



The Southern India Mills' Association

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NEWS CLIPPINGS –19-12-2018

Owners willing to shift 55 textile mills out of city

Times of India

<https://timesofindia.indiatimes.com/city/surat/owners-willing-to-shift-55-textile-mills-out-of-city/articleshow/67151566.cms>

After more than five decades, about 55 owners of textile dyeing and printing mills located within Surat Municipal Corporation (SMC) areas have agreed to shift them out of the city limits to help reduce the problem of air and water pollution.

A meeting was held under the leadership of South Gujarat Textile Processors' Association (SGTPA) on Tuesday where the textile mill owners said they are willing to shift their units outside the city areas. A SGTPA delegation will be meeting chief minister Vijay Rupani and industries minister Saurabh Patel to demand allotment of land on the outskirts of the city for the mills.

About 65 textile mills are operating in the city's residential areas like Khatodara, Udhana, Ashwani Kumar Road, Ved Road, Bombay Market and Puna Kumbharia. Particulate Matter (PM10) level is exceedingly high than the national annual average at 184 per micrograms per cubic meter of air (UG/M3) per annum in these areas.

SGTPA president Jitu Vakharia told TOI, "More than 55 textile mill owners are willing to shift their units out of the city. We will be meeting the chief minister in next few days with the proposal. We want the land to be allotted at government rate and that we will develop rest of the infrastructure."

In the past, diamond industry leaders and residents in Rustompura had organized protests to demand shifting of these polluting textile mills.

Three years ago when the original development plan of Surat Urban Development Authority (SUDA) was prepared, a plot of land in Pinjrat near Olpad was earmarked for relocation of the textile mills in the city. The plan was shelved due to CRZ and opposition from villagers. It is expected that new development plan of SUDA will have a specified area marked for the textile mills.

A. Cotton		
Spot price (Ex-Gin) 28.5 to 29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
21100	44100	78.04
Domestic Futures (Ex-Gin) November		
Rs/Bale	Rs/Candy	USD Cent/lb
21740	45437	80.41
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		77.85 (-0.69)
ZCE Cotton: Yuan/MT (Jan 2019)		15285
ZCE Cotton: USD Cents/lb.		100.77
Cotlook A Index - Physical		86.80 (-1.00)
B. Currency		
USD/INR	Close	Previous Close
Spot	71.16	70.44

Cotton Guide:

ICE futures hovered around the support figures about which we had commented yesterday. ICE March saw a low of 77.76 cents/lb (almost a 3 week low), contrasted with a high of 78.65, having a trading range of 89 basis points settling at 77.85 cents/lb. The negative range for other ICE Contracts were between (-69) and (-46). Reason being – turbulent markets expecting a rate hike by the Fed. According to Cotlook the ICE Estimated volume is at 20,100 lower than the previous 22,765 contracts. Total interest also decreased by 794 contracts to 219,252 contracts.

At MCX, the December contract saw a close of 21,740 Rs/Bale a decrease of 220 Rs. An extreme decrease was seen in the January and February contracts with figures of (-240) and (-270) at 22,000 and 22,260 Rs/ Bale respectively. The March contract emanated a drop of Rs 120 at Rs 22500 per bale (1 Indian Bale = 170 Kg)

Arrival figures are estimated to be around 169,500 lint equivalent Bales (source cotlook), which includes 41,000 from Maharashtra, 37,000 from Gujarat and 34,000 from the Northern Zone. According to our private sources, Indian Shankar 6 exchanged hands at an average of 44,100 Rs/Candy. Due to the declining Cotton Prices worldwide, the Cotlook Index A was adjusted at 86.80 i.e. a drop of (-1.00) cent.

Cotton is seen to be bearish also due to falling crude prices. Crude has plummeted by around 4 percent. There are two factors which correlate Cotton with Crude. First, Cost of Production – decline in price of Fuel used in tractors, decline in the cost of Petrochemical fertilizers and transportation cost. Second, Synthetic Fibres – falling oil prices make competing synthetic fibres cheaper and potentially dent the demand for cotton.

On the Technical Front, ICE March futures continued its weakness after breaching the intermediate support at 78.60. The decline in price is expected to extend towards the lower end of the range at 77.20. Below 77.20, crucial support exists around 76.50. Likewise, the immediate resistance exists around 80.20 and 81.20. Meanwhile RSI in daily charts as trading below 45, suggests a phase of weakness in coming 1 or 2 trading sessions. So in a near term price is expected to trade in the range of 77.20-81.20 with sideways to downside bias. In the domestic markets trading range for Dec future will be 21400-21850 Rs/Bale.

Currency Guide

Indian rupee has opened 0.6% higher in early trades today to trade below 70 levels against the US dollar. The currency had appreciated nearly 1.6% yesterday. The major factor supporting Indian Rupee is sharp slide in global crude oil prices along with weakness in US Dollar Index. Brent crude slid 5.5% yesterday amid growing worries of oversupply in face of weakening demand. Meanwhile US Dollar index trades 0.2% lower amid caution ahead of FOMC meeting due later in the day. On domestic front, RBI's announcement to increase the amount of debt it plans to buy at upcoming open-market operations is also lending support to the currency. The gains in Rupee may however be capped amid bleak risk appetite tracking global growth worries. For the day we expect USDINR to trade in a range of 69.6-70.4 and bias may be on the downside.

New high for Telangana handlooms

The Hindu

<https://www.thehindu.com/todays-paper/tp-national/tp-telangana/new-high-for-telangana-handlooms/article25778655.ece>

Draped in State weaves, team of five mountaineers scales Australia's highest peak

Taking handlooms to the peak is what every political wannabe promises hapless weavers. Now, a team of professional and amateur mountaineers, including two minors, have fulfilled that dream, literally!

Five mountaineers — three women and two kids — have scaled Mount Kosciuszko, the highest peak of Australia, wearing the handlooms of Telangana. What's more, the three women dressed in what many working women do not choose as office wear, let alone as mountaineering gear — sari.

Two minors in team

The team led by Raji Venkat (35) included Lavanya M. (35), Srujana S. (23), Hasitha M. (13) and Samanyu M. (8). Of them, Ms. Lavanya is mother of Hasitha and Samanyu, and a mountaineering novice, who wished to accompany her children.

Starting from Hyderabad on December 8, the team successfully reached the top of the mountain on December 12.

While Raji Venkat, Lavanya and Srujana were draped in handloom saris from Narayanpet, Siddipet (Gollabhama), and Pochampally respectively, Hasitha wore a long gown made of Gadwal weave, and Samanyu donned a kurta of Pochampally make.

“We went to each of those villages before taking up the expedition, to record the weaves. Together with video clips

of our expedition, we want to document it for posterity,” said Ms. Raji Venkat, who led the team on behalf of her adventure sports company ‘Boots and Crampons’. The idea behind the adventure was to promote handlooms.

10-hour expedition

The expedition lasted 10 hours. Scaling the summit in sari was not a cake walk, though. Moulali hillock was their practising terrain, before they went on to conquer the Australian peak.

“We wore leggings inside. Initially, it was uncomfortable, but we soon got over that. Enquiries by fellow mountaineers from European and other foreign countries about the handlooms bolstered our resolve. Jason, the person who helped us with the logistics in Australia, has promised to help us spread the message about Telangana handlooms,” shared Ms. Raji Venkat, who had earlier led six expeditions to Mount Kilimanjaro and summited it four times.

Rupee strengthens 1.5% against dollar	The Hindu https://www.thehindu.com/todays-paper/tp-business/rupee-strengthens-15-against-dollar/article25778085.ece
<p>Tuesday's gain highest in over 5 years</p> <p>Falling crude oil prices helped the rupee record its highest gain in over five years on Tuesday. The Indian currency appreciated by 112 paise against the U.S. dollar.</p> <p>After making a strong opening at 71.34 a dollar, as compared to the previous close of 71.56, the currency gained further in the day to close at 70.44 a dollar, which is 1.56% higher than the previous close.</p> <p>The Brent crude, an international benchmark, was trading 2.26% lower at \$58.26 per barrel, a 14-month low. Dollar weakening against all global currencies as well as selling of dollars by exporters, helped the domestic currency gain.</p> <p>The fall in oil prices will help narrow the current account gap as the country imports about 80% of its crude requirements.</p> <p>Current account deficit has widened to 2.9% of GDP for the July-September quarter due to higher trade deficit, as compared to 1.1% during the same period of the previous year.</p> <p>The benchmark Sensex Tuesday wiped off early losses to end 77 points higher at 36,347 on Tuesday, the sixth consecutive session of gains. The broader NSE Nifty edged higher by over 20 points to end above the 10,900-mark.</p>	

India becoming world's fastest growing economy	Business Standard https://www.business-standard.com/article/news-ani/india-becoming-world-s-fastest-growing-economy-118121900094_1.html
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The share of the Indian economy in the world (measured as a ratio of India's GDP to world's GDP at current US\$) has increased from 2.6 per cent in 2014 to 3.2 per cent in 2017 (as per World Development Indicators database).

This was stated by Minister of State for Finance Pon Radhakrishnan in a written reply to a question raised in Rajya Sabha on Tuesday.

The average share of the Indian economy in the world from 1960 to 2013 was 1.8 per cent. The average growth of the Indian economy during 2014-15 to 2017-18 was 7.3 per cent, fastest among the major economies in the world.

The Indian economy is projected to be the fastest growing major economy in 2018-19 and 2019-20 (International Monetary Fund October 2018 database). This is borne by the GDP growth of 7.6 per cent in the first half of 2018-19.

As per the estimates available from Central Statistics Office(CSO), the per capita income (measured as per capita net national income (at current prices))of the country increased from Rs. 86,647/- in 2014-15 to Rs 112,835/- in 2017-18, recording a30.2 percent growth from 2014-15 to 2017-18.

Meanwhile, Union Minister Suresh Prabhu while addressing the India-Turkey business forum organised by FICCI on Tuesday said that in coming years India will be five trillion dollar economy.

He said, "India will be 5 trillion dollar economy in 7-8 years and already we have complete road-map for it. On Monday, we launched a major program for making one trillion dollars of manufacturing in India that will happen in the next 6-7 years; the comprehensive plan has been prepared.

Apparel exporters demand duty drawback hike	Business Standard https://www.business-standard.com/article/pti-stories/apparel-exporters-demand-duty-drawback-hike-118121800934_1.html
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An apparel export promotion body has called for increase in duty drawbacks of about 4-4.5 per cent to mitigate embedded taxes paid by exporters.

After the implementation of the GST, exports of apparel have declined, owing to two factors -- lowering of the duty drawback rate from 11 per cent to about 3.7 per cent, and non-disbursement of the drawbacks.

"We still find there is a gap of about 4-4.5 per cent of duty. We are paying embedded taxes in products like seeds, besides electricity duty and taxes on diesel, but are unable to recover them, which is weakening our comepetitiveness," Apparel Export Promotion Council Chairman H K L Magu said.

He was speaking on the sidelines of Indian Chamber of Commerce-organised Retail India Summit here.

Magu said if the government agrees to their demand of raising the duty drawbacks or GST refunds, it would translate

to around a Rs 5,000-crore boost for the sector, a major employment generator.

He said in the first nine months of the current fiscal, the sector registered a decline in exports compared to the previous fiscal.

During April-September, apparel exports were down 9.6 per cent in dollar terms as against the corresponding period a year ago.

"It is only since October that things have started looking positive, as demand is rising and GST refunds have started getting released," Magu said.

He said fiscal 2018-19 is likely to be flat for apparel exports at about USD 17 billion, if the growth trend sustains for the remaining months. The month of November saw a jump of 20 per cent in rupee terms and 9 per cent in dollar terms compared to November 2017, he added.

High growth rate in manufacturing a doable challenge, says Niti Aayog CEO Amitabh Kant

Times of India

<https://timesofindia.indiatimes.com/business/india-business/high-growth-rate-in-manufacturing-a-doable-challenge-says-niti-aayog-ceo/articleshow/67149973.cms>

Niti Aayog CEO Amitabh Kant Tuesday said achieving double digit growth in the manufacturing sector on sustainable basis is a "doable challenge" but for that the country needs to integrate with global markets. Referring to the draft report of Department of Industrial Policy and Promotion (DIPP) on making India a USD 5 trillion economy by 2025, he said the plan envisages an annual GDP growth rate of 11.7 per cent. On sectoral basis, growth in the manufacturing gross value added has to be 14.6 per cent year after year, Kant said.

"To my mind that's a challenge, but it is a doable challenge. We have to be extremely competitive and across chemicals, across automobile, across metals and that would require size and scale," he said at a CII event attended by industrialists. He said that if manufacturing sector has to grow at 14.6 per cent, then "you have to be a very integral part of the global supply chain" and it cannot be done without looking at global markets. As per the Central Statistics Office (CSO), the growth in the Gross Value Added (GVA) at basic prices for 2017-18 from 'manufacturing' sector was estimated to be 5.1 per cent as compared to growth of 7.9 per cent in 2016-17.

For too long, Indian manufacturing has been looking at domestic markets. One thing is very clear that all of us must realise is that the big bucks are out there in the global markets...therefore, penetrating global markets must be our challenge," Kant said. He said that no country in the world, may it be Japan or China, has grown without penetrating global markets. Kant urged the industry to create "2-3 global champions" which will lead India into penetrating the global markets. The Niti Aayog official further said he was going through various schemes of textiles ministry. The ministry has plethora of schemes which have grown over the years, he noted. "I think all of them need to go and we just need to have one simple scheme of creating plug and play world-class facility which will ensure that we make our industry competitive," Kant said.

India ranks 108th in WEF gender gap index; scores third-lowest on health

Business Standard

https://www.business-standard.com/article/current-affairs/india-ranks-108th-in-wef-gender-gap-index-scores-third-lowest-on-health-118121900039_1.html

India made no improvement in the overall gender gap ranking by the World Economic Forum (WEF) in 2018, compared to 2017. It stood at a low 108 out of the 149 countries in 2018, the same as in 2017.

“India maintains a stable ranking this year, but its gap is directionally larger this year, with a 33 per cent gap yet to be bridged,” says the report, titled Measuring the Global Gender Gap.

India ranked lower on all segments - economic participation and opportunity, educational attainment, health and survival ranking, and political empowerment. “It (India) needs to make improvements across the board, from women’s participation to getting more women into senior and professional roles,” the WEF said.

The country continues to rank third-lowest in the world on health and survival. It remained the world’s least-improved country on this sub-index over the past decade. In fact, its ranking slipped to 147 on this segment in 2018, from 141 in the previous year. Only two countries were below India on this ranking — Armenia at 148 and China at 149.

Neighbouring Sri Lanka stood at the top position on the health and survival category. India’s ranking on political empowerment came down to 19 in 2018, from 15 in the previous year. The country has closed nearly 40 per cent of its gender gap on this sub-index. On political empowerment, one country — Bangladesh — has reached a level of gender parity of more than 50 per cent among South Asia. The region’s remaining countries are yet to achieve a gender parity level of at least 20 per cent.

It is worth noting that, from a low base, South Asia has made the fastest progress on closing its gender gap of any world region over the past decade.

Meanwhile, the country also recorded improvements in wage equality for similar work, succeeds in fully closing its tertiary education gender gap for the first time, and keeps primary and secondary education gaps closed for the third year running.

Interestingly, India has the second-largest artificial intelligence (AI) workforce, but one of the largest AI gender gaps, with only 22 per cent of roles filled by women.

According to the report, the world has closed 68 per cent of its gender gap and at the current rate of change, it will take 108 years to close the overall gender gap and 202 years to bring about parity in the workplace.

South Asia was the second-lowest ranking region in the index, with only 65 per cent of its gender gap now closed. India is slightly ahead of the regional average, having closed 66 per cent.

The global list was topped by Iceland, having closed more than 85.8 per cent of its overall gender gap. Iceland holds

the top spot in the index for the 10th consecutive year.

Nordic countries Norway (2nd, 83.5 per cent), Sweden (3rd, 82.2 per cent), and Finland (4th, 82.1 per cent) dominated the top slots.

Other countries in the top 10 include Nicaragua (5th, 80.9 per cent), Rwanda (6th, 80.4 per cent), New Zealand (7th, 80.1 per cent), the Philippines (8th, 79.9 per cent), Ireland (9th, 79.6 per cent), and Namibia (10th, 78.9 per cent).

“The economies that will succeed in the fourth industrial revolution will be those that are best able to harness all their available talent. Proactive measures that support gender parity and social inclusion and address historical imbalances are therefore essential for the health of the global economy as well as for the good of society as a whole,” said Klaus Schwab, founder and executive chairman of the WEF.

Manufacturers move HC against plastics ban

The Hindu

<https://www.thehindu.com/news/cities/chennai/manufacturers-move-hc-against-plastics-ban/article25776896.ece>

Judges to take a call on Friday on their plea to stay the order

The Madras High Court would consider on Friday a writ plea by the Tamil Nadu Plastics Manufacturers Association (TNPMA) to stay a government order issued on June 25, banning the manufacture, storage, supply, sale and use of plastic plates, dining table spreads, tea cups, tumblers, water pouches, straws, carry bags, flags and many other plastic products from January 1.

When the writ petition came up for admission before a Division Bench of Justices M.M. Sundresh and Krishnan Ramasamy on Friday, the judges ordered notices to the Centre as well as the State government and said that they would take a decision on the issue after hearing all the respondents on Friday. The main plea of the TNPMA was to quash the June 25 G.O. in toto.

In an affidavit filed through its counsel G. Sankaran, the association claimed that the ban, imposed on a host of plastic products irrespective of their thickness, violated the principles of natural justice since the stakeholders were not consulted before the decision was taken to impose the ban. The government’s move was also in excess of the powers conferred on it by the Environment (Protection) Act of 1986, it contended.

8,000 units in State

According to the association, there were nearly 8,000 plastics processing units in the State, providing direct employment to 2 lakh people and indirect employment to 3 lakh people under the ‘micro, small and medium enterprises’ category. The industry on the whole processed over 7 lakh tonnes of polymers per annum and paid taxes to the tune of ₹1,800 crore every year, it said.

Asserting that the plastic products produced by it did not harm the environment in any way, the association said it

was not a prudent decision to completely prohibit the manufacture of plastic products merely due to the inability of the official machinery to ensure the segregation of biodegradable and non-biodegradable waste and forward all used plastic products for recycling.

“Today, many of the plastic recycling units are running below capacity because enough quantity of plastic waste is not available. If the local bodies had facilitated segregation and collection, the plastic recycling units would be running at higher capacity, and at the same time, the quantum of plastics going to the landfill would have significantly come down,” the association said.

Further, it brought to the notice of the court that the Centre had framed the Plastic Waste Management Rules of 2016 by exercising its powers under the Environment Act. The rules were aimed at handling plastic waste effectively. However, the Tamil Nadu government had so far not issued any notification adopting those rules.

Demonetisation Hit Growth But May Not Have Been Captured in Official Data, Says New Study

The Wire

<https://thewire.in/economy/demonetisation-hit-growth-but-may-not-have-been-captured-in-official-data-says-new-study>

The Narendra Modi government’s note ban decision may have lowered the quarterly growth rate at the time by at least 2 percentage points, according to a new research paper co-authored by IMF chief economist Gita Gopinath.

The study uses a “new household survey of employment” and “satellite data on human-generated nightlight activity” and a number of other datasets to measure the effects of demonetisation at the district level.

It estimates that the note-ban also led to a decline in “nightlights-based economic activity and of employment of 3 percentage points or more in November and December of 2016 relative to the counterfactual path”. This, the study notes, led to “a decline in the quarterly growth rate of 2 p.p. or more”.

“...We conclude that demonetization caused a decline in national economic activity of roughly 3 p.p. or more in November and December 2016 relative to a no-demonetization counterfactual,” the National Bureau of Economic research paper, which has not been peer-reviewed but has been “circulated for discussion and comment purposes,” states.

“If trend growth in India was 1.5% per quarter (6% per year), then our estimates imply an absolute decline in economic activity of about 0.5% in 2016 Q4 from the previous quarter. This follows from the 3% decline in November and December and no impact in the pre-demonetization month of October,” a footnote in the study notes.

In addition to Gopinath, the paper’s co-authors also include economist Prachi Mishra, who used to head the RBI’s strategic research unit, and Abhinav Narayanan, a current research economist at the RBI. Harvard professor Gabriel Chodorow-Reich is the lead author.

The research paper’s conclusion also examines why such a “decline in output” would not show up in India’s GDP

data, an issue it attributes to the problems with measuring informal economic activity in the country.

National data is “volatile...making it difficult to discern a single break-point around demonetisation”, it notes, adding that official statistics also don’t capture the informal sector very well.

This is a point that has been emphasised by the other Indian economists like Arun Kumar.

“Moreover, our measures of real activity have the advantage over official GDP of directly incorporating informal sector activity. The informal sector in India is estimated to account for 81% of total employment (ILO, 2018) and 44% of total output (CSO, 2018) and is especially cash-intensive,” the paper notes.

“While the level of official GDP includes an estimate of informal sector activity derived from a quinquennial household survey, quarterly changes in GDP do not reflect any direct measurement of informal sector activity. Thus, our results also point to the likelihood of an absolute decline in economic activity at the end of 2016 not captured in official statistics,” it adds.

Longer-term impact needs more data

The paper however cautions that its assessment of the near-term impact lends itself only to November-December 2016, as the “cross-sectional differences dissipate in the months following demonetisation”.

“There may be longer term advantages from demonetization that arise from improvements in tax collections and in a shift to savings in financial instruments and non-cash payment mechanisms. Evaluating these long-term consequences requires waiting for more data and an empirical strategy suited to the study of longer term effects,” it notes.

'Changes in policy, procedures in next 3 months'	Economic Times https://economictimes.indiatimes.com/news/economy/policy/changes-in-policy-procedures-in-next-3-months-to-improve-ease-of-doing-business-rank-p-k-das/articleshow/67150107.cms
The next three months would see the Centre put in place changes in policy and procedures to ensure India further improves its position in the 'Ease of Doing Business Report 2019', chairman designate of Central Board of Indirect Taxes and Customs P K Das said Tuesday.	
The process to assess the 'Ease of Doing Business-2019' for 2018 will start from February 2019 and go on till August-September. The result will be out in October.	
India has jumped 23 places to 77th rank in the global Ease of Doing Business rankings.	
"Our efforts are that in the next three months we should ensure that all our processes are put in place in this financial year itself and deliver the desired changes, both in policy or if it is required to be made, any procedural	

changes.

That is why any changes in the system upgradation, any capacity building, all these we are focusing now and see that we are all in the right track," Das told reporters.

He was briefing reporters about the two-day 'All India conference of chief commissioners of customs/customs and central taxes and director generals on customs tariff and allied matters' that began here Tuesday.

To curb smuggling and illicit trade, the customs department was also working on having new technological tools like Artificial Intelligence, block chain technologies and deep diving technologies, which are used in many sectors dealing with operations and applications, he said.

We are engaging with technology experts. We are engaging with IBM and other system providers, but they have to build technology as per our requirement.

We have to indicate (to them) what the processes and what the minimum requirements are. Our engagements are on," Das said.

He said the officers discussed numerous initiatives in connection with Indo-Bangladesh, Indo-Bhutan and Indo-Nepal cross-border trade, electronic cargo tracking system, off border clearance and various steps taken on TIR convention (International Road Transport convention).

Smuggling was also an issue deliberated during the meeting, as also the steps taken to check it, Das said.

The issue of upgrading the 12 laboratories of customs all over the country and getting them accredited was also discussed, he said.

Das said efforts were on to give the lab facilities to the neighbouring countries so that consignments they exported for the benefit of the food safety authorities, drug control authorities, wildlife authorities, animal quarantine and plant quarantine can be tested by these laboratories.

Strategic thinking was also discussed, he said, adding that the officers deliberated on the deployment of 109 Customs vessels helping agencies guarding the nation's borders like the Army and the Navy.

"We conduct a lot of exercises where we have something called Sagar Kavach. We conduct various joint exercises with the border guarding forces.

All kinds of different parameters like whether their equipment is properly maintained or not, whether proper maintenance in terms of the comprehensive maintenance agreement is being carried out or not and whether the officers are deployed properly were examined," he said.

We have issued several directions in this regard," Das added.

India again defers duty hike on US products till Jan 31

Business Line

<https://www.thehindubusinessline.com/economy/policy/india-again-defers-duty-hike-on-us-products-till-jan-31/article25771554.ece?homepage=true>

Trade balance is with India's favour exporting \$47.9 bn in FY18, while imports were at \$26.7 bn

India for the fourth time deferred the deadline to impose retaliatory customs duties on 29 US products, including almond, walnut and pulses, by another 45 days, the government has said.

According to a notification by the finance ministry, the implementation of the duty hike has been postponed until January 31, 2019.

The commerce ministry had asked its finance counterpart to extend the deadline further.

In June, India decided to impose retaliatory tariffs from August 4. But it was extended by 45 days till September 18 and then till November 2. In November, the decision to impose these duties was deferred till December 17.

As part of 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 at present, duty on chickpeas, Bengal gram (chana) and masur dal will be raised to 70 per cent, from 30 per cent currently. Levy on lentils will be increased to 40 per cent, from 30 per cent.

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 sides are 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 agriculture, automobile, automobile components and engineering sectors.

On the other hand, the US is demanding greater market access through cut in import duties for its agriculture goods, dairy products, medical devices, IT and communication items, the official added.

India's exports to the US in 2017-18 stood at USD 47.9 billion, while imports were USD 26.7 billion. The trade balance is in favour of India.

Commerce and Industry Minister Suresh Prabhu will hold bilateral discussions on trade issues with US Commerce Secretary Wilbur Ross on February 14 here.

Less than 1 lakh bales cotton procured**Business Line**

<https://www.thehindubusinessline.com/markets/commodities/less-than-1-lakh-bales-cotton-procured/article25765197.ece>

The Cotton Corporation of India (CCI) has so far procured 98,900 bales (of 170 kg) of cotton in the current season till December 10 as compared to 3.9 lakh bales purchased in the previous season, the Government has informed the Rajya Sabha.

Much of this procurement made at minimum support price -- 86,000 bales – happened in Telangana, Minister of State for Agriculture Parshottam Rupala, told Trinamul Congress MP Derek O’ Brien in a written reply on Friday. In the last cotton season too, Telangana accounted for 68 per cent of the cotton procured by the public sector firm.

As per the estimates made by the Cotton Advisory Board, cotton production this year is projected at 361 lakh bales, nearly 20 lakh bales more than that estimated by the Cotton Association of India (CAI). CAI revised its yield projections downwards last week as it feared that crop losses in major cotton production States such as Gujarat, Maharashtra, Telangana and Karnataka.

Myanmar groups ask EU not to scrap trade privileges**Atimes.Com**

<http://www.atimes.com/article/myanmar-groups-ask-eu-not-to-not-scrap-trade-privileges/>

Groups in Myanmar have appealed to the European Union to not scrap trade privileges to the bloc over human rights violations against the Rohingya in northern Rakhine State.

The Union of Myanmar Federation of the Chambers of Commerce (UMFCCI) and two trade unions have appealed to the EU to continue granting the country the Generalized Scheme of Preferences (GSP), while pledging support and cooperation on human and labor rights, The Myanmar Times reported on December 17.

EU Trade Commissioner Cecilia Malmström on October 3 announced that the EU was considering ending Myanmar’s trade privileges due to human rights violations against the Rohingya in northern Rakhine State.

According to the Myanmar daily, the UMFCCI, the Confederation of Trade Unions of Myanmar and the Myanmar Industries, Craft and Services, Trade Unions Federation released a joint statement saying that such “drastic action” taken by EU would only make things worse for the existing labor market, which they say is “fragile and under-developed.”

Revoking Myanmar’s Everything But Arms (EBA) scheme, part of the bloc’s GSP, would lead to “catastrophic economic and social consequences,” destroy the livelihood of “grassroots workers” and derail Myanmar’s “ongoing journey towards decent work and industrial peace,” the statement said.

Myanmar’s garment industry, which employs 300,000 workers and generates exports of US\$3 billion every year, would be severely affected if EU trade privileges were withdrawn. Garments are now Myanmar’s second largest

export item.

In 2017, 72.2% of Myanmar's exports consisted of textiles and the EU was the third largest export market for textiles, absorbing about 8.8% of Myanmar's total exports last year.

FDI firms expand local textile-garment sector to maximise on CPTPP

Vietnam Plus

<https://en.vietnamplus.vn/fdi-firms-expand-local-textilegarment-sector-to-maximise-on-cptpp/143761.vnp>

Vietnam has become increasingly appealing to large foreign investor groups in the textile and garment industry who want to seize opportunities before the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) takes effect in January next year, according to analysts.

German-based Amann Group, one of the world's top three leading producers of high-quality sewing and embroidery threads, is expanding its network to Vietnam with a new factory being constructed on a 45,000sq.m ground at Tam Thang Industrial Park in the central province of Quang Nam.

The new facility will be added to Amann's existing network of factories in various countries across Asia, including Bangladesh, China, India, and Indonesia

At the new production site, the group will produce around 2,300 tonnes of sewing threads per year, mainly for the manufacture of apparel and shoes.

The first phase of the project is scheduled to commence in late July of next year.

Kraig Biocraft Laboratories Inc., the US' leading developer of spider silk-based yarn, is working with agricultural cooperatives in Quang Nam to expand mulberry production and develop high-performance silk in Vietnam.

The firm plans to set up a centre for research and development (R&D) of silk, as well as grow about 2,500ha of mulberry to support spider silk in the country.

According to Kraig Biocraft Laboratories, Vietnam is being chosen to scale up its spider silk commercialisation efforts in one of the firm's strategic moves to further growth.

The domino effect created by FDI expansion in the textile and garment sector has also led to an increase in the number of foreign suppliers of machinery and equipment for the industry

In June, ILLIES Vietnam – a member of the German C. ILLIES & Co. and also a leading distributor of industrial textiles machinery and equipment – announced it has expanded its portfolio in the spinning sector. It now provides machines and spare parts for short-staple yarn-spinning systems for the Rieter Group and the local textile market.

In the first quarter of 2019, the company will open a repair centre for mechanical and electrical parts of Rieter

machines.

So far this year, the Vietnam Textile and Apparel Association (VITAS) has welcomed many foreign textile and garment producers visiting Vietnam to explore investment opportunities, said VITAS Vice President Truong Van Cam. More FDI projects will arrive in the country's textiles sector in the coming years, Cam added.

Once new-generation free trade agreements (FTA), like the CPTPP and the EU-Vietnam FTA, enter into force, investment in the textile and garment industry will increase, offering a great opportunity for machinery suppliers like Rieter, said a representative of ILLIES Vietnam.

Statistics by the VITAS showed that a total of nearly 15.9 billion USD in FDI had been injected into more than 2,090 textile and garment projects in Vietnam by the end of last year. In the first half of 2018, the industry attracted another 2.8 billion USD in FDI.

The country is now among the leading exporters of textile and garments in Asia. Vietnam's total textile and garment exports have experienced a 3.6-fold increase over the past decade, from 7.78 billion USD in 2007 to 31 billion USD in 2017. Last year's figure represented 16 percent of the nation's total export revenue.

This year, the sector expects to earn 35 billion USD from exports.