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NEWS CLIPPINGS –12-02-2019

Covering Cotton Yarn Under MEIS Will Help Boost India's Exports: Textile Industry Body	News18.com https://www.news18.com/news/business/covering-cotton-yarn-under-meis-will-help-boost-indias-exports-textile-industry-body-2032879.html

The CITI Chairman highlighted that China which is the largest importer of cotton yarn has shifted from India to Vietnam and Indonesia as these countries have duty free access while Indian yarn carries 3.5 per cent import duty

Textile Industry body CITI on Monday appealed to the Centre to include cotton yarn under Merchandise Exports from India Scheme (MEIS), to help boost India's exports and penetrate new markets.

The Confederation of Indian Textile Industry (CITI) noted that cotton yarn and fabric shipments are struggling because of the duty disadvantage faced by the Indian exporters in major markets and asked the Government to enhance MEIS rate for fabric from 2 per cent to 4 per cent.

According to CITI, there has been continuous decline in exports of cotton yarn and fabric in recent years.

"India's exports of cotton yarn declined by 25 per cent from USD 4,570 million in 2013-14 to USD 3,443 million in 2017-18. In the same period fabric exports declined by 7 per cent from USD 4,941 million to USD 4,598 million," CITI said in a statement.

CITI Chairman Sanjay Jain requested the Government to cover cotton yarn under MEIS to help boost India's exports and penetrate new markets especially in Africa, while enabling the farmers get a better price for raw cotton.

He said that cotton yarn is the only segment which is not covered under MEIS.

"Hence, despite abundant raw materials availability and second largest cotton spinning infrastructure in the world, the cotton yarn exports are struggling in the absence of Government support," Jain observed.

He also requested the Government to enhance MEIS rate for fabric from 2 per cent to 4 per cent at par with Made-ups. According to him, if the MEIS rate for fabrics is hiked from 2 per cent to 4 per cent, it is estimated that exports of fabrics will increase by USD 1 billion per annum.

The CITI Chairman highlighted that China which is the largest importer of cotton yarn has shifted from India to Vietnam and Indonesia as these countries have duty free access while Indian yarn carries 3.5 per cent import duty.

From 2013 to 2017, there has been a decline in India's cotton yarn exports to China by 48 per cent while exports from Vietnam and Indonesia have increased at a remarkable rate of 129 per cent and 55 per cent respectively during the same period, Jain said.

He further stated that India's raw cotton is going to various markets at zero duty. India exported USD 1,894 million worth raw cotton in 2017-18. Exporting of raw cotton bales instead of value addition by converting to yarn and fabric is leading to loss of valuable foreign exchange, employment and better remuneration to farmers.

Jain pointed out that fabric exports from India are at serious disadvantage as compared to exports from competing countries due to duty differentials in major exports markets.

Markets like EU, China, Turkey and Vietnam impose an import duty in the range of 8-12 per cent on Indian fabric while duty free access is given to countries such as Pakistan, Cambodia, Bangladesh and Cambodia, he said. The exports of garments have declined from USD 17.4 billion in 2016-17 to USD 16.7 billion in 2017-18, CITI said.

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

A. Cotton		
Spot price- Shankar-6 (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20144	42100(-100)	75.53
Domestic Futures price (Ex-Warehouse Rajkot) January		
Rs/Bale	Rs/Candy	USD Cent/lb
20510	42866(-146)	76.90
International Futures		
NY ICE USD Cents/lb. (March 2019)		70.55(-2.00)
ZCE Cotton: Yuan/MT (May 2019)		15250
ZCE Cotton: USD Cents/lb.		101.84(-0.72)
Basis difference (ICE March -Domestic Spot)		4.98(2.08)
Cotlook A Index - Physical		81.80(-0.25)
WTI Crude USD / Barrel		52.41(-0.31)
B. Currency		
USD/INR	Close	Previous Close
Spot	71.02	71.17(-0.14)
USD Dollar Index	97.07(+0.42)	

Cotton Guide

In a single day ICE cotton fell more than 3% back to 70 cents/lb. When it failed to break 75 repeatedly, it meant that it had to test the lower bottom. We need to remember that 10 odd days are left for March to enter notice period at ICE, we can expect more liquidation. A break below 70 means 69 cents can be much likely seen.

ICE futures sunk in the range of -123 and -200 for 2019 contracts. The ICE March contract nosedived to 70.55 with a change of -200 points i.e. 2 straight cents. It settled near the low of 70.30. The candlesticks portrayed 3 hours of

Bloodshed starting 8 pm IST to 11 pm IST. The Bulls tried to get the prices a take the prices high but efforts were in vain or could just have some Marginal success. The ICE May contract settled at 71.76 with a drop of -193 points, whereas the ICE July contract settled at 73.13 cents/lb with a decline of -188 points.

The MCX contracts fell but not as drastically as ICE did. We need to remember one important aspect of Indian Cotton i.e. the MSP will not allow Indian Cotton to sink deep. The MCX February contract settled at 20,510 Rs/Bale with a negative decline of (-70). The MCX March contract settled at 20,800 Rs/Bale whereas the MCX April contract settled at 21,100 Rs/Bale. Both the March and the May contract settled with negative declines of (-60).

The seed cotton arrivals in India are estimated to be around 166,000 lint equivalent bales (source cotlook) which includes 54,000 registered in Maharashtra, 44,000 in Gujarat and 26,000 in Andhra Pradesh. The prices of Shankar 6 are around the 42,100 Rs/Candy Mark. On the other hand the cotlook index A has been readjusted to 81.80 with a negative figure of -0.25 cents/lb.

ICE cotton futures witnessed sharp decline toward its recent lows of 70.60. Earlier price almost retraced 38.2% of the range (81.85-70.65) during last week and erased its gains as weakness in the strength persists in the market. The RSI in daily charts continued to trade below 50 suggesting momentum is still missing for price to move above the 21 day EMA . In the near term strong supports exists around 70.30, followed by 70.00 and 69.60 levels in March futures. Likewise crucial resistance seen around 71.80, 72.35, followed by 74.60 levels. For the day price is expected to consolidate in the range of 69.60-71.60 range with downside bias. Only a close below 69.60 would push price further towards 69 levels. In the domestic markets trading range for Feb futures contract will be 20300-20650 Rs/Bale.

Currency Guide

Indian rupee may witness choppy trade against the US dollar but general bias remains weak. Rupee appreciated by 0.2% but ended well above the session highs. Rupee has seen some recovery in last few days amid correction in crude oil price and RBI’s boost to domestic economy. Brent crude trades near $62 per barrel after yesterday’s 1% decline. Crude has weakened amid global economic concerns and uncertainty about OPEC-Russia cooperation on production cuts. However, weighing on rupee is general strength in US dollar, choppiness in global equity markets and concerns about fiscal health of the economy post Budget announcement. The US dollar index rose 0.4% Monday marking its eight consecutive gain. The US dollar has risen against major currencies amid concerns about health of European economies, uncertainty about Brexit and dovish tilt of major central banks. Asian equity markets are mixed as market players await more clarity on US-China trade talks and possibility of another US government shutdown. Reports noted that US congressional negotiators late Monday have reached a deal in principle on border security to avoid another federal government shutdown. Meanwhile, the Trump administration said the US president still wants to meet China's Xi Jinping in an effort to end the trade war. Rupee has come off the lows but continues to linger near 71 levels. We expect choppy trade to continue but general strength in US dollar will weigh on the currency. USDINR may trade in a range of 70.9-71.4 and bias may be on the upside. Further cues will come from inflation and industrial production data due later today.

Covering cotton yarn under MEIS will help boost India's exports: CITI	Devdiscourse.com https://www.devdiscourse.com/article/business/376848-covering-cotton-yarn-under-meis-will-help-boost-indias-exports-citi

Textile Industry body CITI Monday appealed to the Centre to include cotton yarn under Merchandise Exports from India Scheme (MEIS), to help boost India's exports and penetrate new markets. The Confederation of Indian Textile Industry (CITI) noted that cotton yarn and fabric shipments are struggling because of the duty disadvantage faced by the Indian exporters in major markets and asked the Government to enhance MEIS rate for fabric from 2 per cent to 4 per cent.

According to CITI, there has been continuous decline in exports of cotton yarn and fabric in recent years. "India's exports of cotton yarn declined by 25 per cent from USD 4,570 million in 2013-14 to USD 3,443 million in 2017-18. In the same period fabric exports declined by 7 per cent from USD 4,941 million to USD 4,598 million," CITI said in a statement.

CITI Chairman Sanjay Jain requested the Government to cover cotton yarn under MEIS to help boost India's exports and penetrate new markets especially in Africa, while enabling the farmers get a better price for raw cotton. He said that cotton yarn is the only segment which is not covered under MEIS.

"Hence, despite abundant raw materials availability and second largest cotton spinning infrastructure in the world, the cotton yarn exports are struggling in the absence of Government support," Jain observed. He also requested the Government to enhance MEIS rate for fabric from 2 per cent to 4 per cent at par with Made-ups. According to him, if the MEIS rate for fabrics is hiked from 2 per cent to 4 per cent, it is estimated that exports of fabrics will increase by USD 1 billion per annum.

The CITI Chairman highlighted that China which is the largest importer of cotton yarn has shifted from India to Vietnam and Indonesia as these countries have duty free access while Indian yarncarries 3.5 per cent import duty. From 2013 to 2017, there has been a decline in India's cotton yarnexports to China by 48 per cent while exports from Vietnam and Indonesia have increased at a remarkable rate of 129 per cent and 55 per cent respectively during the same period, Jain said.

He further stated that India's raw cotton is going to various markets at zero duty. India exported USD 1,894 million worth raw cotton in 2017-18. Exporting of raw cotton bales instead of value addition by converting to yarn and fabric is leading to loss of valuable foreign exchange, employment and better remuneration to farmers. Jain pointed out that fabric exports from India are at serious disadvantage as compared to exports from competing countries due to duty differentials in major exports markets.

Markets like EU, China, Turkey and Vietnam impose an import duty in the range of 8-12 per cent on Indian fabric while duty free access is given to countries such as Pakistan, Cambodia, Bangladesh and Cambodia, he said. The exports of garments have declined from USD 17.4 billion in 2016-17 to USD 16.7 billion in 2017-18, CITI said.

Indefinite strike in jute mills from March 1	Business Standard https://www.business-standard.com/article/pti-stories/indefinite-strike-in-jute-mills-from-march-1-119021101125_1.html

All trade unions of the jute sector barring the Indian National Trinamool Trade Union Congress have announced an indefinite strike from March 1 on workers' various unmet demands.

Bengal Chatkal Mazdoor Union general secretary Anadi Sahu told reporters that the strike call was the last option for them after the workers' charter of 22 demands were ignored and not been heard since long.

"All the 21 trade unions of the industry have agreed to support the indefinite strike of jute mills, except INTTUC," he said.

The jute sector employs over 2 lakh workers in 65 mills in the state.

Sahu said the recent interim wage hike of Rs 70 with effect from February 1 2019 by West Bengal was a unilateral decision.

The state government, in a meeting held on January 17 this year with the jute industry and trade unions, had decided to give an interim relief of Rs 70, raising the wage to Rs 327 per day till the new wage agreement was finalised.

However, the relief would be applicable only to those workers who now get less than Rs 327 per day as wages.

Sahu said that besides the interim relief, no other demands were considered.

Indian cotton textiles suffering serious disadvantages due to tariff issues in major markets: CITI	KNN India.co.in https://knnindia.co.in/news/newsdetails/sectors/indian-cotton-textiles-suffering-serious-disadvantages-due-to-tariff-issues-in-major-markets-citi

India’s cotton yarn and fabric exports are struggling because of the duty disadvantage faced by the Indian exporters in major markets, said Confederation of Indian Textile Industry (CITI).

“There has been continuous decline in exports of cotton yarn and fabric during 2013-14 to 2017-18”, said Sanjay Kumar Jain, Chairman of CITI.

India’s exports of cotton yarn declined by 25% from US$ 4,570 in past five years, while fabric exports declined by 7% in the same period, according to CITI.

Chairman CITI said that falling of Indian cotton yarn and fabric exports is impacting the whole value chain from farmers, spinners to weavers/knitters as there is considerable exportable surplus in country but we are not able to be overcome the tariff disadvantage despite being competitive in both spinning and weaving.

He pointed out that Indian spinning mills performed well in exports during 2013-14 when the cotton yarn was covered under schemes such as 2% incremental export incentive, 2% interest subvention and 3% focus market incentive and the sector could penetrate into alternate markets other than China.

However suddenly all incentives were withdrawn leading the spinning mills high and dry, he added.

He further highlighted that China which is the largest importer of cotton yarn has shifted from India to Vietnam/Indonesia as they have duty free access while Indian yarn carries 3.5% import duty.

As per the apex chamber of Indian textiles, India's cotton yarn exports to China fell by 48% from 2013 to 2017, while exports from Vietnam and Indonesia increased at a remarkable rate of 129% and 55% respectively in the same period.

Besides, CITI analyzes that India's raw cotton is going to various markets at zero duty. Exporting of raw cotton bales instead of value addition by converting to yarn and fabric is leading to loss of valuable foreign exchange, employment and better remuneration to farmers.

Markets like EU, China, Turkey and Vietnam impose an import duty in the range of 8-12% on Indian fabric while duty free access is given to countries such as Pakistan, Cambodia, Bangladesh and Cambodia, Chairman pointed.

VP Venkaiah Naidu likely to visit Paraguay, Costa Rica next month, dates to be announced soon	**Financial Express.com** https://www.financialexpress.com/india-news/vp-likely-venkaiah-naidu-to-visit-paraguay-costa-rica-next-month-dates-to-be-announced-soon/1484426/

During talks with the President of landlocked Paraguay, the focus will be on energy and food security needs of our region, enhanced connectivity and trade and investment facilitation that builds on the complementarities in of both sides.

India is showing renewed interest in the Latin American region with two key heads of state – President Ram Nath Kovind and Vice President M Venkaiah Naidu – expected to visit a few countries in the region next month. Both the visits are being seen as significant though belated as these come at the end of the Modi government's tenure. These visits are efforts to step up political engagement and increase trade and investment in the region.

Speaking to the Financial Express Online on condition of anonymity, a senior officer said that, "The Vice President Venkaiah Naidu is expected to visit Paraguay and Central American nation Costa Rica early March. Dates are in the process of being confirmed."

While there have been several visits in the region at the ministerial level in recent times, these two visits will be back to back covering countries like Bolivia, Chile, Paraguay and Costa Rica.

According the officer quoted above, during the visit to the region, the Vice President will be accompanied by a high level business and official delegation, and the talks with leaders of both will focus on increasing trade and investments in various sectors as well as addressing Diaspora in these countries.

The Central American nation Costa Rica tops the Happy Planet Index, and is known to use a quarter of the resources it has. It is also the only country in the world which has no Army.

The Costa Rican President, Carlos Alvarado Quesada, had recently said at Davos 2019: "Seventy years ago, Costa Rica did away with the army. Eight per cent of our GDP is invested in education because we don't have to spend on the army. So our strength is human talent, human well-being."

A senior officer of Costa Rica in an earlier interaction had said that "With the global competitive scenario changing, and the emerging economies, including India are increasingly contributing to the expansion of trade and investment flows, opening new opportunities for countries worldwide. There are lot of opportunities to work together with India in the renewable energy sector, tourism."

According to reports, Costa Rica generates more than 99% of its electricity from renewable sources. The country over the last few years has been exploring new opportunities with India in an effort to deepen and strengthen relations.

"Both countries are in the process of negotiating an agreement to promote investment and bilateral business relations. There have been discussions between the Ministry of foreign trade of Costa Rica and the Ministry of Commerce and the industry of India in an effort for an early conclusion of an Agreement for the Reciprocal Promotion and Protection of Investments and Framework Agreement to Promote Economic Cooperation between both countries," said the officer quoted above.

There is a great potential for strategic alliances between Costa Rica and India in the area of business processing services, agro products, knowledge processing operations, digital animation and software development sectors, among others. There are also opportunities in mining sector for minerals and Gold and Zinc Mines.

Sources said that India can focus on expanding business relations with Costa Rica. Made-in-India motorcycle is already exported to Costa Rica and Indian company Havells Sylvania has a factory in San Jose.

In fact, the credit for making Costa Rica as the America Headquarters for Havells Sylvania goes to company's former director of America, Kapil Gulati in 2010. After quitting the company Gulati has made Costa Rica his home and has been organising regular Yoga sessions and Indian classical dance sessions, in addition to Indian cuisine cooking classes at his restaurant chain 'Taj Mahal'.

In Paraguay, when Naidu meets with Paraguayan President Abdo Benítez, the focus of talks will be on expediting the negotiations for the expansion of the India-MERCOSUR Preferential Trade Agreement (PTA), which is in line with Prime Minister Narendra Modi's strategy of expanding India's trade basket.

As has been reported by The Financial Express Online earlier, the countries that are part of the India-MERCOSUR (Brazil, Argentina, Paraguay and Uruguay) PTA have been in discussions to increase the tariff lines in order to boost the trade volumes. The expansion of the agreement will enhance trade relations between the countries involved, and the trade volume target is set at $30 billion in 2030. However, due to differences amongst the members of the groupings, the expansion of the India-MERCOSUR PTA is getting delayed.

In fact the Minister of Commerce and Industry Suresh Prabhu has been keen about expanding trade ties with the countries in the region has reached out personally to some of the leaders of the group requesting them to fast track the expansion talks.

Both sides have already exchanged lists of items where each side is seeking greater market — India has exchanged a wish list of 4,836 tariff lines mentioning 8-digit HS codes with MERCOSUR in July 2016 and the MERCOSUR grouping has exchanged their wish list of 3,358 tariff lines.

During talks with the President of landlocked Paraguay, the focus will be on energy and food security needs of our region, enhanced connectivity and trade and investment facilitation that builds on the complementarities in of both sides.

Today, India imports Soybean oil and its fractions, Sunflower-seed, safflower or cotton-seed oil and Fixed vegetable fats and oils from Paraguay which is nearly $- 253 million in 2017. There are lots of opportunities in Paraguay market for Indian Companies in Agriculture, fertilizers, agriculture equipment, Pharmaceutical drugs (Generic medicine), and Indian Textile industries. The South American country is a good producer of Cotton.

In traditionally isolated and under populated Paraguay, food, beverages, and tobacco sub-sector has been the core manufacturing activity, followed by textiles, clothing, leather, and shoes comprised the third largest manufacturing sub sector. These industries are traditional, grounded in the nation's abundance of inputs like cotton fibers, cattle hides, and tannin extract. The sub sector accounted for about 10 percent of all manufacturing.

Ministry of Textiles distributes Buniyaad Tasar Silk Reeling Machines for women to enhance their income	**KNN India.co.in** https://knnindia.co.in/news/newsdetails/sectors/ministry-of-textiles-distributes-buniyaad-tasar-silk-reeling-machines-for-women-to-enhance-their-income

Buniyaad Tasar Silk Reeling Machines were distributed to women reelers from tribal areas at Surging Silk Mega Event organized by the Ministry of Textiles and Central Silk Board to enhance their income.

Union Minister of Textiles Minister Zubin Irani in her address said that Buniyad reeling machine will not only rid the woman reelers of the painful practice of thigh reeling but also enhance their income and help them live a dignified life.

The Textiles Minister said that the silk production has increased by 41% since 2013-14.

The distribution of the machine is part of total eradication of the age old practice of thigh reeling and to ensure rightful earning to the poor rural and tribal woman reelers in Tasar silk sector.

The machine developed by Central Silk Technological Research Institute in association with an entrepreneur from Champa in Chhattisgarh will improve the quality and productivity of Tasar silk yarn and reduce the drudgery of women.

It is planned to eradicate thigh reeling and replace it with Buniyaad reeling machine by end of March 2020.

Woman reelers using the traditional method earn approximately Rs.125/- per day while a Tasarreeler using Buniyaad machine can earn Rs.350/- per day. The machine is priced at Rs.8,475/- per unit excluding taxes and transportation charges.

Speaking on the occasion, the Union Minister of External Affairs, Sushma Swaraj assured the Textiles ministry to provide all support for promoting global trade of silk.

She said that silk is a strong commodity and there is a huge demand for it in the international market.

Talking about the popularity of Indian silk saree, Swaraj said her counterparts during the United Nations General Assembly meetings, often ask about the wide variety of color, pattern and different designs of these fabrics.

Swaraj said that the efforts of Textiles Minister to eradicate thigh reeling in Tasar sector with Buniyad machines clearly demonstrates her concern for the women folk and will certainly help improve the socio-economic conditions of tribal families engaged in the production of silk.

The External Affairs Minister urged theTextiles Ministry to strive for eliminating the practice of thigh reeling this year by distributing these equipment.

'Make in India' campaign may wilt under US pressure	**Global Times** http://www.globaltimes.cn/content/1138528.shtml

US President Donald Trump's trade policy won't only affect China while leaving India unaffected.

After sinking into the trade conflict with China, the US is reportedly considering a possible withdrawal of zero tariffs for India.

According to Reuters, the US Trade Representative is completing a review of the country's trade concessions to India, under which the emerging economy now enjoys zero tariffs on $5.6 billion of exports to the US.

With the "Make in India" campaign initiated by the Modi administration, India is in a period of rapidly developing industrialization. If all goes smoothly, India's trade surplus with the US will continue to widen. This will be impossible for the US to turn a blind eye to at the same time as Trump complains that the US buys more from China than China buys from the US.

If India wants to make itself the next world factory after China, the country will soon or later feel the chill of an economic conflict with the US under Trump's trade policy. The more successful the "Make in India" campaign is, the sooner US protectionist tariffs will come.

Compared with the trade conflict between China and the US, bigger trouble lies in store for India. In the initial stage of its industrialization process, India urgently needs the US market.

Although made-in-India products have begun to enter Americans' lives, a stable customer base has not yet been established. India's exports to the US may suffer a blow if the US increases its tariffs on those products.

Trump's trade policy is having a profound effect on the global value chain and will result in global manufacturing redistribution. India, an emerging but still relatively underdeveloped manufacturing country, has less endurance than China for a trade conflict amid a redistribution of global manufacturing investment and capacity.

As India and Southeast Asian countries like Vietnam engage in fierce competition for investment in the manufacturing sector, Trump's trade policy has added further uncertainties to India's manufacturing growth.

India must step in to prevent trade conflicts	**Hindustan Times.com** https://www.hindustantimes.com/editorials/india-must-step-in-to-prevent-trade-conflicts/story-mpUv0COW7Uq51NoYVFIOIN.html

Washington seems blind to the fact that in the run-up to a tightly contested national elections, New Delhi would find it politically more expedient to exchange blows than come to a settlement that could be criticised by the opposition

India and the United States are squaring up for an exchange of blows on trade issues as space for a negotiated agreement is running out. The United States Trade Representative's Office (USTR) has run out of patience over a two-year dispute on medical device price controls, not least because New Delhi suddenly walked away from a negotiated settlement. The USTR now wants zero-tariff privileges for Indian textiles and other imports, under the World Trade Organization's (WTO) generalised system of preferences, be revoked. The most obvious Indian retaliation would be to impose tariffs on US steel and aluminium imports, something it has delayed despite the unilateral imposition of similar tariffs on India.

Neither of these actions will have significant economic impact. The real danger would be for this tit-for-tat to trigger an escalatory series of actions. Of concern would be the formal dispute spreading to incorporate a whole set of new sources of trade friction such as data localisation norms or the rules governing e-commerce investment. Neither side is faultless in the present economic fracas. Much of India's problems arise from arbitrary decisions by domestic regulators who have little understanding of India's multilateral trade obligations, complicated by a political unwillingness to override these decisions no matter how foolish they may be. Washington seems blind to the fact that in the run-up to a tightly contested national elections, New Delhi would find it politically more expedient to exchange blows than come to a settlement that could be criticised by the opposition.

Trade disputes are hardly new in Indo-US relations and are common between any two nations that have a substantial economic relationship. The environment today is different for two reasons. One is that the Trump administration divorces strategic and trade issues. It sees no contradiction in having friendly strategic relations and a confrontational trade policy with the same country. The US is also running two separate trade policies. President Donald Trump's revolves around trade deficits and temporary obsessions like Harley-Davidson motorcycles. The USTR remains concerned about policy shifts that undermine US corporate interests. Two, India is struggling with a whole set of new norms regarding the digital economy, ranging from data privacy to payments structures, that it has yet to settle at home. The Modi government had mooted the idea of putting all these issues into one basket and working on a US-India trade pact. It is perhaps time to dust off this idea and begin a process designed to prevent potential trade conflicts, most of which are easily predictable.

No-deal Brexit 'could cost 600,000 jobs worldwide': Study	Live Mint https://www.livemint.com/news/world/no-deal-brexit-could-cost-600-000-jobs-worldwide-study-1549894428326.html

A British departure from the European Union without a deal could put 600,000 jobs around the world at risk, with Germany the hardest hit, a study published Monday found.

Researchers at the IWH institute in Halle, eastern Germany, examined what would happen if UK imports from the remaining EU fell 25 percent after Brexit.

They reckoned that some 103,000 jobs would be under threat in Europe's largest economy Germany and 50,000 in France.

Being affected by Brexit would not necessarily mean workers were laid off, the economists noted.

"Given the lack of skilled labour in many advanced economies, firms could also try to keep staff on by cutting hours or opening new markets," they said.

It is so far uncertain whether Britain will strike a deal with the EU before its legally-binding exit date of March 29, after a huge majority of lawmakers last month voted down Prime Minister Theresa May's painstakingly-negotiated accord with Brussels.

A "hard" departure without a deal would see tariffs imposed at the border, "tangling up global supply chains," study co-author Oliver Holtemoeller said in a statement.

The economists focused only on trade in goods and services, leaving out other possible economic impacts of Brexit like changes to investment flows.

They noted that "since markets are linked up across the globe, suppliers based outside the European Union are also affected" by a no-deal Brexit.

Within the 27 remaining EU countries, a total of almost 180,000 posts at firms directly exporting to the UK would be at risk.

But 433,000 more workers in the EU and around the world would be affected, as their employers sell to companies who in turn export to Britain.

For example, the study found some 60,000 workers in China and 3,000 in Japan could lose their jobs.

In the UK, the study turned up around 12,000 jobs dependent on supplying EU firms with inputs for products which are then sold back to Britain.

But a study published early last year by research firm Cambridge Econometrics estimated that a total of 500,000

British jobs would be at risk if there is no deal.

In European powerhouse Germany, the vital car industry would be the worst affected with 15,000 jobs, many of them in Volkswagen company town Wolfsburg and at BMW's factory in Dingolfing.

By contrast, France's service sector would be the worst hit, the IWH study found.

Record participation by Indian exhibitors at Ambiente trade fair in Germany	**Business Standard** https://www.business-standard.com/article/pti-stories/record-participation-by-indian-exhibitors-at-ambiente-trade-fair-in-germany-119021100831_1.html

Over 500 exhibitors from India are showcasing their products representing Indian handicrafts at Ambiente 2019, the world's leading trade fair for consumer goods being held here in Germany's commercial hub where India is the partner country.

Ambiente, an annual trade fair of home decors, kitchenware and textiles, is organised by Messe Frankfurt, a global trade fair organisation with more than 4000 exhibitors from about 80 countries participating in the event being held here from February 8 to 12.

Around 35 special Geographical Indication (GI) tagged products representing the crafts of India are the main highlight of the fair this year, Messe Frankfurt's India head Raj Manak said.

Traditional crafts such as Rajasthan's gemstone carvings and metal craft, Kashmir's Kani Shawl, Delhi's Mughal wood carving, West Bengal's Masland Mat weaving are showcased. Additionally, five Indian craftsmen are also giving live demos at the fair, Manek said.

Talking about India's presence at the fair, Manek said for the first time at Ambiente, more than 500 Indian exhibitors are participating at this international trade fair compared to 386 in 2018, making India one of the top participants at the global fair.

Textiles Ministry along with Messe Frankfurt India has launched a global campaign called Handmake in India at the fair to promote local Indian handicraft products.

It is estimated that Rs 1,200 crore on spot business by over 500 Indian participants and another Rs 2,000 crores of business enquiries were generated during Ambiente 2019, according to Rakesh Kumar, Director General, Export Promotion Council for Handicrafts, India.

"With more than 4000 exhibitors from about 80 countries, a trade fair cannot get more global than this," Nicolette Nauman, the vice-president of Ambiente said.

She further said Ambiente is the preferred ground for dcor trend spotting, colour trends and getting the first look at the some of the most revolutionary products in the living and dining categories.

Odisha government opens migration support centre in Tirupur	Times of India.com https://timesofindia.indiatimes.com/city/coimbatore/odisha-govt-opens-migration-support-centre-in-tirupur/articleshow/67949155.cms

TIRUPUR: The large populace of migrant workers from Odisha, working in the textile units of Tirupur, will now have a grievances redressal mechanism.

The Odisha government has opened a migration support centre in the city to provide guidance and support to people who have migrated from the coastal state to Tamil Nadu.

On Saturday, the centre was inaugurated by post-placement services officer of the Deen Dayal Upadhyaya-Grameen Kaushalya Yojana (DDU-GKY) scheme Dhananjay Dwivedi at Rakkiyapalayam Pirivu on Kangeyam Road in the city. It was attended by human resources managers of 12 knitwear companies.

The centre would mainly address the grievances of unskilled labourers trained under the DDU-GKY scheme.

It is the third centre set up the Odisha government besides the two in the National Capital Region (NCR), Delhi, and Bengaluru.

Odisha was the first to open such centre, mandated under the DDU-GKY scheme, in Tamil Nadu Knitwear cluster in the city has employed a largest concentration of Odia people, besides people from states like Jharkhand, Bihar, Assam and West Bengal.

“Since textile business was one of the major employment generating fields, many people from Odisha, especially from its rural pockets, have been migrating to textile hubs, including Tirupur and Bengaluru. Many people were trained under the DDU-GKY scheme in Bhubaneswar and migrated to these hubs,” Dhananjay said.

“More than 5,000 candidates who received training for sewing machine operator job have been placed in knitwear units in Tirupur. More than 80% of them were women. Many of them were working in the industry for more than two years. One of the main objectives of the scheme was to ensure that they sustain in the jobs. For which, we provide incentive of Rs 6,000 if they complete six months in the same job, and additional Rs 2,000 if their stay prolonged a year, besides providing supports,” Dhananjay said.

Tirupur centre’s manager N Ramasamy said, “We would address problems faced by the employees in workplace, and the issues may be related to remuneration or other problems including harassment. We would directly talk to the companies and try to solve the problems. Otherwise, we would guide them to get basic amenities.

” The migration support centre would seek coordination from the companies to inform about the retention status of those employees, so that the Odisha government could provide the incentives to the right candidates and take steps to solve their problems, socially and professionally.

A 24-year-old migrant worker from Khendujar district in Odisha said, “When I was struggling to get job in my native, I got know about DDU-GKY scheme and then I got training for SMO. Now I am working in a knitwear unit in Tirupur. Now, we have moral support with the inauguration of the support centre.”

MEIS benefit available for export realisation in rupee through Vostro a/c'	Business Standard https://www.business-standard.com/article/sme/meis-benefit-available-for-export-realisation-in-rupee-through-vostro-a-c-119021100728_1.html

We have made a shipment denominated in Indian rupees to Thailand. We have received the payment through banking channels and our bank has informed us that the payment has been received through Vostro Account. **Can we claim** MEIS benefits **on this shipment against such receipts?**

Yes. As per Para 2.52 (b) of FTP, “export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan. Additionally, rupee payment through Vostro account must be against payment in free foreign currency by buyer in his non-resident bank account. Free foreign exchange remitted by buyer to his non-resident bank (after deducting bank service charges) on account of this transaction would be taken as export realisation under export promotion schemes of FTP”. Therefore, you are eligible for MEIS against such receipts.

We have imported capital goods under EPCG authorisation, without payment of basic customs duty and IGST. **Can we export goods on payment of** IGST **under refund claim for fulfilling average and specific export obligation against EPCG authorisation?**

Yes. As per Rule 96 (10)(b) of CGST Rules, 2017: “The persons claiming refund of integrated tax paid on exports of goods or services should not have availed the benefit under notification No. 78/2017-Customs, dated the 13th October, 2017,…or notification No. 79/2017-Customs, dated the 13th October, 2017…except so far it relates to receipt of capital goods by such person against EPCG Scheme”. So, imports under EPCG scheme with or without IGST payment has no bearing on export of goods on IGST payment under refund claim.

As a tour operator rendering services on principal to principal basis to a foreigner, what are the GST implications for a trip outside India and for a trip in India? Please quote relevant provisions.

Section 13 of IGST Act, 2017 deals with determination of the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India. As per Section 13(2) of the said Act, the place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services. Your service does not fall in any of those exclusions at sub-sections (3) to (13). So, the place of supply of service is the location of receiver of the service, a non-taxable territory. Accordingly, the service is not taxable.

Do we need to deduct payments for capital goods while computing NFE for the purpose of SEIS claims?

As per Para 3.08 (d) of FTP, "Net Foreign Exchange = Gross Earnings of Foreign Exchange minus Total expenses/payment/remittances of Foreign Exchange by the IEC holder, relating to service sector in the Financial year." This provision does not exclude payments made for import of capital goods relating to the services sector.

EPFO likely to retain interest rate at 8.55%	The Hindu.com https://www.thehindu.com/todays-paper/tp-national/epfo-likely-to-retain-interest-rate-at-855/article26243342.ece

Retirement fund body the Employees' Provident Fund Organisation (EPFO) is likely to retain the interest rate on the employees' provident fund at the 8.55% rate for the 2018-19 fiscal for its over 6 crore subscribers, a highly-placed source said.

"The proposal for providing interest rate for the current fiscal would come up in the meeting of the trustees of Employees' Provident Fund Organisation on February 21," the source said. "The interest rate would be retained at 8.55% for the current fiscal as provided in 2017-18 in view of forthcoming Lok Sabha election. The EPFO's income projections for the current fiscal would be tabled in the meeting."

Pakistan 'very close' to securing IMF bailout	Daily Times https://dailytimes.com.pk/353742/pakistan-very-close-to-securing-imf-bailout/

Pakistan is likely to secure an International Monetary Fund (IMF) bailout soon to stave off a balance of payment crisis and help shore up its economy, Finance Minister Asad Umar said on Monday, as talks between Islamabad and the fund continue.

A day earlier, Prime Minister Imran Khan met IMF chief Christine Lagarde in Dubai to discuss a bailout. The meeting had ended with a pledge to continue talks, and while there had not been any indication of a breakthrough, Umar said an agreement was coming into view. "Our differences have narrowed," he told business groups in Peshawar. "It seems we have come very close to having an agreement with the IMF," he observed.

Asad Umar said differences between Pakistan and IMF have decreased following Prime Minister Imran Khan's meeting with Lagarde. "IMF has changed its position," he said in an address at the Chambers of Commerce and Industry in Peshawar.

The finance minister said Pakistan's economic situation will only improve if the local business community and policymakers work hard and make the right decisions. The minister also stressed the need to increase regional trade and improve relations with neighbouring countries in order to boost the economy.

The finance minister said while it is good that Islamabad's relationship with Beijing is progressing and work on China-Pakistan Economic Corridor is underway, "there is need to improve relations and boost trade with countries in both the west and east of the region we live in". He insisted that Pakistan needed to increase trade with Iran and Afghanistan with 'complete focus'.

Asad Umar noted that officials from Western countries often say that regional trade is important and that Pakistan should improve trade relations with India. “They are not wrong […] but I ask them why doesn’t this principle apply to Iran?” he said. “As far as the east is concerned, it seems that there can be no progress until elections are over in India. Half of their election campaigns are based on anti-Pakistan rhetoric, so right now they are busy with that. Once the elections are over, we hope that their behaviour will be better,” he said.

Asad Umar acknowledged that trade had slowed down due to the closure of Torkham border and pointed out that the prime minister had already announced that the crossing should remain open 24 hours. However, he said, due to the slackness of government departments, progress in this regard was slow.

He revealed that during Prime Minister Imran Khan’s visit to Turkey earlier this year, Islamabad and Istanbul had agreed on working on a strategic economic framework. Pakistan will hand over the first draft of the framework to Turkey in February, he said.

The Turkish delegation that is working on the framework is being led by the Turkish vice president, while the Pakistani side is being led by the finance minister himself.

“I said to the Turkish vice president that this [framework] should not just be limited to us. Our vision for the next 10, 20 years should be for Iran to become a part of this [economic framework] as well,” he said. “Iran, Pakistan and Turkey should obviously be a part of it. [Through this framework] Pakistan should become a gateway for Turkey so they can trade with India and China. And Turkey should become a gateway for Pakistan so we can trade with Europe and Central Asia states.”

The minister said the government had not stopped PayPal from entering into the Pakistani market. “PayPal is not stopped on my desk, the State Bank or in any other government institution. We are pursuing PayPal,” he said, stressing that he was aware of PayPal being an excellent source of income for Pakistani youngsters who work from home. “They face immense difficulties without PayPal or any effective online payment system. I have taken the initiative myself and sent a message to PayPal CEO that this was important and I was willing to fly to US to hold a meeting,” he said.

Meanwhile addressing a press conference in Islamabad, Adviser to Prime Minister on Commerce, Textile, Industry and Investment Abdur Razak Dawood Monday asserted that the federal government has no intent of devaluing rupee. He refuted speculations that raising the tariffs of electricity and gas came into discussion during talks with the IMF.

GIM and University of Leeds releases Report on Challenges faced by Textile Industry due to regulations in the British Legislation	India Education Dairy http://indiaeducationdiary.in/gim-university-leeds-releases-report-challenges-faced-textile-industry-due-regulations-british-legislation/

The University of Leeds in partnership with the Goa Institute of Management (GIM) are sharing the findings from their recent research study "Following the Thread: Understanding the clothing supply chain and the affect British Legislation has on Indian Business". The study is funded by the British Academy and the Department for International Development (DfiD)

Key findings from the project include:

Businesses in the fashion and textile sector have limited engagement with the Modern Slavery Act. While a number of businesses communicate very well with the public about the Act and the issues it aims to address, a large number of firms do not engage with the letter and spirit of the Act;

Limited transparency along the supply chain inhibits the implementation of the Act. International brands often do not have a proper handle of their complete supply chain;

Suppliers are often seeing the engagement with the Modern Slavery Act as a pure compliance requirement without which they could not export. This suggests that they would not address labor exploitation otherwise. Following events with industry, trade unions, NGOs and policy makers in India, Vietnam, and the UK it has become clear that the complexity and fluidity of the fashion industry's global supply network (many formal and informal tiers of suppliers that are constantly changing) means that vulnerability to modern slavery is present in all countries. This makes defining, identifying and reducing modern slavery a very challenging ambition for even the most progressive businesses.

Said Prof. Ajit Parulekar, Director, Goa Institute of Management, "In our 25th year of operations we continue to focus on research and consultancy. Each year GIM adds research publications and we were happy to collaborate with the triple crowned Leeds University Business School to engage in a project which is in line with our theme this year – 'Principle Centered Leadership'. The project is an ongoing effort to address global concerns around child labour and modern slavery as laid out in the Sustainable Development Goal (SDG) 8.7 which aims to end forced labour and modern slavery."

Dr Hinrich Voss, Associate Professor of International Business, University of Leeds, who is leading the team said that "The objective of the study is to develop insights into potential challenges implementing the UK legislation in the global clothing supply chains, as well as gather examples of how Indian industry is engaging with it and understand potential issues around social challenges. We hope the input from key Indian stakeholders can be used to influence further UK policy development in this area."

Added Kamal Singh, Executive Director, UNGC, "Sustainable Development Goals is a critical point on the agenda of every stakeholder as it can ensure that nobody gets left behind. For India we must work towards making sure that the SDG framework impacts everyone including those at the bottom of the pyramid"

The United Kingdom has put in place the Modern Slavery Act 2015, which includes the onus on big businesses to make public their efforts to identify and stop the exploitation of labour within its supplier network. The Transparency in Supply Chain Provisions require businesses to publish an annual statement if they have a global annual turnover above a threshold of £36 million. Australia has a similar law that came into effect on 1 January 2019. The UK Modern Slavery Act reflects the United Nations Sustainable Development Goal Number 8.7: "Decent work and economic growth".

The study aims to develop insights into potential challenges in implementing the UK legislation in global clothing supply chains, as well as gather examples of how the Indian clothing and textile industry is engaging with stakeholders and addressing potential issues including social and environmental challenges. The research by the University of Leeds and Goa Institute of Management is focusing on the textile clusters in Tamil Nadu which have been supplying major global brands for many years and are well established. The working population in these clusters, especially in the textile industry has seen rapid changes. The rapid economic progress of the state has meant that the local working population has moved on to higher-paying skills and they are being replaced by migrant workers, primarily from North East India. The resulting demographic changes in the workforce, dynamics of competition and increased awareness has meant that the industry has to be aware of international compliance requirements and expectations.

In this regard, an event is being hosted in Delhi this week. The targeted audience for this event are Government, businesses, and NGOs where team will discuss how the Modern Slavery Act (and similar legislation from other countries) has and will affect the global supply chain industries. The event is jointly delivered by the University of Leeds, the Goa Institute of Management to provide a forum for key stakeholders to voice their views and concerns and thus ensure a fair representation of their perspectives and a chance to participate in policy development.

Cambodia faces risk of losing trade preferences from EU	Xinhuanet.Com http://www.xinhuanet.com/english/2019-02/11/c_137813840.htm

Cambodia is facing the risk of temporarily losing its non-tariff export privilege to the European market, as the European Union (EU) on Monday started the 18-month process under the Everything But Arms (EBA) trade scheme, according to its statement.

The European Commission, which coordinates trade policy for the 28-member EU, said in the statement that the decision will be published in the EU Official Journal on Feb. 12, kicking off a process that would run until August 2020.

The EU announced in October last year that Cambodia could lose its special trade access to European markets under the EBA preferences, citing concerns over human rights and labor rights issues in the country.

However, EU Commissioner for Trade Cecilia Malmstrom said: "It should be clear that today's move is neither a final decision nor the end of the process. But the clock is now officially ticking and we need to see real action soon."

"Our engagement with the situation in Cambodia has led us to conclude that there are severe deficiencies when it comes to human rights and labour rights in Cambodia that the government needs to tackle if it wants to keep its country's privileged access to our market," she said.

The process consists of a six-month period of intensive monitoring and engagement with the Cambodian authorities, followed by another three-month period for the EU to produce a report based on the findings, the statement said.

After a total of twelve months, the Commission will conclude the procedure with a final decision on whether or not to withdraw tariff preferences, it said, adding that any withdrawal would come into effect after a further six-month period.

The EU is a major trading partner of Cambodia, especially for textiles and footwear sector. As a Least Developed Country, Cambodia has enjoyed exports of all products, except arms and ammunition, to European markets with duty-free for decades.

According to the EU's data, Cambodia exported products to the bloc worth of 4.9 billion euros in 2018.

Ken Loo, secretary general of the Garment Manufacturers Association in Cambodia, said in a statement in October last year that over 46 percent of Cambodia's total exports of apparel and footwear were to the EU.

He said the garment and footwear sector employed around 700,000 workers and another two million out of the kingdom's total population of 16 million also economically depended on the sector.

"A temporary suspension of the EBA or any short-term unilateral sanctions may have long-term negative impacts on the lives of our workers and their families," he said.

Uzbekistan to boost textile industry, unlock export potential	**Xinhunaet.com** http://www.xinhuanet.com/english/2019-02/12/c_137815290.htm

Uzbek President Shavkat Mirziyoyev signed a decree Monday to deepen reforms in the textile industry to fully reprocess raw cotton domestically and increase export potential of the country.

The decree, titled "On measures to further deepen reforms and expand the export potential of the textile and garment and knitwear industry," instructs the government, within three months, to develop and approve the Concept of accelerated development of the textile and clothing-knitting industry for the period 2019-2025.

Under the concept Uzbekistan should be able to reprocess all the produced cotton domestically and increase the export volumes of textile products to 7 billion U.S. dollars per year by 2025, according to the document.

The decree also provides various stimulating measures for enterprises engaged in export of textile products starting from April 1, 2019.

Uzbekistan, the world's sixth-largest cotton producer, produced 2.3 million tons of raw cotton in 2018.

Traditionally, cotton is Uzbekistan's most important cash crop. But in recent years the country has been taking serious steps to develop its textile industry to produce value-added products rather than exporting raw cotton.

According to the statistics of the National Statistical Committee of Uzbekistan, the textile exports of Uzbekistan maintained a rapid growth in 2018. The annual export of textiles reached 1.6 billion U.S. dollars, up by 41.4 percent from the previous year.

"My biggest goal is to provide people with work, a source of income. From now on, we will export less cotton, process it in the country and produce value-added products," President Mirziyoyev said during his visit to Jizzakh region in 2018.

Fast fashion waste: a circular approach to textiles	Government Europa.eu https://www.governmenteuropa.eu/fast-fashion-waste/92213/

In the wake of criticism by MPs over the social and environmental impact of "fast fashion", UK retail brands are searching for solutions to clothing waste.

Consumers in the UK are buying twice as many items of clothing as they did in 2009, 60 per cent of which make their way to incinerators or landfill within a year of purchase. 300,000 tonnes of clothes are sent to British landfills per year; and less than one per cent of the material used in clothing production around the world is recycled after use. The UK government's Environmental Audit Committee is expected to issue its final report into sustainability in the fashion industry by the end of February 2019, after its interim report – published in January 2019 – raised concerns over clothing waste and disengagement on the part of certain retailers.

Globechain, a "reuse marketplace", aims to address the problem of fashion waste sustainably and conveniently, by connecting retail bodies with charities, businesses and individuals to enable them to reuse and recycle used and unwanted clothing and fashion accoutrements. The company, which operates globally from its base in London, has already enabled its users to divert 5.1 million kilogrammes of goods away from landfills.

May Al-Karooni, founder and CEO of Globechain, said: "Imagine eBay, but better, as items are given for free. Not only do our members save on disposing of the items, but we also give them powerful social impact data so they know where and how their unwanted items will be reused. Many of our members don't know what they spend on waste disposal, as they don't collect the data, but they know it's costly, so are delighted to see how much we help them save. Once a retail chain signs up to us in the UK, they often ask us to set up systems in other territories where they operate because we provide them with a valuable and practical solution that isn't available elsewhere. Through the data we provide our retail members in return for their annual membership fee, they can prove they are contributing to the circular economy and creating positive social impact in the process. The circular economy is becoming core to a company's reputation as well as investor and customer loyalty and future growth prospects."