saddlery account for a quarter of exports. The industry— domestic and exports, are estimated to produce $18 billion worth of products. It also employs 4.5 million people. The Indian government came up with a ₹2,600 crore 'special package' for the industry— the funds would be spent over three years between 2017 and 2020.

The challenge

While Rafeeque Ahmed said that capacity could be a constraint in the footwear sub-sector, Aqeel Ahmed is confident that the industry would rise up to the demand. However, both of them said that other countries are moving in fast; unless India is agile, this big opportunity would be lost.

Vietnam has been aggressive, even before the US slapped tariffs on China. The country has been taking advantage of increasing production costs in China. While India aims at a target of $10 billion for the leather exports, Vietnam's footwear exports alone in the first nine months of the current year came to $ 11.8 billion— 10.5 per cent higher than the same period last year. Combodia too recorded a double digit growth in the first nine months, exporting $4 billion.

Aqeel Ahmed said that Vietnam may have max-ed out on its footwear capacity, and buyers would look towards India. The industry is seeking the government's support to ramp up capacities.

Rafeeque Ahmed also said that Chinese companies are looking to join hands with Indian companies to put up factories in India, to export to the US from.

Myntra launches 'Sztori', will help tap into multi-billion plus-size apparel segment	**Devidsources** https://www.devdiscourse.com/Article/business/234387-myntra-launches-sztori-will-help-tap-into-multi-billion-plus-size-apparel-segment

Post identifying a white space opportunity in the segment, Myntra set out to design and develop merchandise under a new brand to cater to the category and make wearers look fashionable with multiple style options at affordable prices," Myntra said in a statement.

Myntra Monday said it has expanded its in-house brand's portfolio with the launch of 'Sztori', a move that will help the Flipkart-owned company tap into the multi-billion plus-size apparel segment.

"Post identifying a white space opportunity in the segment, Myntra set out to design and develop merchandise under a new brand to cater to the category and make wearers look fashionable with multiple style options at affordable prices," Myntra said in a statement.

The brand will offer a range of products for men and women in large to 4 times large sizes with prices ranging from

Rs 799-1,999.

"Plus-size clothing is in great demand and it was time we offered something substantial in the category, opening up more avenues and possibilities for our customers," Manohar Kamath, CXO and Head Myntra Fashion Brands, said.

He added that research estimates that this segment will account for USD 5-6 billion in the USD 40-billion Indian online fashion apparel market by 2020.

"...(this) is approximately 10-12 per cent of the overall market, making it an important proposition," he said.

Myntra now has 17 fashion brands under its aegis that include Roadster, HRX, Dressberry, Mast & Harbour, All about you, Moda Rapido and Anouk.

The company had recently partnered with Bollywood actor Saif Ali Khan to launch 'House of Pataudi' brand.

Bangladesh's RMG exports to India see 167% rise in Q1	**Textile Today** https://www.textiletoday.com.bd/bangladeshs-rmg-exports-india-see-167-rise-q1/?amp

Bangladesh's apparel exports to India, an emerging export destination, have seen a Sharp rise by 167.13% to $145.10 million in the first quarter (Q1) of the current fiscal year.

Staff Correspondent

According to Export Promotion Bureau (EPB) data, export earnings from the readymade garment sector registered a 167.13% growth to $145.10 million, which was $54.32 million in the same period a year ago. Of the total, knitwear products contributed $37.76 million, while woven products earned $107.35 million. July-September period of the fiscal year 2018-19, Bangladesh exports earnings from India stood at $375, up by 142%, which was $155 million in the same period last year.

Talking to Textile Today, apparel industry insiders attributed duty-free and quota-free market access to Indian markets for the sharp growth. While the presence of global retailers in India has opened an opportunity for Bangladeshi apparel manufacturers as they are opening outlets.

International apparel brands and retailers are opening outlets in India and importing clothing products directly and indirectly from Bangladesh, which created an enormous opportunity for our products. As a result, Bangladesh exports to India have seen significant growth, Exporters Association of Bangladesh (EAB) President Abdus Salam Murshedy told the Textile Today. In addition, local brands and retailers are also importing goods due to price competitiveness as production cost went up caused by the implementation of Goods Services Tax (GST), said Salam, also a Former President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Beijing foreign trade up 25% in Jan.-Sept. period	News Cgtn.com https://news.cgtn.com/news/3d3d774e34416a4d30457a6333566d54/share_p.html

Beijing saw foreign trade increased by 25.1 percent year-on-year to 2.01 trillion yuan (289 billion US dollars) in the first three quarters of 2018, local customs said Monday.

Its imports grew by 24.2 percent to 1.65 trillion yuan while exports rose by 29.1 percent to 362.4 billion yuan, Beijing Customs said.

With its major trading partners, the city saw trade with the European Union rise by 16.9 percent to 248.7 billion yuan, trade with the Association of Southeast Asian Nations rise by 48 percent to 188.7 billion yuan and trade with the US rise by 22.2 percent to 187.6 billion yuan.

In terms of major exported products, Beijing exported 157.7 billion yuan worth of mechanical and electrical products, up 13.6 percent, 132.1 billion yuan worth of refined oil, up 100 percent, and 20.7 billion yuan worth of mobile phones, up 96.2 percent.

In terms of imports, Beijing reported surges in imports of crude oil and natural gas, which accounted for nearly half of its import value during the period. The city imported 711.4 billion yuan worth of crude oil, up 40.4 percent, and 107.5 billion yuan worth of natural gas, up 51.7 percent.

Vietnam's export up 14.2 pct in 10 months	Xinhuanet.com http://www.xinhuanet.com/english/2018-10/29/c_137566192.htm

Vietnam reaped export turnovers of nearly 200.3 billion U.S. dollars in the first 10 months of this year, gaining a year-on-year surge of 14.2 percent, the General Statistics Office said on Monday.

Specifically, the domestic economic sector posted export turnovers of over 56.8 billion U.S. dollars, up 16.8 percent, and foreign-invested nearly 143.5 billion U.S. dollars, up 13.2 percent.

Export turnovers of phones and their components rose 10.6 percent to 40.7 billion U.S. dollars; garments and textiles increased 17.1 percent to 25.2 billion U.S. dollars; electronic goods and components grew 15.2 percent to 24.3 billion U.S. dollars; machines and spare parts surged 28.3 percent to 13.5 billion U.S. dollars; and footwear expanded 9.5 percent to 13 billion U.S. dollars.

Some agricultural products saw bigger export volumes but smaller values due to lower export prices, including cashew nuts, rubber and pepper.

Between January and October, the United States was Vietnam's biggest export market with turnovers of 39 billion U.S. dollars, up 12.8 percent, followed by the European Union with 34.9 billion U.S. dollars, up 9.9 percent, and China with 32.1 billion U.S. dollars, up 21.3 percent, said the office.

World's first specialized free zone for textile industry underway in Minya	**Egypt Today** https://www.egyptindependent.com/worlds-first-specialized-free-zone-for-textile-industry-underway-in-minya/

The first specialized free zone for the textile industry in the world is underway in Minya Governorate on an area of 2.2 million square meters, and the first specialized technological city is also underway in southern Giza, Chief Executive of the General Authority for Investment and Free Zones Mohsen Adel announced. The textile industry is facing global changes, one of which is transferring the focus of this industry from the East to other regions in the world, which requires Egypt to take advantage of the opportunity and attract textile investments, he added during his speech at the closing session of the 200 Years of Egyptian Cotton Conference organized by the Egyptian Junior Business Association. East Asian companies believe that the Middle East region has many advantages, including Egypt, which has four competitive advantages: geographical location, consumer market, free trade agreements with COMESA, and availability of labor and suitable investment atmosphere.

Free zones have a great role in the Egyptian economy, said Adel, pointing out that free zones recorded exports worth $14.7 billion from January to September 30, 2018, with an increase of $1.1 billion compared to the same period in 2017. Commodity exports recorded $8.3 billion, while service exports reached $ 6.4 billion, he added.

South Africa commits support to apparel-textile sector	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/apparel-news/south-africa-commits-support-to-apparel-textile-sector-245393-newsdetails.htm

South Africa's Clothing and Textile Competitiveness Programme has helped sector exports grow from 7.1-billion rand (R) in 2008 to R25.1 billion in 2017 and will receive its share of the R15.9 billion allocated to incentives and the Expanded Public Works Programme. The Small Business and Innovation Fund will also help entrepreneurs in the pre-start-up phase.

Twenty two new leather factories have been opened in the last nine years creating 2,200 jobs. To augment this, government funds will be reprioritised to the clothing and textiles production incentive from special economic zones, according to a report in an engineering news website from South Africa.

The national treasury has, over the medium term, placed incentives for agriculture, land reform, manufacturing and research and development among its priorities for expenditure reprioritisation.

The CEO Initiative's Small and Medium Enterprises (SME) Fund has raised R1.4-billion till now, with about R500-million expected to be committed for debt and equity investments in SMEs by the first quarter of 2019.

The financial sector has committed to invest R100-billion over five years in black industrial enterprises and firms. The Financial Sector Transformation Council is working with the Department of Trade and Industry to finalise guidelines for the disbursement of this funding, the report added

Which apparel players have the fastest lead times?	**Supply Chain Drive** https://www.supplychaindive.com/news/Apparel-lead-times-McKinsey-vertical-integration/540806/

Vertically integrated apparel businesses are better positioned to win in the race to shorten lead times than their wholesaling competitors, according to a recent survey from McKinsey&Company.

Since they don't have to sell their products to anyone other than the end consumer, lead times for vertically integrated companies are 36% faster (averaging 28 weeks) than "hybrid players" (average 44 weeks), which sell wholesale and direct to consumer.

Researchers found vertically-integrated players also have faster design and development processes, spending an average of 11 weeks on these initial phases, compared to the 24 weeks on average of hybrid players — a finding McKinsey called "surprising."