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NEWS CLIPPINGS –22-02-2019

Govt may bring mandatory standards for technical items: Textiles Secretary	Millennium Post http://www.millenniumpost.in/business/govt-may-bring-mandatory-standards-for-technical-items-textiles-secretary-341752

Raghvendra Singh, Secretary, Ministry of Textiles, Govt of India on Thursday said that the government is likely to consider bringing mandatory standards for technical textiles items where Indian standards are available. This will not only provide fillip to Make in India in technical textiles but will also improve the quality in areas like health, environment, security and safety. Speaking at the 4th National Conclave on Standards for Technical Textiles, organized by FICCI jointly with the Bureau of Indian Standards (BIS) and Ministry of Textiles, Singh said that India needs to develop its own industry for the growing market of technical textiles. India is going to have a very robust market for technical textiles in the years to come. He further added that the government is committed to standardisation and evaluating the items from which mandatory quality control orders could be removed. Singh also stated that currently, there are over 300 items of technical textiles where BIS standards are available, some of these could be the potential items for mandating. He further added that government is looking at inviting international companies to set up joint- venture in high value-added items where the technologies are licensed and manufactured by very few in the world. R K Bajaj, Deputy Director General (Standardisation), BIS, said that BIS's focus is on developing standards for sustainability and smart technologies in various sectors. Currently, India is least regulated in terms of Technical Barriers to trade as per WTO measures. While BIS was focusing earlier on product standards primarily, it is also focusing on standards for the services sector now.

Shishir Jaipuria, Chairman, FICCI Textiles Committee said that the notification of the HS Codes for 207 technical textiles items last month was a major step that would help in effective targeting of policy measures for the industry. He further added that the government should look at additional items of technical textiles for notification of HS Codes.

We should all work towards early conclusion of RCEP talks: Prabhu	Business Standard https://www.business-standard.com/article/pti-stories/we-should-all-work-towards-early-conclusion-of-rcep-talks-prabhu-119022101061_1.html

India Thursday called upon all the members of RCEP, a proposed mega trade deal, to work towards early conclusion of the agreement to boost economic ties.

The Regional Comprehensive Economic Partnership (RCEP) is a mega trade agreement being negotiated by 10 ASEAN members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six free trade pact partners - India, China, Japan, South Korea, Australia and New Zealand.

Commerce and Industry Minister Suresh Prabhu said a successful conclusion of RCEP will help deal with the challenges of global trade in terms of increasing trade tensions and protectionism.

"India is constructively engaged in RCEP negotiations and the country believes that ASEAN will remain central to the economic integration of the Indo-Pacific region through RCEP," he said.

"As negotiations are intensifying, members are now engaged in bilateral pairing to achieve mutually satisfactory and balanced outcome keeping in view each other's sensitivities and aspirations," the minister said.

The minister was speaking at the inauguration of the fourth India-ASEAN Export and Summit 2019 here.

He said that as directed by the leaders of the 16 countries, "we should all work towards early conclusion of RCEP and create a win-win situation for better prosperity of the people of the region".

Negotiations for the mega-trade deal RCEP need more rounds of talks to sort out issues pertaining to goods and services, Prabhu had said Tuesday.

The agreement aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights.

The talks are stretched as the member countries have yet to agree on major issues including finalising the number of goods on which duties would be eliminated.

Speaking at the event, Indonesian Trade Minister Enggartiasto Lukita said all the members need to work together to conclude the negotiations this year.

Sharing similar views, Cambodian Commerce Minister Pan Sorasak also said the agreement is important and "I hope to see this concluding this year".

Further, Prabhu urged the ASEAN members to engage in the review of free trade agreement with India to resolve implementation issues being faced by business of either side.

The bilateral trade between India and ASEAN increased from USD 65 billion in 2015-16 to USD 81.33 billion in 2017-18.

Commerce Ministry sets $50-bn bilateral trade target with Russia by 2025	**Business Standard** https://www.business-standard.com/article/economy-policy/commerce-ministry-sets-50-bn-bilateral-trade-target-with-russia-by-2025-119022100745_1.html

Junior commerce and industry ministry CR Chaudhary has set an ambitious $50 billion target for bilateral trade between India and Russia over the next seven years.

As of end-2018, trade between the two countries stood at $30 billion.

"Our two-way trade have already crossed the $30- billion mark, which we had set for 2025. We, therefore, propose that we enhance this to $50 billion by 2025," Chaudhary said at the Indo-Russian forum organised by the industry lobby CII here Thursday.

He also said both the countries are confident of achieving the target.

The minister said by 2030, the country is expected to become the third largest economy in the world with a huge middleclass. But to reach that position, we need more and better infrastructure, access to energy, more goods and services and a modern agriculture sector, he added.

"Russia is well placed to meet our needs in these areas as well as others, he said, adding beside businesses, there is a need for collaboration between the two countries on the education sector as well.

Addressing the forum, Russian industry and trade minister Denis Manturov said small and medium enterprises are the foundation of the economy of any modern country.

"Nearly 22 percent of Russian GDP is coming from SMEs and the target is to take this to 40 percent. The Indo-Russian collaboration will play a major role in achieving this," Manturov said.

He said Russia is willing to share its expertise in defence and artificial intelligence with India.

Chaudhary said both the nations need to make concerted efforts to reinvigorate their economic cooperation and integrate it with market forces.

Our economy is expected to emerge as one of the leading world economies and is likely to become a $5- trillion economy by 2025, he said.

There is a need to curate a digital bridge between the two economies so that SMEs can benefit from it and to create awareness about the two nations to promote more technology and capital transfers, he said.

Additional secretary at the Union MSME ministry and development commissioner Ram Mohan Mishra said there are humongous opportunities for both the nations to collaborate and partner in various sector.

Logistics and infrastructure is another area where both the countries can collaborate, Mishra added.

4th India-Asean Expo and Summit Inaugurated India-ASEAN Co-Creating the Future	PIB.Nic.In http://www.pib.nic.in/PressReleseDetail.aspx?PRID=1565886

Minister of Commerce & Industry and Civil Aviation, Suresh Prabhu, inaugurated the 4th India-ASEAN Expo and Summit 2019 in New Delhi today.Addressing the inaugural sessionSuresh Prabhureaffirmed India’s commitment to the path of mutual progress and prosperity and said that terrorism knows no boundaries, it needs to be addressed through collective reaffirmenttowards promoting regional peace, stability and development. In this fight against terrorism and mindless violence, events like India ASEAN Expo and Summit acquire a unique significance, as it epitomises our faith and commitment towards a path of shared prosperity, progress and peace.

The Commerce Minister recalled the participation of ASEAN ministers during the ASEAN-India Business and Investment Meet and Expo 2018, organised on the side-lines of the ASEAN-India Commemorative Summit in New Delhi in January, 2018 and said that it provided us the much needed opportunity to engage on promotion of trade and investment collaborations. He also recalled the informal Mini Ministerial of WTO hosted by India in 2018 which was attended by 52 countries,including many ASEAN partners. Suresh Prabhu said that the core idea behind organising this 4th India -ASEAN Expo and Summit is to build upon the success of the previous events and carry forward the momentum of the relationship built up over the years. He said that this Summit is a testimony of India's dedicated efforts towards Act East policy.

India and ASEAN represent fast moving economies. The global headwinds have caused a softening of the global growth from 3.1% in 2018 to 3.0 % in 2019. According to the recently published United Nations' World Economic Situation and Prospects Report 2019, India and ASEAN are set to outpace the global growth. India continues to be the fastest growing major economy and is expected to grow at 7.2% in 2019 and ASEAN at 5.2%, with many economies within ASEAN with a growth of more than 6%. Cambodia, Laos, Myanmar and Vietnam (CLMV) countries in ASEAN are also on a higher growth trajectory. This is indeed a manifestation of the new emerging world economic order, wherein India and ASEAN have a significant place.

The Commerce Minister said trade is a buckle that binds India and ASEANtogether and India's vision of trade is not limited to exchange of goods and services. He asserted that India believes in trade that brings about mutual collaboration, promoteslivelihood opportunities, brings in shared prosperity and binds us to a common future and a common destiny.

ASEAN has emerged as one of the second largest trade partner of India in 2017-18,with a share of 10.58% in India's overall trade. Our bilateral trade has grown more than threefold from USD 21 billion in 2005-06 to USD 81.33 billion in 2017-18. Despite escalating trade tensions and tightened credit market conditions, India and ASEAN present an alternative story. In the recent years India's trade with ASEAN has rebounded from US$ 65.06 billion in 2015-2016 to USD 81.33 billion in 2017-18, posting an annual growth of 13.64%. India's trade with ASEAN from April 2018 to December 2018 has already touched USD 72.3 billion compared to previous year, which is a growth of over 20.5%, which is an indicator of our strong economic and business connect and holds the key to our future engagements.

India currently is working with ASEAN on multiple connectivity projects, through land, water, and air. Our projects like India-Myanmar-Thailand Highway, Kaladan Multinational Transit Transport Project, Project Development Fund for CLMV countries is crucial for our development. Exploring opportunities through connectivity projects will help India to remove physical impediments to trade with ASEAN countries and further integrate the two regions for better economic and trade relations. Increasing the rate of technology adoption and providing financing mechanisms is another challenge to expand growth.

The Minister said that India is constructively engaged in RCEP negotiations and believes that ASEAN will remain central to the economic integration of the Indo-Pacific region through RCEP. Substantial progress has been achieved in the negotiations so far with the successful conclusion of 7 out of 16 chapters. As negotiations have intensified, member countries are now engaged in bilateral pairing process to achieve mutually satisfactory and balanced outcomes, keeping in view each other's sensitivities and aspirations. As directed by our Leaders at the 2nd RCEP Summit in November last year in Singapore, we should all work concertedly towards early conclusion of RCEP and create a win-win situation for the greater prosperity of the people of the region. A successful RCEP will lift the spirits of the global trade, which is facing challenges in terms of trade tensions amidst protectionism and unilateral measures. Reiterating India's commitment to make endeavours for successful conclusion of RCEP, Suresh Prabhuurged ASEAN colleagues to also engage in the review of ASEAN-India Trade in Goods Agreementto resolve the implementation issues being faced by our businesses on both sides. He also referred to successful accomplishment of 2nd Review of India Singapore CECA and signing of MRA in Nursing with Singapore. This is a proof that we can continue to strengthen our bilateral relations, notwithstanding challenges faced by multilateral trading system.

During the last four years, Government of India has introduced several reform measures and initiatives, both through the legislative and executive routes in a wide range of areas including Goods and Services Tax, subsidies, labour, infrastructure, finance, investments as well as governance. Suresh Prabhu said that most of the policy reforms that have been undertaken will bring transparency and enhance efficiency and open up immense opportunities for collaboration and investment. He also mentioned key flagship programmes like Make-in-India, Skill India, Invest India, and Digital India, which have improved the general economic and investment sentiments. Our mission is to bring in infrastructure, policies and practices that compete with best global standards to convert India into a global manufacturing hub. India has recorded a jump of 23 positions in the Ease of Doing Business rankings to be at 77thposition. We are now working towards improving Ease of Doing Business at States and districts within States of India.The government has identified ten 'Champion Sectors' under Make in India 2.0 that have the potential to grow at double digits and generate sufficient employment opportunities. These include, auto and auto components, biotechnology, defense & airspace, food processing and pharmaceuticals among others. The government has also announced 12 Champion Services for focused attention to promote their development.India has consistently improved its position in Global Innovationrankings and it now ranks at 57th position.

In last three years, the Government has embarked on a comprehensive programme to liberalize Foreign Direct Investments. Most of the sectors are now under automatic approval route. Foreign direct investment is now open for manufacturing in large number of sectors ranging from defence to pharmaceuticals, and several services including airlines, insurance, and single brand retailing. The government has also allowed 100% FDI in railways infrastructure like high-speed train systems, suburban corridors and dedicated freight line projects.

FDI policy now also includes start-ups. Start-ups can issue equity, equity linked instruments and debt instruments to foreign venture capital investors in accordance with FEMA rules. We have recently widened the definition of startups and have raised investment limit from Rs.10 crore to Rs.25 crore for availing tax exemptions to improve ease of doing business for startups.In the last four years, we have received FDI worth US$ 263 billion. This is 45 percent of the FDI received in last 18 years.

FDI in India is at a record high and India is among the top two emerging markets in the FDI Confidence Index.In the UNCTAD report 2018, India has been placed in the top three of the strongest economies of the future.

Several reform measures have been taken in the power sector over the last few years whereby Indian power sector has improved significantly in terms of improved access to electricity, better financial health of DISCOMS and promotion of renewable energy generation. India has turned from a net importer of electricity to net exporter of electricity exporting around 5,798 million units to Nepal, Bangladesh and Myanmar in 2017. From ranking 99th at the global level in 2014 in terms of electricity accessibility ranking (under Ease of Doing Business), India currently ranks

24th on this parameter.

One of the Government's significant initiative for the people is the Medical Assurance Scheme called Ayushman Bharat. This shall benefit about 500 million people and will provide immense investment opportunities in the areas of health infrastructure, medical equipment manufacturing, and healthcare services.

India is experiencing rapid urbanization and to cater to this, Government has launched three mega urban schemes - Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All. Government's plan to develop 100 smart cities and 500 AMRUT cities over the next five yearsoffer a USD 111 billion opportunity.

Leveraging Regional Value Chains (RVCs) is essential to take the India-ASEAN economic partnership to the next level. RVCs in the IT/ITES and apparel sector that already exist are evidence of the indirect benefit to skilling and development. With the introduction of GST in India, GVCs and RVCs will have a conducive environment to grow. The North East region, which is a development priority of the Government of India has great potential for this, in terms of natural resources and skilled labour. Also, India is a global hub for design and engineering R&D, that is critical to any value chain.As the global economy becomes increasingly digitalized, and technology as the great disruptor has the potential to be truly transformative, we have to be cognizant of the challenges and work together in the domain of cyber security and create regulation that is conducive to partnerships.

The Commerce Minister invited companies from ASEAN countries to take advantage of these opportunities for boosting trade with India and said there is immense scope for mutual collaboration in Services especially, healthcare, education, tourism, financial services, digital and artificial intelligence based services. India can play a vital role in lowering healthcare costs in ASEAN countries, as India can provide international standard drugs and formulations at very reasonable cost.

Mr Pan Sorasak, Minister of Commerce, Kingdom of Cambodia, Mr. EnggartiastoLukita, Minister of Trade, The Republic of Indonesia, Dr. Than Myint, Union Minister, Ministry of Commerce, the Republic of the Union of Myanmar, Ms. ChutimaBunyapraphasara, Deputy Minister of Commerce and Acting Minister of Commerce of Thailand, DatoLokman Hakim Bin Ali, Secretary General MITI, Mr. Lee Chuan Teck , Second Permanent Secretary, Singapore Ministry of Trade and Industry, Mr. DatoPadukaSidek Ali, High Commissioner of Brunei, Mr. BounnemeChouanghom, Ambassador of the Lao People's Democratic Republic, Mr. Pham Sanh Chau, Ambassador of the Socialist Republic of Vietnam, DatoPaduka Lim Jock Hoi, Secretary General of ASEAN and Dr.AnupWadhawan, Secretary, Department of Commerce, Government of India also spoke during the inaugural session.

India, EMs make case for special treatment at WTO	**Live Mint** https://www.livemint.com/politics/news/india-ems-make-case-for-special-treatment-at-wto-1550769606618.html

China, S Africa, Venezuela, India counter move seeking equal treatment for members

Under the S&D provisions, developing nations get longer time periods for implementing WTO agreements

NEW DELHI: India, along with China, South Africa and Venezuela, has insisted on continuing with the special and differential (S&D) treatment for developing countries at the World Trade Organization (WTO), countering efforts of the US, which is seeking equal treatment for all members at the multilateral trade body.

In a paper submitted to the WTO on Monday, the four countries said self-declaration of developing member status had been a long-standing practice and best serves the WTO objectives. The paper said the persistence of the enormous development divide between the developing and developed members of the WTO is reflected on a wide range of indicators such as levels of economic development, GDP per capita, poverty levels, levels of under-nourishment, production and employment in the agriculture sector, among others.

“Against this background, recent attempts by some members to selectively employ certain economic and trade data to deny the persistence of the divide between developing and developed members, and to demand the former to abide by absolute “reciprocity" in the interest of “fairness" are profoundly disingenuous," it added.

Under the S&D provisions, developing countries get longer time periods for implementing WTO agreements and commitments.

At the mini-ministerial of trade ministers, on the sidelines of the World Economic Forum at Davos in January, India’s commerce secretary Anup Wadhawan made a strong case for continuing with the S&D measures for developing countries. “The (WTO) reform process must fully take into account the reality that despite some significant success stories in developing countries, on the average, they continue to lag far behind developed countries. Consequently, developing countries should not be expected to take the same obligations as the developed countries."

In his speech at the WTO Ministerial in Buenos Aires in December 2017, United States Trade Representative (USTR) Robert Lighthizer had criticized the S&D treatment enjoyed by large developing countries like India. “We cannot sustain a situation in which new rules can only apply to the few, and that others will be given a pass in the name of self-proclaimed development status. There is something wrong, in our view, when five of the six richest countries in the world presently claim developing country status," he added.

However, India’s trade minister Suresh Prabhu had retorted that the discourse on development at the WTO is sought to be deflected by specious arguments based on aggregate GDP figures. “While in India we are proud of our GDP and growth rates in recent years, propelled by innovative economic policies of my government, we cannot ignore that India is home to more than 600 million poor people," he said. “Therefore, we are legitimate demanders for special and differential treatment for developing countries. It is also noteworthy that many developed countries of today have benefitted from long periods of derogation from GATT (General Agreement on Tariffs and Trade) rules in the area of agriculture and textiles," he added.

EPF rate hiked to 8.65% for 2018-19 by EPFO board	**Business Standard** https://www.business-standard.com/article/news-ians/epf-rate-hiked-to-8-65-for-2018-19-by-epfo-board-119022101240_1.html

The Employees' Provident Fund Organisation (EPFO) board here on Thursday raised the interest rate on Employees' Provident Fund (EPF) by 10 basis points to 8.65 per cent for 2018-19. It will benefit around 5 crore people of the salaried class.

"In today's CBT meeting, the main agenda was the interest rate. Considering everybody's views, it was decided to raise the interest rate by 10 bps to 8.65 per cent," Labour Minister Santosh Gangwar told IANS after chairing the Central Board of Trustees (CBT) meeting.

This is the first increase in interest rates since 2016. From 8.8 per cent in 2015-16, it fell to 8.65 per cent in 2016-17 and further to 8.55 per cent in 2017-18. In FY18, the rate was at a five-year low. For 2013-14 and 2014-15, it stood at 8.75 per cent.

"We took good care of the workers' money and it was not misused. Despite our increasing the interest rate to 8.65 per cent, we are saving Rs 151 crore as surplus. I am confident the Finance Ministry will approve this. There was full consensus for today's decision," he said.

The CBT, which has representatives from the government, employers and trade unions, will hold another meeting to discuss on pension issues.

The interest amount will be credited directly into the subscribers' accounts after Finance Ministry's approval.

"Over Rs 54,000 crore for 2018-19 will be distributed among 20 crore subscribers," EPFO CEO Sunil Barthwal told IANS. The EPFO's total corpus is around Rs 8 lakh crore, he said and added, there are about 5 crore active EPF subscribers.

The hike has come as a pleasant surprise as it was being speculated that the retirement fund body would keep the interest rate at 8.55 per cent, considering the fiscal stress on the government. But it was in line with the populist measures being taken by the government ahead of the general elections, likely in April-May.

Had the CBT decided to raise the rate to 8.70 per cent, instead of 8.65 per cent, the EPFO would have faced a deficit of Rs 158 crore, an official said.

Pulwama attack: Import duty hike on Pakistani goods hits Indian traders	**Business Line** https://www.thehindubusinessline.com/economy/pulwama-attack-import-duty-hike-on-pakistani-goods-hits-indian-traders/article26332706.ece

Consignments stuck at Attari border had mostly been paid for by importers here before duties were increased

The sharp increase in import duties on all goods from Pakistan last week by India in response to the Pulwama terror attack has claimed an unintended victim — the Indian importer.

Truck loads of cement, dates and some other items from Pakistan are languishing at the Attari border since February 16 when import duties increased to 200 per cent by India.Indian importers have paid for these goods mostly, but they find it impossible to take delivery because of the duty hike.

“The ban is a welcome step and in the interest of the nation. But importers should not be made to suffer. The consignments that are already in India belong here. At least the ones where the bills-of-entry have been filed should be released without imposition of 200 per cent duty," said Suneed Kochhar, Chairman, Assocham, Punjab.

The 70 trucks that are parked at Attari, with goods estimated at ₹25 crore, have already been paid for by importers. The exporters are not willing to take back the goods and at 200 per cent duty it is not possible for traders to claim it.

Vendors move SC

"If customs officials do not sort out the matter, the Supreme Court will have to decide on it. The local vendors have filed a case," Kochhar said.

The vendors want all goods that are at Attari and have been paid for to be cleared at the older rates of duties without imposition of the additional duties.

The Federation of Indian Export Organisations (FIEO) has also raised the matter with the Land Port Authority. "In case of many of the consignments, the bill-of-entry was filed before customs duty was raised. So, ideally the higher customs duties should not be imposed on it. FIEO has raised the matter with the authorities and hopefully it should be sorted out soon," Ajay Sahai, Director General, FIEO, told *BusinessLine*.

India withdrew the Most Favoured Nation (MFN) status from Pakistan last week under which it is obligated to treat all member countries of the World Trade Organization (WTO) alike and impose the same customs duty on all. Following MFN withdrawal, it imposed the higher import duties on goods from Pakistan as an economic sanction on the country for supporting terror activities against India.

Kochhar pointed out that while there was a crackdown at Attari, two barter trade routes operated between Pak-Occupied-Kashmir and J&K were operational. "About 32 trucks of dry dates have crossed over to India in two days via trade routes of J&K. While the import duty on such a truck via ICP Attari is about ₹25 lakh, via the trade route it is nil. These barter routes should be immediately stopped," he added.

Pakistan exports goods worth $500 million to India every year against $2 billion exported by India. "We haven't yet got any notification by Pakistan on restrictions on India's exports to the country," a government official said.

Revamp of UN Security Council stressed	**Business Standard** https://www.business-standard.com/article/news-ians/revamp-of-un-security-council-stressed-119022101321_1.html

The United Nations must do more to end violence and forced displacement. A move in that direction will include restructuring of the Security Council and norms for grant of veto power, experts said at a day-long conference on the 'Future of United Nations' at the O.P. Jindal Global University, here on Thursday.

"The UN must address many challenges faced by the world, including forced displacement, hunger, inequality, trade disputes, increasing debt burden and danger to media freedom," said Virendra Dayal, former Chef de Cabinet to the UN Secretary General, in his inaugural address, according to a statement by the university.

Among the measures the UN can take to restore the power balance, the panelists recommended recomposition of the Security Council, veto power, promotion of democracy, and adequate funding by the developed countries and rules of procedure.

Speaking on Gandhian non-violence and Meiji Revolution in Japan -- a period known as Japanese enlightenment -- a panelist stressed India and Japan can leverage their rich heritage to bring harmony in the working of the UN.

"India's fight for independence as well as Gandhi's philosophy of peace and welfare of humankind spread across the world. Similarly, the Meiji revolution paved the way for peace and prosperity in Japan.

"The two countries can utilise this rich historical heritage and act in harmony in the UN," said Sukehiro Hasegawa, former Special Representative of the UN Secretary General to Timor-Leste.

MSEs are becoming more optimistic about their business prospects: Survey	**Business Standard** https://www.business-standard.com/article/economy-policy/mses-are-becoming-more-optimistic-about-their-business-prospects-survey-119022101367_1.html

Micro and small enterprises (MSEs) are becoming more optimistic about their business prospects, shows the latest round of the CriSidEx survey.

The CriSidEx index rose to 128 in Q3FY19, the highest score since its inception. In comparison, the index was at 107 in Q3FY18.

The improvement in the index over the previous quarter was on account of an improvement "in the order book size and employee base for manufacturing MSEs and an increase in profit after tax margin and employee base for services MSEs," states the report prepared by Crisil and Sidbi.

Firms in both manufacturing and services sector indicated an improvement, shows the survey. Among manufacturers, 42 per cent reported a "good quarter"; in the services sector 41 per cent claimed a "good quarter".

The granular analysis shows that in manufacturing, firms with an annual turnover between Rs 10 crore and Rs 25 crore were more positive about the business environment, and those the Rs 1 crore-Rs 4.99 crore bracket were the least optimistic.

"Export-oriented MSEs fared better than their domestic peers, with 48 per cent reporting an increase in order book as against 41 per cent of domestic peers," says the report. This is the first time in the survey rounds that exporters have reported better quarters than domestic market-oriented units.

Firms also appear to be optimistic about their prospects in Q4FY19.

"For January-March, both manufacturing and services MSEs were optimistic of good business performance. Over 50 per cent of the respondents each from manufacturing and services expected the positive momentum to continue. In the manufacturing space, pharmaceuticals, gems & jewellery, and chemicals, and in services, professional services, traders, logistics and power & power utilities are the most optimistic," says Mohammad Mustafa, chairman and managing director, Sidbi.

In the manufacturing sector, segments like pharmaceuticals, gems and jewellery, textiles and leather had a higher share of respondents reporting a good quarter; more respondents in the food products and auto components segments reported a subdued quarter.

In the services sector, power and utilities, professional services and logistics had a higher share of respondents reporting positive performance, while construction, real estate and human resources had a greater share reporting a subdued quarter.

Textile stocks fail to bring cheer	**Daily Star** https://www.thedailystar.net/business/news/textile-stocks-fail-bring-cheer-1705696

More than 40 percent listed textile mills' profits declined in the second half of 2018 thanks to the slide in prices of garment items and stockpiling of yarn for invasion of cheaper alternatives from India and China.

Of the total 53 listed textile, spinning and garment factories on the Dhaka Stock Exchange (DSE), nine companies logged in losses and 12 registered lower profits than a year earlier.

Those who saw their profits rise between the months of July and December last year logged in marginal increases.

Investors on the stock market have long been complaining that the textile, spinning mills and garment companies were not paying handsome dividend using the excuse of lower profits or losses -- although the size of those companies is bigger than in other sectors.

Take the case of Hossain Chisty Shiplu, who bought some textile and spinning companies' stocks expecting high dividends.

“I had thought that the textile, spinning and garment companies would make hefty profit since garment exports are increasing. But I am disappointed,” he added.

Some of the companies though are making good profit thanks to expansion of production capacity, installation of modern machinery, improvement in product quality and product diversification, industry insiders said.

Envoy Textiles is one such company. The company got listed in December 2012 and began paying cash dividend from 2015, when it gave its shareholders 17 percent cash dividend and 5 percent stock dividend.

In 2018 it gave 10 percent cash dividend and 2 percent stock dividend. The previous year, it handed out 7 percent cash dividend and 5 percent stock dividend.

“We have taken so many initiatives from product diversification and investment to recruiting new designers for keeping up with the latest market trends,” said Kutubuddin Ahmed, chairman of Envoy Textiles.

The company has taken a lot of initiatives to reduce the cost of operations like reducing water consumption, energy and wastage. It is the world's first platinum rated LEED certified company for its green operations.

“We have recruited Chinese, Italian and Turkish designers so that we can manufacture different varieties of yarn and denim fabrics,” Ahmed added.

A spinning mills owner whose company failed to make any profit between July and December last year said the yarn price has been on the slide in the last few months due to availability of cheap yarn from China and India.

The widely consumed 30-carded cotton yarn is now selling for $2.90 to $2.95 a kg, down from $3.05 to $3.10 a kg before November last year.

“Besides, the demand for cotton-made yarn is also falling as the demand for man-made fibres is rising worldwide,” the miller said.

In Bangladesh, the majority of the spinning mills produce cotton yarn, he added.

Jahangir Alamin, former president of the Bangladesh Textile Mills Association, the platform of spinning, weaving and dyeing mills owners, echoed the same. “Various problems are afflicting the primary textile sector,” he added.

The exact amount of profits made by a company is not reflected due to faulty audit reports, said the managing director of a spinning mill listed on the DSE upon condition of anonymity to speak candidly on the matter.

Industrial parks the way to go	**Herald.co** https://www.herald.co.zw/industrial-parks-the-way-to-go/

ON February 11, President Mnangagwa and his delegation to the 32nd Ordinary Session of the African Union Assembly headed for Bole Lemi, in Addis Ababa, Ethiopia. At the AU headquarters, the summit of Heads of State and Government was winding up.

The President assigned Foreign Affairs and International Trade Minister Dr Sibusiso Moyo to attend in his stead as we wove our way down the road to Bole Lemi Industrial Park.

The Ethiopia of yesterday is very dead! Crowding Addis Ababa’s skies are cranes, no matter which direction one looks, a sign of serious economic activity underway catalysed by nothing but victory of economics over politics.

Ethiopians have embraced the concept of industrial parks to fast-track industrialisation of an economy long agrarian.

The visit to Bole Lemi by President Mnangagwa and his delegation became a practical case study on how others agrarian are leapfrogging their economies.

The President and his delegation toured Jay Jay Textiles and Ashton Apparel Manufacturing PLC.

As an industrial park, Bole Lemi is a massive complex of textile factories.

The factories house foreign investors from countries including India and the United Arab Emirates (UAE) who have brought in state-of-the-art machinery.

Jay Jay Textiles employs 4 000 Ethiopians. The majority of them are young women. Busy as bees they go about their daily chores as if choreographed. Management at Jay Jay Textiles briefed President Mnangagwa that the firm exports clothes to top American shops. Three critical aspects emerged from the tour — employment creation, foreign currency generation via exports and technology transfer!

This is what Ethiopia is doing and explains why it intends to construct 30 industrial parks across the country by next year.

Active in the construction of the industrial parks are giant Chinese companies. Of note is that the industrial parks that Ethiopia is constructing on a massive scale are specialised and export-driven factories. Specialised in that for example while the Bole Lemi industrial Park focuses on textiles, another industrial park in Kilinto produces medicines and high-tech-medical and pharmaceutical products. Ethiopia's biggest industrial park — Hawassa — employs 10 000 people (the majority of them women) and 60 000 Ethiopians once complete.

Vietnam, Argentina seek ways to cement economic partnerships	**Vietnam Plus** https://en.vietnamplus.vn/vietnam-argentina-seek-ways-to-cement-economic-partnerships/146946.vnp

A Vietnam-Argentina business forum took place in Hanoi on February 21 with a view to promoting cooperation between the countries' enterprises.

The event, held by the Vietnam Chamber of Commerce and Industry (VCCI), was part of the State visit by Argentine President Mauricio Macri. It attracted representatives of more than 300 businesses of the two sides.

Vietnamese Deputy Prime Minister Vu Duc Dam said since their diplomatic ties were set up in 1973, the countries' cooperation has continually been strengthened in almost all fields, especially economy. Bilateral trade approximated 2.9 billion USD in 2018 with Argentina the second biggest destination of Vietnamese goods in Latin America.

They have complementary export structures when Vietnam has strengths in footwear and textile-garment while Argentina's strong products include plant oil, animal fat, and animal feed.

Vietnam has been an important partner of Argentina in Southeast Asia, and it is making efforts to become the most important partner of the Latin America nation, he stressed.

The Deputy PM noted Argentina's investment in Vietnam remains modest with only four projects, adding that the Vietnamese Government highly values these pioneer investors and hopes for more investment projects from the country.

Vietnam pledges to create favourable conditions for foreign investors, including those from Argentina, to do longterm business, Dam said.

Highlighting Vietnam's economic development, he said the country is located in a dynamic region and has stable politics and society, young and abundant human resources, and a market of nearly 100 million people. It is also a gateway to the 650 million-strong Association of Southeast Asian Nations (ASEAN).

The economy has sustained fast growth for many years, reaching 7.08 percent in 2018. Its total trade revenue topped 482 billion USD last year. At present, 130 countries and territories are investing over 340 billion USD in over 27,000 projects in Vietnam. Each year, the country welcomes over 15 million foreign tourists, while nearly 8 million Vietnamese visit foreign destinations.

Dam expressed his belief that with the two governments' attention and the two business circles' dynamism, bilateral economic links will develop strongly, thus contributing to the countries' sustainable relations.

The official also asked the Government and businesses of Argentina to provide optimal conditions for Vietnamese firms to invest in their country.

At the forum, President Macri said Argentine businesses want to partner with Vietnamese firms to share common interests. Like Vietnam, Argentina has been integrating extensively into the world. In a short period of time, it has won the recognition of the international community as seen in its election as President of the G20.

He emphasised that Vietnam is an increasingly important partner of Argentina, congratulating it on the substantial achievements in the change of the economic model and the international integration.

Argentina not only wants to export agricultural products to Vietnam but is also looking for ways to cooperate in agricultural technology development, telecommunications, use of atomic energy for peaceful purposes, and football development, the leader added.

At the forum, representatives of the countries' ministries, agencies and businesses discussed the advantages and potential of the two economies, along with measures to boost business-to-business connections.

On this occasion, the VCCI inked a cooperation document with the Argentine Chamber of Commerce and Services.

Canada moves one step closer to supply chain legislation	**Trust.org** http://news.trust.org//item/20190221150531-ztivd/

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Even if a bill is not immediately passed, Canada is signaling its determination to enhance efforts to combat modern slavery and forced labour across the federal government

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Canada could become the next major economy to enact supply chain legislation. Currently, the country lacks a comprehensive policy response to modern slavery and forced labour, a point emphasized in an October 2018 report by the Canadian Parliament's House Standing Committee on Foreign Affairs and International Development entitled, "A Call to Action: Ending the Use of all Forms of Child Labour in Supply Chains".

Just months before that report was issued, the 2018 Global Slavery Index ranked Canada sixth globally for the value of imported goods at-risk of being produced by slave or forced labour.

The government response to the Standing Committee report, issued in a February 8 letter from International Development Minister Marie-Claude Bibeau, indicates Canada is seeking to change that. In her letter, Minister Bibeau announced the government is planning consultations to discuss enacting supply chain legislation aimed at combatting modern slavery and forced labour.

Changes to Canada's procurement regime and import regulations aimed at stopping goods tied to modern slavery and forced labour from entering the country were also announced.

On the procurement side, a new apparel initiative requires apparel and textile suppliers to certify that they and their first-tier subcontractors respect eight fundamental human rights. Prohibitions on forced and child labour are included in these rights.

Other rights included in the "Ethical procurement certification" include: the right to free association, decent work hours (a maximum of 48 hours per week and 12 hours overtime), freedom from abuse and harassment, freedom from discrimination, occupational safety and health protections, and the right to receive fair wages.

Contracts are closed to suppliers who cannot certify respect for these basic rights.

Canada also agreed to prohibit the importation of goods produced through forced labour into the country, a prohibition already included in the yet-to-be enacted Canada-US-Mexico trade agreement. That import ban is not restricted to first-tier subcontractors, meaning businesses and importers must ensure this prohibition is respected throughout supply chains.

The move towards supply chain legislation comes as a surprise. There has been no suggestion this was on the government's legislative agenda. A private member's bill Modern Slavery Act introduced in December has not received government support. Until Minister Bibeau's letter, all indications were that the government was preoccupied with launching its new Canadian Ombudsperson for Responsible Enterprise (CORE), an office announced over a year ago but still not operational. The CORE is meant to investigate allegations of human rights abuses by Canadian companies abroad.

Still, the government's willingness to engage in consultations should be welcomed. Its statement that Canada is "studying the effectiveness of initiatives in other international jurisdictions" suggests a future Canadian bill could overcome shortcomings in other laws. Challenges relating to scope of coverage and enforceability in the UK and Australian Modern Slavery Acts provide examples of challenges an effective Canadian Modern Slavery Act could address.

The UK Modern Slavery Act does not currently apply to the public sector or contain penalties for non-compliance. The UK Independent Review of the Modern Slavery Act recommended the government change this. The review also recommended the government clarify the scope of a company's reporting requirement applies to its entire supply chain. Australia's Modern Slavery Act does apply to the Commonwealth, however, as with the UK law, it lacks enforcement provisions.

How Canada chooses to address these shortcomings will determine the effectiveness of any Canadian Modern Slavery Act. The private member's bill introduced in December, Bill C-423, does not explicitly extend coverage to the public sector. It does, however, clarify that a company's supply chain can include entities a company controls directly or indirectly. The bill also includes CAD $250,000 fines for failing to comply with the requirement to file reports or filing false or misleading reports.

Moving from consultations over a bill to passing one will be complicated by the fact that Canada's next federal election is in October 2019. Still, even if a bill is not immediately passed, Canada is signaling its determination to enhance efforts to combat modern slavery and forced labour across the federal government. This is a positive step forward.