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NEWS CLIPPINGS –21-01-2019

Centre to standardise 'India size' for garments	Business Line https://www.thehindubusinessline.com/todays-paper/tp-news/article26046811.ece

The first-of-its kind project to be rolled out soon: Smriti Irani

On the lines of the garment industry in Europe, the UK and the US, the Indian textiles and garment industry will soon have its own standardised 'India size'. Union Minister for Textiles, Smriti Irani, on Sunday said the Centre will soon come up with a resolution on 'Size India' project to standardise size in textiles.

Addressing a gathering of textile industry players and stakeholders on the last day of the Vibrant Gujarat Global Summit 2019 here, Irani said "India's apparel exports face big challenges and size is one such. The UK has a size, the US has a size, Europe has a size and a measure, but India does not. To address this, soon, a size India project will be rolled out — the first of its kind in the Indian history."

Irani further said a detailed study covering a wide spectrum of people in the country will be conducted to come up with an India-specific size and measure in textiles and garments. A formal announcement on the same will be made soon, she said. There is also a plan to initiate a statistical study on domestic demand for textiles in order to cover any policy gaps.

Cotton and Currency Markets	Kotak Commodities Research Desk For more details contact : Research@kotakcommodities.com & aurobinda.gayan@kotakcommodities.com

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20622	43100	77.14
Domestic Futures (Ex-Gin) November		
Rs/Bale	Rs/Candy	USD Cent/lb
20920	43723	78.25
International Futures		
NY ICE USD Cents/lb. (March 2019)		73.97
ZCE Cotton: Yuan/MT (May 2019)		15270
ZCE Cotton: USD Cents/lb.		102.18
Cotlook A Index - Physical		83.80
B. Currency		

USD/INR	Close	Previous Close
Spot	71.48	71.19

Cotton Guide

ICE will be closed today on the occasion of Martin Luther King Jr. Day. On Friday ICE March contract touched a high of 74.63 cents/lb on various positive rumors, thus settling at 73.97 cents/lb. The trading range has been 72.24 and 73.71 this week showing a bullish tone. This bullish tone was a result of a few news leaks/rumors about US China ready to compromise on certain aspects. The market received the news well and then rallied. This is just a glimpse of what the market can do on just rumors. When there will be positive concrete news, the market will jump up, not in a "U" shaped pattern but in a "V" shaped pattern of candlesticks (if seen on graphs).

On the MCX front the contracts ended with marginal positive numbers of Rs 30, Rs 40 and Rs 40 for January, February and March contracts therefore settling at 20920, 21210, 21440 Rs/Bale Respectively. The Volume for MCX January contract is 2290 lots and 6343 lots as open interest. For the week MCX January traded within a 500 rs range.

Arrival figures are estimated to be around 150,000 lint equivalent bales (private estimates). The prices of Shankar 6 rose by around 500 rs/Candy during the previous week and was available at around 43,100 Rs/Candy. Cotlook Index A is at 83.80 i.e. an increase of +0.90 for the day. On the other hand cotlook Index for the week was in the range of 81.90 and 83.80 cents/lb.

It's been a month now with the US government shutdown still which means that no reports will be published. On the US China front China indicated its willingness to buy one trillion dollars' worth of US Goods over the next five years, which was seen to drive the markets north on Friday. However, we need to see the agreement inked on paper by both the parties. It is again a wait and watch situation for the market participants.

ICE cotton in its weekly chart formed a bullish pattern near the lower band of the declining channel and price has moved out of last 2 weeks consolidation range of 70.60-74.10. Moreover the momentum indicator William % R also support the bias towards positive as it is out of the consolidation phase indicating a change in bias for the near term. For the above it is expected that price would consolidate in the broader range of 71.30-75.30 range with sideways to positive bias. Above 75.30, next resistance exits around 76.25 level. Only a close below 70.50 could bring renewed selling pressure in price towards 69.80-69.60 levels. In the domestic markets trading range for Jan future will be 20450-21290.

Currency Guide

Indian rupee may witness mixed trade amid mixed factors but overall bias is still weak. Rupee may benefit from general strength in US and global equity markets. China's stimulus measures, Fed's patient stance on interest rate hikes and progress in US-China trade talks. China's economic data released today was mixed as industrial production and retail sales data was better than expectations while GDP data confirmed slowdown. Risk sentiment remains firm despite concerns about US government shutdown and Brexit uncertainty. However, weighing on rupee is firmness in crude oil price. Brent crude trades above $62 per barrel amid OPEC's production cuts and firmness in US equity market. The US dollar has also recovered against major currencies amid rise in bond yields and concerns about European economies. Also weighing on rupee is fiscal worries with Finance Minister Arun Jaitley hinting of a possible farm relief package in the budget. Rupee may witness choppy trade as support from gains in equity market will be countered by higher crude price but bias may be on the weaker side unless crude price correct. USDINR may trade in a range of 70.9-71.4 and bias may be on the upside.

Tamil Nadu tops in wind energy capacity addition in 2018-19	**The Hindu** https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/tamil-nadu-tops-in-wind-energy-capacity-addition-in-2018-19/article26046309.ece

Accounts for nearly half of the 872 MW added throughout India

Tamil Nadu has regained the number one position in wind capacity addition in 2018-19, after being behind Karnataka and Andhra Pradesh last year.

According to data from the Ministry of New and Renewable Energy, the State added 428 MW as on November 30, 2018 and accounted for nearly half of the additional new wind capacity of 872 MW added in India. Gujarat saw the second best capacity addition at 239.25 MW.

In 2017-18, Tamil Nadu added new capacity of 335.64 MW, but was overtaken by Karnataka (which added 857 MW) and Andhra Pradesh (which added 348.10 MW), the data showed.

The wind energy industry also saw a shift from the feed-in-tariff regime (where tariff was fixed) to a competitive bidding regime. With the additional capacity, the cumulative capacity in the country stands at 35,016.85 MW, against 34,145 MW in 2017-18, according to the data. In terms of cumulative capacity, Tamil Nadu leads with wind capacity of 8,624.89 MW and its wind potential is pegged at 3,3799.65 MW. Gujarat comes second with a cumulative installed capacity of 5,852.67, followed by Maharashtra at 4,788.13 MW.

Tamil Nadu also accounts for a major chunk of about 8,390 MW capacity finalised by the Solar Energy Corporation of India Ltd (SECI) and the National Thermal Power Corporation Ltd.

Unhappy investors

Despite Tamil Nadu being a leading State in terms of wind energy, developers are upset over lower price fixed by the State for wind tenders. Recently, the Indian Wind Turbine Manufacturers Association (IWTMA) moved Appellate Tribunal for Electricity (Aptel) against Tamil Nadu's tender to procure 500 MW of wind energy with an upper tariff ceiling of Rs. 2.65 per unit through reverse bidding (where the lowest price is selected as the winning bid).

Country has potential to generate 302 GW, says Ministry official	**Business Line** https://www.thehindubusinessline.com/todays-paper/tp-others/tp-states/article26046948.ece

The Union Ministry of New and Renewable Energy (MNRE) will issue the tender for the country's first mega offshore wind farm with a capacity of 1 gigawatt (GW) in Gujarat within a month.

Foreign participants

“The location for the first mega offshore wind energy park has already been identified. We will come out with a tender in a month’s time,” said Anand Kumar, Secretary, MNRE, during a presentation at the Vibrant Gujarat Global Summit in Gandhinagar on Sunday.

State-run Solar Energy Corporation of India has been given the responsibility of the auction plan. The plan was announced in December 2017, followed by an announcement of Expression of Interest (EoI) in June-July 2018. The MNRE was to design and prepare the main tender document after discussions with participating companies of EoIs.

Some of the global majors who had submitted EoIs are Danish, Orsted, Copenhagen Infrastructure partners, UK’s Innogy Renewable, US-based Deep Water Structures, Equinor from Norway, Italian Saipem and Park Wind from Belgium.

Among the Indian players, Torrent, Inox Wind, Suzlon, Shell India, CLP, Sterlite, Greenko and others have submitted their EoIs.

Kumar further stated that there is a potential to generate 302 GW of energy through offshore wind.

Transition

At a seminar on ‘Renewable Energy: Opportunities in Gujarat and India’, Kumar said the Centre is ambitious about ensuring faster growth in the renewable energy sector.

The share of renewable in overall energy generation in India, which was 2 per cent in 2010, has increased to 20 per cent in 2018. “We expect that by 2020, the share of renewables will increase to 22 per cent,” he said.

“During the year 2017, we have seen 8.9 per cent growth in the renewable sector. We are now moving from clean energy to green energy. Our target is to reduce carbon emissions by 30-35 per cent,” Kumar said.

India, which currently has total renewable installed capacity of 75 GW, aims to reach 175 GW by March 2022.

Calling for a reasonable rates for sustainability of renewable sector, Kumar said “We have a prepared a detailed plan for the growth of renewable energy in the country. We are also looking to enhance the ease of doing business to facilitate investment in the sector. But what we expect from the industry is fair and reasonable rates, which is important for sustainability.”

Soon, no e-way bills for non-filers of GST returns	**The Hindu** https://www.thehindu.com/todays-paper/tp-business/soon-no-e-way-bills-for-non-filers-of-gst-returns/article26046018.ece

New IT system to check tax evasion

Non-filers of GST returns for six consecutive months will soon be barred from generating e-way bills for movement of goods.

The Goods and Services Tax Network is developing an IT system such that businesses that have not filed returns for two straight returns filing cycles, which is six months, would be barred from generating e-way bills, an official said.

“As soon as the new IT system is put in place, the new rules will be notified.”

Officials said the move would help check Goods and Services Tax evasion. Central tax officers have detected 3,626 cases of GST evasion or violations cases, involving Rs. 15,278.18 crore in the April-December period.

The e-way bill system was rolled out on April 1, 2018, for moving goods worth over Rs. 50,000 from one State to another. The system for within the State movement was rolled out in a phased manner from April 15.

Transporters of goods worth over Rs. 50,000 would be required to present e-way bills during transit to a GST inspector, if asked.

Officials feel that to shore up revenue and raise compliance, strict anti-evasion measures must be adopted. The revenue department is working towards integrating the e-way bill system with NHAI’s FASTag mechanism beginning April to help track movement of goods.

In 2019, India to beat U.K. in economy size’	**The Hindu** https://www.thehindu.com/todays-paper/tp-business/in-2019-india-to-beat-uk-in-economy-size/article26046020.ece

India is likely to surpass the United Kingdom in the world’s largest economy rankings in 2019, according to a report by global consultancy firm PwC.

As per the report, while the U.K. and France have regularly switched places owing to similar levels of development and roughly equal populations, India’s climb up the rankings is likely to be permanent.

PwC’s Global Economy Watch report projects real GDP growth of 1.6% for the U.K., 1.7% for France and 7.6% for India in 2019.

“India and France are likely to surpass the U.K. in world’s largest economy rankings in 2019, knocking it from the fifth to seventh place,” the report said.

FIEO seeks govt, RBI intervention in resolving exporters' banking issues	**Money Control** https://www.moneycontrol.com/news/business/fieo-seeks-govt-rbi-intervention-in-resolving-exporters-banking-issues-3413021.html

Federation of Indian Export Organisations (FIEO) President Ganesh Kumar Gupta said that a clarity is required on product coverage under rupee payment mechanism to Iran.

Exporters body FIEO has sought immediate intervention of the government and RBI to resolve issues related to payment mechanism for Iran and flow of credit to push shipments.

Federation of Indian Export Organisations (FIEO) President Ganesh Kumar Gupta said that a clarity is required on product coverage under rupee payment mechanism to Iran.

"Exporters have pointed out that UCO bank branches are not clear about products, which can be exported under such mechanism. The main problem is related to Engineering and Chemical products," Gupta told PTI.

He said that the understanding of trade is that if the end use of product is not under the sanctioned list, or exports is not to the Iranian government, it should be allowed for exports under the Rupee Trade Mechanism.

"A clarification will help exporters to take such orders and push for quantum jump in our exports to Iran," he said.

He also said that banks have expressed their inability to handle documents of exporters for shipments to Central Asian countries, if there is a reference to Bandar Abbas as a transit port in Iran.

"This has affected the movement of cargo through INSTC which Government of India is promoting as an alternative route being time and cost effective," he said.

It is requested that directives to banks be issued for handling of documents properly for transit goods through Iran, where the combined transport bill of landing shows the destination to be Afghanistan/Russia/ Central Asia or any other non-restricted countries, he said.

It is expected that a meeting of bankers and exporters is soon being convened by the Finance Ministry to address some of the concerns.

Talking about flow of credit to export sector, he said that the recent data of the RBI for August, 2018 shows a decline of over 50 percent in export credit as compared to the corresponding month in 2017.

"MSME exporters are the worst sufferer and the lack of credit equally affects our export performance," he said.

India Can Be $5 Trillion Economy In Next 7-8 Years: Suresh Prabhu	**NDTV.Com** https://www.ndtv.com/business/india-can-be-5-trillion-economy-in-next-7-8-years-suresh-prabhu-1980406

Union Commerce and Civil Aviation Minister Suresh Prabhu Saturday said India has the potential to be a $5 trillion economy in the next 7-8 years. Addressing a seminar on exports at Vibrant Gujarat Global Summit here, Prabhu said his department had prepared a road map to make this possible by focusing on manufacturing,service sector and agriculture.

"India has a potential to be a $5 trillion economy in 7 to 8 years, and definitely a $10 trillion economy before 2035," Mr Prabhu said.

"Manufacturing should lead to export. This will bring quality and competitiveness. Our cumulative export stands ataround half a trillion dollars. The challenge is to double it"he said. "Today, we have great opportunity to increase exports.There are disruptions taking place in the world and India should take advantage of it," he added.

Mr Prabhu said India can increase exports to Africa and Latin American countries.

To boost air connectivity in the country, Mr Prabhu said 100 new airports will come up in the near future with a cumulative investment of $65 billion.

Two MoUs were Saturday signed between the Gujarat government and Airports Authority of India for establishing greenfield airports at Dholera and Ankleshwar.

The MOUs were inked in the presence of Mr Prabhu and Gujarat chief minister Vijay Rupani.

As per one MoU, Dholera airport will be established at a cost of Rs. 1500 crore.

Smriti Irani says Gujarat textile sector got Rs 30,000 cr in Modi rule, report released by her shows de-growth	**Indian Express** https://indianexpress.com/article/india/smriti-irani-gujarat-vibrant-summit-narendra-modi-5547694/

The ASSOCHAM report, a copy of which is with The Indian Express, also stated that Gujarat's fabric production in the last five years have registered a de-growth at a CAGR of -2 per cent.

While Union Textile Minister Smriti Irani on Sunday said that the textile sector in Gujarat received Rs 30,000 crore of investment the BJP came to power at the Centre, under the leadership of Prime Minister Narendra Modi, a report released by her at the same event during the Vibrant Gujarat Global Summit here showed that the state registered a "de-growth" or negative growth in several segments of the textile sector in the last five years, between 2012 and 2017.

Advertising

The knowledge report titled, "Gujarat: The growing engine for textile and apparel manufacturing", which was released by Smriti Irani at a conclave on textile sector, stated the the production of raw cotton in Gujarat declined at a compound annual growth rate (CAGR) of -0.5 per cent — from 1,581 million kg in 2012-13.
The ASSOCHAM report, a copy of which is with The Indian Express, also stated that Gujarat's fabric production in the last five years have registered a de-growth at a CAGR of -2 per cent.

"In the last five years, production of blended fabrics have registered a positive growth of 1 per cent, while 100 per cent non-cotton category have registered a de-growth of -9 percent," it added.

Gujarat's textile and apparel exports stood at USD 4.79 billion in 2014-15, registering a de-growth at a CAGR of -0.2 per cent from USD 4.81 billion in 2012-13. However, despite a -2 per cent de-growth in textile exports, the quantum of apparel exports clocked an impressive 35 per cent growth during the three-year period, the report added.

Similarly, the production of spun yarn in Gujarat's textile industry declined at a rate of CAGR -0.5 percent — from 224 million kg in 2012-13 to 220 million kg in 2016-17. "Hundred per cent non-cotton yarn is the only category which is growing at a CAGR of 3 per cent, while cotton and blended yarn have registered a de-growth of -0.4 percent and -1.8

percent, respectively, during the same period," the report stated.

Meanwhile, speaking at the textile conclave, Irani listed assistance provided by the central government to the textile sector in Gujarat in the last four and half years, benefiting over 2,100 units.

"There are some Gujarat specific commitments that we have made and some that we have implemented… Since 2014, for technology upgrade across the country, the Government of India dedicated over Rs 7,286 crore of which Rs 1,855 came specifically to Gujarat, benefiting over 2,100 units."

INDIAN COTTON EXPORTS TO PAKISTAN UNLIKELY TO INCREASE DESPITE DUTY CUTS	**Fashionating World** http://www.fashionatingworld.com/new1-2/indian-cotton-exports-to-pakistan-unlikely-to-increase-despite-duty-cuts

India's cotton exports to Pakistan are unlikely to increase, despite the neighbouring country scraping import duty, as high domestic prices have made exports uncompetitive. Indian cotton is currently available around Rs 43,000 a candy, while prices in Pakistan are at sub Rs 43,500 making it (exports) unviable so far.

Recently, Pakistan scrapped duties on import of cotton for February 1-June 30 to tide over shortage of the crop. Indian traders, usually large exporters to Pakistan, would have benefited, but for their high procurement cost. In 2015-16, India had exported over 2.5 million bales of cotton to Pakistan when crop there fell over 30 per cent. In the current year, Pakistan has harvested 10.8 mln bales of cotton, down 25 per cent from initial target of 14.4 million bales. But the situation is different this time. Indian prices are not competitive. If rupee depreciates or prices in Pakistan rise exports will pick up

Indian cotton can reach Pakistan in just one day through roads from Punjab or even via sea route it can reach in three-four days, as against 20-45 days from other regions such as Africa, the US or Australia.

Rupee appreciation has hurt job creation	**Business Line** https://www.thehindubusinessline.com/opinion/rupee-appreciation-has-hurt-job-creation/article26043308.ece

Imports become cheaper with real appreciation of the rupee. A 'strong' rupee only helps FIIs and those repaying foreign debt

India's demographic dividend is on the verge of becoming a curse as it is unable to create new jobs fast enough for its growing young population. A major part of the increasing agrarian distress in the country would be mitigated if the shift of population from agriculture to urban economic activities happened faster.

The contrast with China is stark. China's per capita income and technical capacities were similar to India's in 1990. Today its per capita income is over five times higher. It was able to get its huge population out of poverty by creating hundreds of millions of manufacturing and related urban jobs and in the process became the factory of the world. Due to rising wages, many jobs have been moving out of China to lower wage locations. What is truly disturbing is that these jobs are not yet coming to India; the preferred locations are in South-East Asia.

It is high time for serious introspection. Why is India not yet able to take advantage of its low wages and the inherent talent of its young people to get enough investment, both domestic and foreign, into job creation and value addition here for the global market? Why is the business case for such investment not strong enough?

The starting point has to be the recognition that India has no option but to do what it takes to succeed in job creation. Social stability is at risk and time is running out. Can we do some things differently which may make a material difference?

In the discussion on improving the business case for value addition and job creation in India, the critical importance of the exchange rate hardly gets any attention. The movement of the real exchange rate, the nominal rate adjusted for the differential in inflation rates with major trading partners, has a similar effect as changes in tariff rates.

A 10 per cent real exchange rate appreciation is equivalent to a 10 per cent lowering of tariffs across the board and a 10 per cent depreciation is equivalent to a 10 per cent increase in tariffs. The greater the depreciation the higher is the impact on the business case for domestic value addition. This impact is experienced not only by exporters but also by those who serve the domestic market as imports become cheaper with appreciation and more expensive with depreciation.

While India's nominal exchange rate is market determined, unusual factors have been leading to cycles of steady real exchange rate appreciation followed by the shock of a sharp correction, and, then appreciation again. Normally real exchange rate appreciation occurs as a country's exports rise along with increasing productivity. India's real exchange rate appreciates not as a result of these traditional factors but due to higher capital inflows.

Capital inflows

India has been for years the largest recipient of capital inflows from its expatriate community who send remittances. In addition its stock market has been attractive enough for FIIs (Foreign Institutional Investors). Such inflows when not matched by higher rates of investment in the economy usually lead to asset price bubbles in the stock and real estate markets, in addition to an appreciation of the exchange rate and decline in competitiveness.

It is worth recalling that each of the countries which have had extraordinary success in industrialisation in East Asia, starting with Japan, followed by South Korea, and more recently China followed a policy of keeping the real exchange rate depreciated to improve competitiveness. In sharp contrast, in India the perception among political and civil society elites has been that a strong currency is a sign of economic strength and depreciation is a sign of economic weakness.

Then there is the underlying political economy question of who gains and who loses with appreciation of the real exchange rate. Appreciation is beneficial to FIIs as the gains from the increase in the prices of their stocks in India can be taken out fully. Similarly, large corporates who have foreign currency debt gain as the real debt repayment burden declines with appreciation. The wealthy Indian has to pay less for his holidays, child's education overseas and consumption of imported chocolates and cheeses. The losers are those who create jobs as they lose competitiveness. As a result fewer jobs get created. Clearly, the polity should be favouring the producer and the creator of jobs.

Market forces, accentuated by large scale withdrawals by FIIs, have led to considerable undoing of the real exchange rate appreciation that had been taking place over the last few years. However, any benefit from this is unlikely as market participants go by expectations.

The expectation from the experience of similar past cycles would be that the real exchange rate would again undergo steady appreciation. Investments, which need a competitive exchange rate, could be seriously considered only if there is the expectation that henceforth the real exchange rate would not be allowed to appreciate.

For this, a consensus on the imperative need for maintaining a competitive exchange rate as a necessary precondition for increasing value addition and job creation in the country would be needed. This should then become a clearly enunciated policy objective of the RBI with explicit backing of the government. The policy instruments that could be used could include building up of reserves, and reviewing the liberal tax regime for FIIs as well as the encouragement of foreign currency borrowings by large corporates.

This is not to suggest that the exchange rate is some kind of a silver bullet which would lead by itself to a surge in job creation. But this is a necessary condition for improving the business case for value addition and job creation.

India's trade deficit with China is over $60 billion. All that is being imported from China can be made in India. The challenge is to make it happen; the starting point for that has to be a competitive exchange rate with a resolve that further appreciation would not be permitted.

Seven Fashion Designers Pay Ode to 'Make In India'	**News 18.com** https://www.news18.com/news/lifestyle/seven-fashion-designers-pay-ode-to-make-in-india-2008151.html

Fashion designers Anju Modi, Gaurang Shah, Namrata Joshipura, Payal Jain, Rahul Mishra and Rajesh Pratap Singh got together to showcase their interpretation of 'Make in India' theme at the ninth edition of the Vibrant Gujarat Global Summit 2019 here.

Fashion Design Council of India (FDCI), which has been a frontrunner in taking forward Prime Minister Narendra Modi's 'Make in India' vision, organised an event showcasing the Indian craft and textile at the ninth edition of the summit on Saturday. The event saw participation from seven fashion designers including Anju, Shah, Joshipura, Jain, Mishra and Pratap Singh and Shyamal & Bhumika, read a statement.

With the theme "Make In India", the designers showcased their collection in their distinctive signature style at the show, which was held on the banks of the Sabarmati. "We are delighted to be back in Ahmedabad for such a major event, after three amazing shows in this city in the past," FDCI President Sunil Sethi said.

"We would like to thank the Gujarat government, the Gujarat Chamber of Commerce and Industry (GCCI) and the Ministry of Tourism for giving us this opportunity," Sethi added. In her collection titled "Raas Leela", Anju showcased Banarasi brocade and matka silk along with techniques like gold foil print, gota patti work and zardozi embroidery. Shah presented Chitravali, featuring kalamkari inspired by Ajanta paintings on Kanjeevaram weaves.

Joshipura picked contemporary silhouettes with traditional brocades for the show, while Jain's white Blanc collection had tone-on-tone usage of chikankari, applique, mirror-work, resham embroidery, mokaish, zardozi and glass beading on silk jamdani, chanderi, katrua and khinkhab.

Mishra showcased traditional chikankari from Lucknow in his collection "Charbagh". Khadi from Gujarat and Rajasthan mixed with ikat was presented by Pratap Singh. Shyamal & Bhumika curated "Vayanti", a couture collection incorporating exquisite brocade from Gujarat for the show.

Coimbatore industries seek focus on western region at GIM	**The Hindu** https://www.thehindu.com/news/cities/Coimbatore/coimbatore-industries-seek-focus-on-western-region-at-gim/article26041410.ece

Industries in Coimbatore have sought more focus on the western region at the Global Investors Meet (GIM) to be held in Chennai later this month to attract investments here.

The Coimbatore District Small Industries Association (Codissia) has said that 30 % of the investments agreed to at the Meet should be diverted to in and around Coimbatore.

“Even in the previous edition of GIM we gave an option to hold the Meet here. But, we did not have proper flight connectivities then. This year, we have said that 30 % of the investments should be brought to in and around 100 km of Coimbatore,” said R. Ramamurthy, president of CODISSIA.

This is the most industrialised belt in the State and having the Meet here will take Coimbatore to the global industrial map and thus bring in more investments, he said.

The Association is promoting two industrial parks and these will attract investments from several micro, small and medium-scale enterprises (MSMEs). The larger units can leverage on this, he said.

According to secretary general of Southern India Mills’ Association, K. Selvaraju, Coimbatore will get the much-needed visibility if the GIM is held here. It is an industrial city and now has adequate social infrastructure to host such an event. However, Coimbatore’s strengths are in the MSME sector and the recent investments are in sectors such as automobiles. Chennai has several large-scale industries. Coimbatore can be one of the cities where a related event to GIM can be held, he suggested.

Industry sources added that this year, there are no major fresh investments from industries in this region in sectors such as textiles and pumpsets. Though the State Government has expedited the process for granting approvals, the industrial infrastructure should be upgraded across the State, including Coimbatore, for it to attract more investments.

US demands regular review of China trade reform: report	**Ejinsight.com** http://www.ejinsight.com/20190121-us-demands-regular-review-of-china-trade-reform-report/

The United States is pushing for regular reviews of China’s progress on pledged trade reforms as a condition for a trade deal – and could again resort to tariffs if it deems Beijing has violated the agreement, Reuters reports, citing sources briefed on negotiations to end the trade war between the two nations.

US President Donald Trump said there has been progress toward a trade deal with China, but denied that he was considering lifting tariffs on Chinese imports.

"Things are going very well with China and with trade," he told reporters at the White House on Saturday, adding that he had seen some "false reports" indicating that US tariffs on Chinese products would be lifted.

"If we make a deal certainly we would not have sanctions and if we don't make a deal we will," Trump said. "We've really had a very extraordinary number of meetings and a deal could very well happen with China. It's going well. I would say about as well as it could possibly go."

Chinese Vice Premier Liu He will visit the United States on Jan. 30 and 31 for the next round of trade negotiations with Washington.

That follows lower-level negotiations held in Beijing last week to resolve the bitter dispute between the world's two largest economies by March 2, when the Trump administration is scheduled to increase tariffs on US$200 billion worth of Chinese goods.

A continuing threat of tariffs hanging over commerce between the world's two largest economies would mean a deal would not end the risk of investing in businesses or assets that have been impacted by the trade war.

"The threat of tariffs is not going away, even if there is a deal," said one of three sources briefed on the talks who spoke with Reuters on condition of anonymity.

Chinese negotiators were not keen on the idea of regular compliance checks, the source said, but the US proposal "didn't derail negotiations".

A Chinese source said the US wants "periodic assessments" but it's not yet clear how often.

"It looks like humiliation," the source said. "But perhaps the two sides could find a way to save face for the Chinese government."

The Trump administration has imposed import tariffs on Chinese goods to put pressure on Beijing to meet a long list of demands that would rewrite the terms of trade between the two countries.

The demands include changes to China's policies on intellectual property protection, technology transfers, industrial subsidies and other trade barriers.

Unusual for trade deals

An enforcement and verification process is unusual for trade deals and is akin to the process around punitive economic sanctions such as those imposed on North Korea and Iran.

Disputes over trade are more typically dealt with through courts, the World Trade Organization (WTO) or through arbitration panels and other dispute settlement mechanisms built into trade agreements.

Trump's team has criticized the WTO for failing to hold China accountable for not executing on promised market reforms. The US has also criticized the WTO's dispute settlement process and is seeking reforms at the organization.

Regular reviews would be one potential solution to address a demand from US Trade Representative Robert Lighthizer for ongoing verification of any trade pact between the two countries, three sources familiar with the talks told Reuters.

The threat of tariffs would be used to keep reform on track, the sources said.

The Trump administration has accused China of repeatedly failing to follow through on previous pledges to implement reforms sought by the United States.

Washington often cites as an example the difficulties still faced by foreign payment card operators in entering China's market despite a 2012 WTO ruling that Beijing was discriminating against them.

A separate industry source said it is likely that different agreement on separate issues – forced technology transfer, intellectual property, changes to China's legal system – would require separate verification processes, all of which will need to be hammered out by negotiators.

"The challenge of verification and enforcement stems from the fact that China has made promises it hasn't kept," the source said.

Numbers of garment factories rose during five years: DICA	**Eleven Myanmar.com** https://elevenmyanmar.com/news/numbers-of-garment-factories-rose-during-five-years-dica

The numbers of garment factories whose products are being exported to the European Union have increased by 180 within 5 years, according to Aung Naing Oo, Director-General of Department of Investment and Companies Administration (DICA).

In 2013, there were only 22 garment factories exporting to EU but at present, the numbers has increased to 202, an increase by 180 total, primarily due to benefits brought about by the EU's Generalized Scheme of Preferences (GSP).

There were 24 factories—22 garment factories exporting garment to the EU, one factory (non-CMP industry) and one factory (CMP industry) before the EU's reinstatement of GSP rights to Myanmar in 2013. At the time, these factories created more than 23,000 jobs.

After Myanmar earned GSP rights beyond 2013, the number of factories of all kinds has increased to 305—202 garment factories, 26 factories (non-CMP) and 77 factories (non-CMP garment). These factories have job creating capacity of more than 300,000 jobs. In Myanmar, 0.6 per cent in 1,000 people gets to enjoy from EU's GSP program.

About the 60 percent of CMP garment factory, are investment from China and they are mainly exported to EU countries according to EU EAB monitoring mission held at the UMFCCI on October 30. Because of GSP/EAB rights, some foreign investors are becoming interested in the establishment of factories in Myanmar.

"Among the 65 percent of foreign investment, 60 percent is from China and they are mainly exported their products to EU," said secretary of UMFCCI Khine Khine Nwe.

Garment and textile sector to face huge challenge	**English Vietnam** https://english.vietnamnet.vn/fms/business/216434/garment-and-textile-sector-to-face-huge-challenge.html

The CPTPP, which took effect in Vietnam earlier this week, is expected to bring huge opportunities and also challenges to Vietnam. However, materials for the garment and textile sector may still prove a headache.

“Everyone said with the CPTPP, the textile and garment industry would benefit the most, but if there is no appropriate support, opportunities could turn into challenges,” said Truong Van Cam, Vice Chairman of the Vietnam Textile and Apparel Association.

The country’s garment and textile sector claimed second position in the world in terms of export turnover with 36.1 billion USD in 2018. However, Vietnam had to import around 80 percent of its materials for production. The heavy demand on imported material had become a serious problem for the industry, Cam said.

Currently, Vietnam has to import up to 99 percent of cotton, 70 percent of fibre and 80 percent of fabric from foreign countries. The biggest shortcoming, according to Cam, is that only 10 percent of fabric is imported from Japan and countries that are part of the CPTPP.

The biggest bottleneck is that Vietnam has been unable to produce fabrics for export.

Nguyen Son, Vice Chairman of the Vietnam Cotton and Spinning Association, said in order to build supply chains for the textile and garment industries, the Republic of Korea and China had developed effective industrial park models.

Vietnam is in the top three biggest exporters of garments and textiles in the world following China and India. The country has an abundant labour force and golden population period. The sector has attracted 17.5 billion USD in foreign direct investment so far.

Cam said to take advantage of the opportunities from the CPTPP, Vietnamese firms should gain a deeper understanding of the sector, their advantages and markets in the CPTPP.

In order to solve the bottleneck, strong enterprises must work together with local authorities. The Government needs to develop policies for the next 10 to 15 years to take advantage of this agreement.