



## The Southern India Mills' Association

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### NEWS CLIPPINGS –31-01-2019

**Cotton prices soften further on poor demand**

**Business Line**

<https://www.thehindubusinessline.com/todays-paper/tp-agri-biz-and-commodity/article26134703.ece>

Cotton prices have softened further, despite a lower crop, on weak demand from both yarn mills and overseas markets. Cotton prices are now hovering around Rs. 42,500-44,000 levels per candy (356 kg each), a decline of about a tenth over the comparative prices in October. At the beginning of the cotton harvest season in October, cotton prices were around Rs. 47,000.

Trade sources said the poor offtake by mills, which are saddled with yarn stocks, amidst rising arrivals and sluggish exports has resulted in a softening trend. Also, multinationals have stayed away from purchases on lack of export parity as the prices in the domestic market are higher than in the global market.

The trade is keenly awaiting the outcome of the ongoing talks between the US and China, two large markets. The outcome of the US-China trade talks could set the direction for cotton prices in the days ahead.

“Uncertainty still looms over the trade truce between the US and China. This is causing a range-bound movement for cotton. Indian cotton prices have now bottomed out as there is no room for further correction. Ginnery are already facing costly inputs due to the increased minimum support price (MSP),” said Atul Ganatra, President, Cotton Association of India (CAI), the apex trade body.

**Reduction in crop size**

The Centre had increased the MSP to Rs. 5,450 per quintal for raw cotton or kapas. Erratic rainfall and pest attacks have shrunk the crop size this year. The trade has estimated a cotton crop of 335 lakh bales, about 8 per cent lower than last year's 365 lakh bales and the lowest since 2011-12, when it was pegged at 373.25 lakh bales.

So far, farmers across the country have sold about 160 lakh bales from the current crop. There's still an equal quantity of cotton that farmers will be bringing into the markets over the next couple of months. This is even as ginnery are finding it hard to sell the processed cotton. “It is a peculiar situation. While the buyers are slow in terms of their purchases, ginnery have turned choosy on whom to sell to in order to avoid payment issues. Finding the right buyer has become a challenge for them. As a result, the stocks with ginnery are going up,” said Ramanuj Das Boob, a sourcing agent in Raichur, Karnataka.

However, with arrivals gaining momentum in the market, market prices have declined below MSP at several markets, mainly in Telangana and parts of Maharashtra.

## CCI procurement

The Cotton Corporation of India (CCI) has already been making purchases at MSP. According to sources, so far about 6 lakh bales of cotton have been procured with about 80 per cent from Telangana alone and the rest from Maharashtra, Odisha, Karnataka and Gujarat. Sources estimate that CCI procurement may gain momentum in the coming weeks till February end. Last year, CCI had purchased about 3.5 lakh bales at MSP.

Exports have been slow on lack of price parity. “But so far we have been able to ship about 23 lakh bales (each of 170 kg) till the end of January, which is still a good quantity and with a weak rupee, we are seeing parity returning for exports,” said CAI’s Ganatra.

“There is no demand at present. Since Diwali there has been slackness in the consuming sectors such as yarn makers.

Considering US-China trade situations, and the uncertainty on the truce, we don't see any long-term bullish trend. On the other hand, in the event of lower crop projections, there are less chances of a further downside in prices,” said Ahmedabad-based cotton expert Arun Dalal.

Exporters however, believe that a spurt in prices is likely in the event of a US-China trade truce. “We are seeing favourable rupee conditions for the past few days and exports are taking place in the neighbouring countries.

Export contracts are being offered at around 74-75 cents per pound. International cotton prices may firm up from here if China agrees to buy US cotton. This will fuel prices in the domestic market, too,” said a leading cotton exporter from Ahmedabad.

Cotton futures on the Intercontinental Exchange (ICE) will have a direct impact on Indian prices. ICE cotton futures traded at 74.13 cents on Wednesday. Any spurt in ICE will make a favourable case for Indian cotton exports.

### Cotton and Currency Markets

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<b>A. Cotton</b>		
<b>Spot price (Ex-Gin) 28.5 to29 mm</b>		
Rs/Bale	Rs/Candy	USD Cent/lb
20383	42600 (Unchanged)	76.38
<b>Domestic Futures price (Ex-Warehouse Rajkot) January</b>		
Rs/Bale	Rs/Candy	USD Cent/lb
20990	43869(+63)	78.66
<b>International Futures</b>		
NY ICE USD Cents/lb. ( March 2019)		74.36
ZCE Cotton: Yuan/MT (May 2019)		15300
ZCE Cotton: USD Cents/lb.		103.33
Basis difference (ICE March -Domestic Spot)		2.02
Cotlook A Index - Physical		83.55

WTI Crude USD / Barrel		54.23
<b>B. Currency</b>		
USD/INR	Close	Previous Close
Spot	71.06	71.13
USD Dollar Index	95.40	

## Cotton Guide

Trade talks enter the second day today. Talks between senior officials from the two sides were led by U.S. Trade Representative Robert Lighthizer and Chinese Vice Premier Liu He, at the White House complex in Washington. The dialogues will resume today, when President Donald Trump is expected to meet Liu. But uncertainty still prevails. The conclusions that would emanate can be in either direction - a trade settlement or non-settlement. Whereas a third option of extending the current truce for a period of another 3 months is still on the cards.

The ICE contract settled at 74.36 cents/lb with a positive figure of +21 points. The ICE May contract and the ICE July contract settled at 75.74 cents/lb and 77.02 cents/lb with positive figures of +26 points and +25 points.

On the domestic front, the MCX contracts also moved a bit higher where the MCX February contract settled with a positive figure of +30 at Rs 20,990 per bale. The MCX March contract settled with a positive figure of +60 whereas the MCX April contract settled with a positive figure of +70. These contracts closed at 21560 Rs/bale and 23000 Rs/bale respectively.

Arrivals in India are estimated to be 180,500 lint equivalent bales (source cotlook) which is a one month high. This figure includes 54,000 from Maharashtra, 48000 from Gujarat, and 31500 from Andhra Pradesh. Cotlook Index A has been adjusted to 83.55 which is a gain of +0.20. Shankar 6 prices are steady at 42,600 Rs/Candy.

Today cotton is holding up above 74 cents/lb. If it is able to surpass 75 then we should see it moving higher supported by weak USD. The Indian Cotton seems to be poised for a gradual rally.

The Foreign Agricultural Services (FAS) of USDA in an announcement yesterday brought to light that they will be releasing US Export sales report today i.e. 31st January 2019. This report will bear the data for the week ending December 20, 2018. On 7th February 2019, US export sales will be released for the week ended December 27, 2018 and on 14th February 2019, data will be released for the week ending 3rd January 2019.

The commitments of Traders, reports will be released every Tuesday and Friday until the reports cover all the backlogs. Similarly, the Cotton-On-Call reports will be released every Monday and Thursday until the reports cover all the backlogs. On the other side of the news, there is information about a large long only spec fund rolling its positions from ICE March to ICE May contract.

On the Technical Front, ICE March cotton futures is trading in the range of 73-74.60 cents/lb. For now price is moving in an upwards sloping channel, failure to hold the channel could witness sharp decline in prices. However RSI in the daily charts are at 49 implying sideways movement for the day. Only a sustained move above range could bring further buying in cotton futures towards higher levels of 75.35, followed by 76.20. On the downside immediate support exists around 73.00-72.80 zones, only decline below price could slip towards 72.28 and 71.90 levels. In the

domestic markets trading range for Feb futures contract will be 20800-21200 Rs/Bale.

FED Rates unchanged : The Fed kept the interest rates unchanged as the committee focused on the Fed Fund rates and the balance sheet. In essence the Fed said that they were in a wait and see mode, but the risks are no longer tilted in favour of additional rate hikes. The Fed appears to have capitulated to the markets, and will make decisions as they go along. No longer will the balance sheet be on autopilot. The Fed said that they had ample reserves on their balance sheet which means that they could be done with running it off. The Fed also said that they would be patient and would be diligent about the runoff in their balance sheet. Yields tumbled with the news, which could buoy commodity prices.

#### Currency Guide

Indian rupee may witness mixed trade against the US dollar but general bias remains weak. Supporting rupee is general weakness in US dollar post FOMC decision. Fed comments were seen as dovish as it took a patient stance on interest rate hikes and flexible approach to balance sheet reduction plan. Also supporting rupee is gains in global equity market post Fed announcement. However, weighing on rupee is rebound in crude oil price. Brent crude trades above \$62 per barrel supported by smaller than expected rise in US crude oil stocks and supply concerns relating to Venezuela. Also weighing on rupee are concerns about impact of announcement at the Budget on fiscal balance. Indian government is expected to announce sops for farmers which could put dent to fiscal balance however market players are awaiting clarity on extent of measures. Rupee may witness choppy trade but general bias may be on the weaker side given higher crude oil price and uncertainty ahead of Budget. USDINR may trade in a range of 70.7-71.3 and bias may be on the upside.

#### E-way bill data to flow into sales returns

#### The Hindu

<https://www.thehindu.com/todays-paper/tp-business/e-way-bill-data-to-flow-into-sales-returns/article26133871.ece>

Businesses supplying goods worth more than Rs. 50,000 will have option to include details of e-way bills generated while filing the final monthly sales return under GSTR-1, a move aimed at curbing tax evasion.

Matching of invoices of e-way bills with the sales shown in GSTR-1 will help taxmen in assessing whether the supplies have been accurately shown in sales return and GST paid on the same, tax experts said.

“GSTN has provided a facility to taxpayers, where month’s e-way bill data is shown in format, which is required by a taxpayer to fill up the form GSTR-1,” GST Network (GSTN) said.

<b>New system of filing returns under GST</b>	<p style="text-align: center;"><b>The Hindu</b></p> <p style="text-align: center;"><a href="https://www.thehindu.com/todays-paper/tp-national/tp-telangana/new-system-of-filing-returns-under-gst-operational-in-state/article26134425.ece">https://www.thehindu.com/todays-paper/tp-national/tp-telangana/new-system-of-filing-returns-under-gst-operational-in-state/article26134425.ece</a></p>
<p>Ordinance issued to amend SGST Act</p> <p>The State government has decided to amend the State Goods and Services Tax Act to provide new system of filing returns and availing input tax credit under the GST.</p> <p>It has been decided to provide option to tax payers to obtain multiple registrations for multiple places of business located within the same State. Separate registration would be provided for units in the special economic zones or developers.</p> <p>Following the relaxations mooted by the GST Council during its recent meeting, the State government promulgated an Ordinance The Telangana Goods and Services Tax (Amendment) Ordinance 2019 on Wednesday. The Ordinance paves the way to insert provision for temporary suspension of registration while cancellation of the registration is under progress. It will allow enhancement of the limit of composition levy from Rs. 1 crore to Rs. 1.5 crore. In addition, composition tax payers would be allowed to supply services (other than restaurant services) for value exceeding 10 % of the turnover in preceding financial year or Rs. 5 lakh whichever is higher.</p> <p>In respect of the reverse charge, the government would be empowered to notify classes of registered persons to pay the tax on reverse charge basis in respect of receipt of supplies of certain specified categories of goods or services or both from unregistered suppliers. The Ordinance also paves the way to increase the period of detention or seizure of goods and conveyance in transit from seven days to fourteen days. Further, it caps the pre-deposit amount payable for filing of appeal at Rs. 25 crore.</p>	

<b>Textile package suffers delivery failure due to demonetisation, GST</b>	<p style="text-align: center;"><b>Business Standard</b></p> <p style="text-align: center;"><a href="https://www.business-standard.com/subscription-cart/product?utm_source=BottomBandC&amp;utm_medium=Subscribe_Blue&amp;utm_campaign=BottomBand_22-11-2018#bluelayerclose">https://www.business-standard.com/subscription-cart/product?utm_source=BottomBandC&amp;utm_medium=Subscribe_Blue&amp;utm_campaign=BottomBand_22-11-2018#bluelayerclose</a></p>
<p>More than two and half years into the government's three-year deadline to create 10 million new jobs in the textile sector have passed but manufacturers are yet to ramp up hiring. An imaginatively designed Rs 6,000-crore mega-package for the textile industry was announced in June 2016, aimed to boost exports by \$30 billion, and attract investments worth Rs 74,000 crore over the next three years until 2019.</p> <p>At the same time, Finance Minister Arun Jaitley had said the package would lead to a flat addition of 10 million jobs across the sector. So how many jobs have ...</p>	

**GSTN develops system to fetch e-way bill data into monthly sales returns to curb evasion**

**Money Control**

<https://www.moneycontrol.com/news/business/economy/textiles-sector-to-benefit-from-robust-demand-weak-rupee-3458571.html>

India Ratings has maintained a stable outlook for the textile sector for 2019-20 following strong domestic demand, waning impact of the disruptions due to GST and demonetisation and rising exports aided by a weak rupee.

India's textiles sector may see higher growth following robust domestic demand and depreciating rupee value, a report said.

India Ratings has maintained a stable outlook for the textile sector for 2019-20 following strong domestic demand, waning impact of the disruptions due to GST and demonetisation and rising exports aided by a weak rupee.

The textile companies are likely to improve cash-flow from operations for FY20, as their working capital would stabilise as challenges related to demonetisation and the GST subsidy, Ind-Ra report said.

The sector is also likely to continue deleveraging gradually in FY20 in view of strong annual growth generation and some moderation in the debt level.

The liquidity of the majority of players in the sector is likely to remain adequate, alongwith an improvement in operational cash generation, backed by steady raw material costs and strong demand from end-user segments, it added.

Ind-Ra expects the domestic and global stock-to-use ratios to remain under pressure during cotton year 2018-19.

The agency said global cotton production is likely to decline in cotton year 2018-19 owing to a low acreage and adverse weather conditions in key cotton-growing nations.

Domestic cotton price moderated to an average rate of Rs 128 per kg during the third quarter of FY19 from the average level of Rs 134 per kg during the second quarter of the current year.

While expectations of a high acreage during cotton year 2019-20 narrowing global production gap could keep prices range-bound.

China's cotton production continues to be much lower than its consumption. Its cotton deficit was increasingly met through imports over the last three years.

With its cotton reserves declining, the sensitivity of global cotton prices to China's cotton policies have increased in the past few quarters. Any decision by China to further increase imports could lead to a rise in global cotton prices.

Meanwhile, the India's textile exporters are likely to continue to benefit from improved cost competitiveness due to a weak rupee, which would drive volume growth.

Over the first nine-month of FY19, the Indian rupee depreciated at a higher rate against the US dollar than the currencies of key apparel-exporting countries like Vietnam and Bangladesh.

India's apparel exports also showed signs of recovery in the third quarter of FY19 and are likely to rise in FY20 after remaining weak for three years, the report said..

**GSTN develops system to fetch e-way bill data into monthly sales returns to curb evasion**

**Economic Times**

<https://auto.economictimes.indiatimes.com/news/industry/gstn-develops-system-to-fetch-e-way-bill-data-into-monthly-sales-returns-to-curb-evasion/67757385>

Matching of invoices of e-way bills with the sales shown in GSTR-1 will help taxmen in assessing whether the supplies have been accurately shown in sales return and GST paid on the same, tax experts said.

NEW DELHI: Now, businesses supplying goods worth more than Rs 50,000 will have option to include details of e-way bills generated while filing the final monthly sales return under GSTR-1, a move aimed at curbing tax evasion by reporting different sets of supplies data.

Matching of invoices of e-way bills with the sales shown in GSTR-1 will help taxmen in assessing whether the supplies have been accurately shown in sales return and GST paid on the same, tax experts said.

"To avoid double data entry, GSTN has provided a facility to taxpayers, where month's e-way bill data is shown in format, which is required by a taxpayer to fill up the Form GSTR-1. The taxpayer can import data in his GSTR-1 form or import the same and use it with GSTR-1 offline tool to create his GSTR-1 Return Form," GST Network said.

Touted as an anti-evasion measure, e-way bill system was rolled out on April 1, 2018, for moving goods worth over Rs 50,000 from one state to another. The same for intra or within the state movement was rolled out in a phased manner from April 15, 2018.

Following this, it has come to investigative officers' notice that some transporters are doing multiple trips by generating only a single e-way bill or not reflecting e-way bill invoices while filing GSTR-1. It has also come to the notice that certain e-way bill is not being generated even as supplies are being made.

While generating e-way bill, details of supplier, receiver and other invoice details like number, date, goods, quantity, HSN code etc are provided by the taxpayer on e-way Bill Portal. This data is now transferred to GST portal, GSTN, which has developed the technology backbone for Goods and Services Tax (GST), said.

"With this facility, taxpayer will not be required to enter data in his Form GSTR-1 for all invoices for which he has generated e-way bill. This will avoid double data entry by taxpayers. This facility will help taxpayer to fill up their Form GSTR-1 in less time. This will also avoid any data entry mistakes made while filling details," GSTN Chief Executive Prakash Kumar said.

GSTN said it has divided the taxpayers into three categories to download /import the data into GSTR-1. In last 18

months, around 90 per cent of taxpayers have reported up to 50 B2B and B2C large invoices in a month.

"Since these invoices can be easily seen on the screen, facility to import the data directly into GSTR-1 has been provided for such taxpayers. These taxpayers can edit the details imported in GSTR-1, if required, and then file their Form GSTR 1 online after adding other details like B2C supplies," GSTN said.

For those having more than 50 invoices but up to 500, have been provided facility to download the data in a prescribed 'csv' file format, which can then be imported into GSTR 1 offline tool.

In case the number of invoices is more than 500, the invoice details can be imported from return Dashboard on GST portal as a 'zip' file. Tax payer can add more invoices (like those below Rs 50,000 in value) and upload in offline tool to prepare his/her return.

Linking of e-way bill data with GSTR-1 would help taxmen keep a tab on whether the supplies shown in e-way bill matches the sales shown in the returns form and thereby check evasion.

AMRG & Associates Partner Rajat Mohan said: "This facility would add to the immediate convenience of taxpayers, however, it would also prove to be a swift method of checking tax collections and any probable evasion.

"Once the system is stabilized, GSTN would have automated and regular reports of e-way bills transaction, which were not captured while filing outward supplies in GSTR-1".

**DIPP rechristened to include internal trade**

**The Hindu**

<https://www.thehindu.com/business/dipp-rechristened-to-include-internal-trade/article26131788.ece>

Gets four new sets of responsibilities

The government has notified changing the name of the Department of Industrial Policy & Promotion (DIPP) to the Department for Promotion of Industry and Internal Trade, and has enhanced its role.

The notification has also included four new categories of responsibilities the renamed body will be in charge of, including the promotion of internal trade (including retail trade), the welfare of traders and their employees, matters relating to facilitating Ease of Doing Business, and matters relating to start-ups.

These are in addition to the previous responsibilities of the erstwhile DIPP relating to general industrial policy, administration of the Industries (Development and Regulation) Act, 1951, industrial management, productivity in industry, and matters related to e-commerce.

The inclusion of the promotion of internal trade in the name and responsibilities of the body has been welcomed by the traders' body Confederation of All India Traders.

"Long standing demand of CAIT [has been] accepted by the Government and retail trade is now under DIPP Ministry of Commerce," CAIT said in a statement. "CAIT was making demand of Ministry of Internal Trade since last 10 years.

With creation of the Department for Internal Trade, the way is paved for creation of a Ministry. Traders across country are pleased with the move. It's a step which will bring retail trade in mainstream of the economy."

## India's Economy shows signs of slowing in December

## Business Line

<https://www.thehindubusinessline.com/economy/indias-economy-shows-signs-of-slowing-in-december/article26125941.ece>

India's economic activity showed signs of slowing in December, belying hopes of a quick turnaround suggested by the previous months data.

A gauge measuring overall activity, or animal spirits, moved two notches lower in December from a month ago, underpinning a view that India's growth has slowed and it might need a dose of fiscal and monetary stimulus to boost demand. The indicator, compiled by Bloomberg, reflects a pullback in new orders and business activity, as well as easing inflationary pressures.

While overall demand remained subdued, expectations of a financial package for farmers in the governments interim budget is stoking hopes for a revival in rural consumption. Here's a breakdown of the dashboard:

### Business Activity

Growth in both services and manufacturing slowed in December, with the Nikkei India Composite PMI Output Index falling to 53.6 from a 25-month high of 54.5 the previous month. While manufacturing firms saw a slower expansion in jobs creation, the dominant services sector saw companies hire extra staff, all of which supported business sentiment at a three-month high.

Still, input-cost pressures eased, suggesting selling prices for firms slowed. That's likely to make it easier for the inflation-targeting Reserve Bank of India to cut interest rates in the coming months. Investors are hoping that the six-member monetary policy committee led by new Governor Shaktikanta Das will junk its hawkish bias for a more neutral stance when it meets next week.

### Exports

Exports in December barely grew from a year earlier, while performing only slightly better than in November as a global slowdown kept the lid on demand. A double-digit contraction in exports of gems and jewellery and a 3.1 percent drop in machinery and engineering goods weighed down non-oil shipments, according to Madhavi Arora, an economist at Edelweiss Securities Pvt.

The gap between exports and imports was at \$13 billion in December, compared with \$16.7 billion the previous month, as a drop in crude oil prices narrowed the import bill. A smaller trade deficit is likely to prove less of a drag on overall gross domestic product growth in the fourth quarter.

### Consumer Activity

Data from the Society of Indian Automobile Manufacturers showed that firms clocked their lowest monthly sales so

far in the financial year through March 2019, according to Sridhar V, a partner at Grant Thornton India LLP.

Little bit of easing of funding and favourable fuel price levels can improve sentiment in the fourth quarter, he said.

The Citi India Financial Conditions Index, a liquidity indicator, shows a sharp drop in December, hitting consumption. But signs emerged this month that the tight financial conditions are easing. The index includes gauges such as short-term money market rates, government bond yields and credit default spreads.

Demand for bank loans held steady -- up 15.1 percent in December from a year earlier, and broadly unchanged from the equivalent rise seen in November.

#### Industrial Activity

Growth in infrastructure industries -- which contribute 40 percent to factory output -- slowed considerably in November to the lowest reading in 16 months. It was dragged down by a slump in production of crude oil and fertilizers.

Overall, growth in the index for industrial production also slid, expanding at 0.5 percent in November from a year ago. That's the lowest reading in 17 months. Data for both indicators are reported with a months lag.

**Government would do nothing to harm interests of local people' – Sarbananda Sonowal**

**The Sentinelassam.com**

<https://www.sentinelassam.com/news/government-would-do-nothing-to-harm-interests-of-local-people-sarbananda-sonowal/>

Biswanath Chariali: Chief Minister Sarbananda Sonowal laid the foundation stone of Assam's fourth and the largest 'Eri Spun Silk Mill' at Borgang in Biswanath district on Tuesday. This mill to be set up with financial outlay of Rs. 21 crore under North East Region Textile Promotion Scheme of Ministry of Textiles, Government of India sets the target to produce 33 MT high-quality eri yarn and 22 MT noil yarn per year opening direct employment opportunity for 107 unemployed and benefitting 4 to 5 thousand eri and muga rearers.

Speaking on the occasion, Chief Minister Sonowal underlined the importance of rural economy for accelerating growth of a State and said this new project would give a major boost to development in Assam. He appreciated the role played by eri and muga rearers for giving a distinct identity to the state in the field of Handloom, Textile and Sericulture sectors and observed that this initiative would go a long way in rejuvenating the beleaguered Handloom and Textile sector.

Sonowal in his speech also highlighted the State government's various welfare measures for giving a dignified life to the citizens saying that the State government is fully committed to the cause of the people and would do nothing to hard the interest of the state.

Stating that the high-level committee constituted for implementation of the sixth schedule of Assam Accord is a golden opportunity for the State that ensures constitutional safeguard to the people of Assam, he made a fervent call to AASU to take lead in its fruitful execution. Sonowal also came down heavily against Congress and the Left front for spreading misinformation about the Citizenship Amendment Bill and thereby creating confusion among people. He

categorically said that the bill was drafted keeping in mind the national policy of the Union Government and it would no way affect the interest of the indigenous people of Assam. The misinformation spread by certain vested interest sections that 1.90 core Bangladeshi migrants would get a settlement in Assam after the passage of the bill by the Rajya Sabha is a blatant lie. He moreover urged the people to remain alert against such misinformation campaign and thwart the ulterior designs of evil forces.

Further saying that the State government is working with a commitment to uphold the interests of the local people, he said that in a bid to establish the indigenous people's right over land the State government has already allotted land patta to 11,500 local landless families and another 1 lakh families would be provided pattas within February this year. He also informed that process has also been initiated to provide land pattas to small tea growers in the state.

Minister for Handloom & Textiles and Sericulture Ranjit Dutta speaking on the occasion expressed the view that the proposed Eri Spun Silk Mill would be a harbinger of growth in rural economy of the state. He informed that for implementation of this 21 crore project government of India has already released Rs.1.80 crore in first phase.

The Handloom and Textiles minister highlighting the rich potential of Eri and Muga sector in Assam said that while the entire North East produces 60% of the country's eri yarn and Assam alone 80% of muga yarn, the industry remained neglected during the time of previous Congress governments. Asserting the State government's commitment to revive this sector, he informed that Rs. 465 crore Assam Silk Outreach Mission has been taken up and steps like plantation at Muga farm, construction of boundary wall of the farms and financial assistance to eri rearers have been taken up. He also informed that due to state government's committed efforts Assam recorded 6661 MT Eri production during 2017-18 in Assam.

### Govt to seek Centre's support for MSP hike'

The Hindu.com

<https://www.thehindu.com/news/cities/Delhi/govt-to-seek-centres-support-for-msp-hike/article26132988.ece>

Delhi to be a 'role model': Gopal Rai The Delhi government will seek the Centre's support for its proposal to implement the Swaminathan Commission's report by giving a higher minimum support price (MSP) for wheat and paddy crop to farmers, Development Minister Gopal Rai said on Wednesday.

#### Input costs

On Tuesday, Mr. Rai had announced the government's proposed hike in MSP for wheat and paddy crop that takes into account increase in inputs costs. Addressing reporters at his residence on Wednesday, Mr. Rai said the government will approach the Union Agriculture Minister this week in order to make sure the AAP government's plan goes through. He added that Delhi will be a "role model" for other States, becoming the first to implement the Swaminathan Commission's report.

Mr. Rai added that farmers from Delhi as well as Haryana and western Uttar Pradesh had met him on Wednesday to discuss their issues. He said he will take up the farmers' issues as well as demand that the higher MSP proposed by Delhi government is implemented all over the country.

**Indian Banks To Launch Blockchain Funding for SMEs**

**Crypto.com**

<https://www.crypto-news.in/news/indian-banks-launch-blockchain-funding-smes/>

A group of 11 Indian banks will come together to launch the country's first blockchain linked funding for small and medium enterprises (SME) to bring about change in the existing lending practices.

The banks reportedly include, ICICI, Axis, HDFC, Yes Bank, among others, as per a report published by news portal, Money Control. Other banks that will function as outside members will include, State Bank of India, South Indian Bank, Bank of Baroda, to name a few.

Abhijeet Singh, Head of Business Technology at ICICI Bank, told the portal, "The idea of having such an organisation is to remove any communication hurdle among the different banks. A blockchain network can only thrive if the entire ecosystem is working in synergy through a single network." The discussion is being mediated by a consortium known as Blockchain Infrastructure Company (BIC) between the participating banks.

Singh also explained that having a ledger-network would ensure transparency in the credit disbursement process, 'especially in the underbanked section.'

This is not the first time, that banks in India have discussed the possibility of integrating blockchain and finance. As earlier reported by Crypto-News India, State Bank of India in association with over 30 banks was planning to develop a blockchain based exchange that will assist the public lender in data-driven price discovery, last year.

At the time, Sudin Baraokar, Head Innovation, at State Bank of India (SBI) had said, "The project will go live in the next 3-4 months. Although I cannot mention the names of the banks involved, it is basically a part of the Bankchain Alliance. The project is an extension of the blockchain-enabled project Bankchain."

Apart from that, individual banks have also attempted to partner with their international counterparts in order to facilitate blockchain technology. Last year, Indian bank ICICI announced that they had successfully carried out its debut banking transaction on blockchain in partnership with Emirates NBD.

**India's rich textile heritage our biggest strength: Gen Next designers**

**Business Standard**

[https://www.business-standard.com/article/pti-stories/india-s-rich-textile-heritage-our-biggest-strength-gen-next-designers-119013000895\\_1.html](https://www.business-standard.com/article/pti-stories/india-s-rich-textile-heritage-our-biggest-strength-gen-next-designers-119013000895_1.html)

Indian fashion scene has come a long way from being avant-garde to focusing on country's vast textile heritage, which served as the inspiration for four young designers at Lakme Fashion Week Summer/Resort 2019.

The designers -- Madhumita Kath, Amrapali Singh, Sunaina Khera and Ujjwala Bhadu -- who were a part of Gen Next show on Wednesday and presented their collection at the fashion gala for the first time, believe India's cultural diversity unites them through fashion.

"Every part of our country is rich in textile and crafts. We have so much to soak in and create. Another plus is that there is no dearth of skill... We can and we are creating more refined products. We have been exposed to such

diverse cultural mix that fashion is one space where every influence comes together," Madhumita told PTI.

For her label, Ek Katha', Madhumita created a collection called Bliss" where she used a combination of textures that were created with herringbone and diamond weaves.

Ujjwala, whose collection was a fusion of cultures and crafts with Indian textiles acting as the base, draws her inspiration from the colourful vibe of the country.

"Our craftsmanship and use of textiles and colours is magical. We have rich source of inspiration in our hands and can never fall short of ideas courtesy our heritage," she said.

Amrapali's label Birdwalk's debut LFW range "Queen of Hearts was all about simple, comfort and playful appeal inspired by the pack of cards.

"Our immeasurably rich and diverse cultural heritage, particularly in the area of textile manufacturing and design is like a superpower. The extraordinary craftsmanship passed down to generations is easily accessible.

"It'll be a shame if we don't uphold this amazing heritage and these skills continue to wane with each passing generation," she said.

Sunaina said people love fashion in India and want to experiment with their style.

"Our history, culture, heritage, craft and most importantly our people, who love fashion and are giving us a chance to dress them up, are our biggest strength," she said.

The Gen Next show, presented by INIFD was the first show of the five-day-long fashion extravaganza, which concludes on February 3.

### Japan Nikkei falls ahead of US-China talks, Fed decision

### Business Standard

[https://www.business-standard.com/article/news-cm/japan-nikkei-falls-ahead-of-us-china-talks-fed-decision-119013000904\\_1.html](https://www.business-standard.com/article/news-cm/japan-nikkei-falls-ahead-of-us-china-talks-fed-decision-119013000904_1.html)

Headline equities of the Japan share market closed down on Wednesday, 30 January 2019, as risk sentiments muted on caution ahead of the conclusion of a Federal Reserve policy meeting and U. S.-China talks with high level negotiations set to begin later stateside. Total 29 sub-indexes of TOPIX fell into red terrain, with shares in Securities & Commodities Futures, Electric Power & Gas, Other Financial Business, Textiles & Apparels, and Warehousing & Harbor Transportation Services issues being notable losers. At closing bell, the 225-issue Nikkei index fell 108.10 points, or 0.52%, at 20,556.54. The broader Topix index of all First Section issues on the Tokyo Stock Exchange dropped 6.33 points, or 0.41%, to 1,550.76.

Tokyo market came under pressure of position-squaring selling by investors who were waiting to see the outcomes of the U. S. Federal Reserve's policy-setting meeting ending later in the day and the ministerial-level trade talks between the United States and China in Washington through Thursday.

All eyes are on a Federal Open Market Committee meeting ending Wednesday. Although the Fed is expected to leave

its short-term interest rate unchanged, the nuances of a press conference by Chairman Jerome Powell will be closely watched. Ahead of the start of the two-day FOMC meeting, speculation grew that Fed policymakers would discuss slowing or ending the U. S. central bank's move to shrink its balance sheet.

Top US and Chinese trade officials return to the bargaining table on Wednesday, with extra tension in the atmosphere amid Washington's sweeping prosecution of Chinese telecoms giant Huawei. President Donald Trump will reportedly meet Chinese Vice Premier Liu He in an attempt to move negotiations forward. But the Justice Department's charges against Chinese tech giant Huawei, its subsidiaries and a top company executive may be a hurdle. China has urged U. S. authorities to end what it called an "unreasonable crackdown" against Huawei, which has been accused of stealing technology and violating sanctions on Iran.

The world's two largest economies are battling for nothing less than future dominance in critical high-tech industries, according to US Trade Representative Robert Lighthizer, the lead US negotiator. A little over three years ago, Beijing launched a strategic plan dubbed "Made in China 2025" that aimed to make the nation the global leader in aerospace, robotics, artificial intelligence, new-generation autos and other areas -- sectors US officials say now represent the "crown jewels" of American technology and innovation. US President Donald Trump has repeatedly said he favors a healthy Chinese economy but not at the expense of American business and know-how. In specific, US officials are attacking Chinese trade practices they say are unfair, spotlighting the forced transfer of American technology through requirements that foreign companies form joint ventures with local firms, as well as the alleged theft of American intellectual property through hacking. To pressure Beijing, the White House has slapped tariffs on \$250 billion in Chinese imports. And Trump is poised to more than double US duty rates on \$200 billion in goods from China to 25% on March 2 should the talks fail. Beijing has responded by slapping duties on virtually every product it buys from the United States, or about \$110 billion in exports. Given the complexity of issues, a finished agreement is unlikely to emerge from the two days of talks in Washington this week. But US Treasury Secretary Steven Mnuchin said Tuesday he expected "significant progress," and noted the governments have another month left in the 90-day truce declared in December.

Daiwa Securities Group Inc. tumbled 6.22 percent after the company announced disappointing consolidated earnings for April-December on Tuesday. Akebono Brake Industry Co. plunged 18.22 percent following its announcement Wednesday morning that the major auto parts maker's request for the start of alternative dispute resolution, or ADR, procedures for out-of-court business reconstruction was accepted. Other major losers included clothing retailer Fast Retailing Co. and automaker Suzuki Motor Corp. By contrast, electronic parts makers related to Apple Inc. gained ground as the U. S. technology giant's sales forecast for January-March, released Tuesday, fell within market expectations. Taiyo Yuden Co. jumped 4.23 percent and Murata Manufacturing Co. rose 2.57 percent. Shin-Etsu Chemical Co. gained 2.07 percent thanks to its brisk earnings in April-December.

**ECONOMIC NEWS:** Japan retail sales were up a seasonally adjusted 0.9 percent on month in December, the Ministry of Economy, Trade and Industry said on Wednesday, following the downwardly revised 1.1 percent decline in November (originally -1.0 percent). On a yearly basis, retail sales advanced 1.3 percent - following the 1.4 percent gain in the previous month.

**China unveils draft law to allow fully foreign-owned enterprises**

**Business Line**

<https://www.thehindubusinessline.com/news/world/china-unveils-draft-law-to-allow-fully-foreign-owned-enterprises/article26129186.ece>

The proposed law was expected to end forced technology transfer for foreign investors in China, which is one of the demands of Trump.

China has unveiled a draft foreign investment law, making provision for wholly foreign-owned enterprises with legal cover for overseas investments and technology - a key demand of US President Donald Trump to end the trade war between the world's two largest economies.

The draft foreign investment law will be submitted to the upcoming plenary session of the National People's Congress (NPC), the rubber stamp parliament, scheduled to be opened on March 5.

The decision was made by the NPC Standing Committee on Wednesday at a closing meeting of its two-day session, state-run Xinhua news agency reported.

Once adopted, the unified law will replace three existing laws on Chinese-foreign equity joint ventures, non-equity joint ventures (or contractual joint ventures) and wholly foreign-owned enterprises.

The proposed law was expected to end forced technology transfer for foreign investors in China, which is one of the demands of Trump.

The foreign investment law will be a basic law in that field, and its drafting is an important move in implementing the strategy of further opening-up made by the ruling Communist Party of China, the report said.

The drafting of the foreign investment law is also necessary in help with China's efforts to attract more foreign investment, protect foreign investors' legitimate rights and interests, foster an environment favorable to doing business, as well as provide legal guarantee to opening-up at a higher level, according to the document.

"China will not close its door to the world; but will only become more and more open," said Li Zhanshu, chairman of the NPC Standing Committee.

Plans to bring about a foreign investment law was announced as Chinese Vice Premier Liu He is set to hold two-day talks with his American counterpart Robert Lighthizer on January 30-31 in Washington to work out a crucial deal to end the trade war. Liu is heading a 30-member delegation.

Trump has been pressing China to bring down USD 375 billion trade deficit in the bilateral trade, which he attributes to unfair trade practices by Beijing.

Officials said talks are expected to deliver specific commitments on Trump's demand that China to expand market access for US in China, improve protection of intellectual property rights (IPR) and reduce the trade surplus with the US, but it would take time to reform state-owned firms another major source of friction.

Trump has set March 1 as the deadline for a deal. He has threatened to slap tariffs on all Chinese exports to US if the two sides fail to reach a deal.

Early this month, Elon Musk, the CEO of US electric carmaker Tesla, laid foundation to set up USD seven billion plant in Shanghai, becoming the first to benefit from a new policy allowing foreign carmakers to set up wholly-owned subsidiaries in China.

The new plant, Tesla's first outside the United States, is located in Lingang Area, a high-end manufacturing park in the southeast harbour of Shanghai. It is designed with an annual capacity of 500,000 electric cars.

China has softened its stand by offering a mix of concessions by resuming purchases of US soybeans, suspended punitive tariffs on imports of US cars and toned down its 'Made in China 2025' plan, which aimed at breaking the country's reliance on foreign technology and pull its hi-tech industries up to Western levels.

**Pakistan certifies first organic cotton bale**

**Dawn.com**

<https://www.dawn.com/news/1460916>

RAHIM YAR KHAN: Balochistan on Wednesday marked the certification of Pakistan's first organic cotton bale at a ceremony held at Kot Sabzal.

Balochistan's Minister for Agriculture Engineer Zamrak Khan said the provincial government was committed to promoting organic agriculture throughout the province.

He further said that Balochistan would be developing an organic agriculture policy soon.

WWF-Pakistan Director General Hamad Naqi Khan said, "We have made a major breakthrough in the cotton sector of the country that will benefit stakeholders and the overall economy of Pakistan."

In his remarks, Secretary Agriculture Balochistan Khaleeq Nazar Kiyani appreciated the efforts of WWF-Pakistan and the Agriculture Extension team.

"The certification is a step towards a more sustainable Pakistan. Production of organic cotton will propel the cotton sector into a new direction," he said.

Later, a consultative workshop was conducted in which representatives from ginners, spinners, textiles, brokers and brands participated and presented their concerns regarding development of a tenable supply chain of organic cotton in Pakistan.

WWF-Pakistan's Director Sustainable Agriculture and Food Programme Arif Hamid Makhdum conducted the introductory session.

Going Organic

In 2015, WWF-Pakistan secured financial support from the C&A Foundation, and in collaboration with Balochistan's

Directorate of Agriculture Extension started work on a project titled 'Organic Cotton Cultivation Promotion with Small and Marginal Tribal Farmers in Pakistan'.

The project is helping improve livelihoods of smallholder cotton farmers by promoting organic cotton cultivation and development of its supply chain.

Organic cotton is grown without using any chemical fertilisers or pesticides and is cultivated on land that is detoxified from residues of chemical fertilisers and pesticides over a period of at least three years.

Seeds used to grow organic cotton are not genetically modified and are kept clean from chemical impurities during processing and packaging.

If the cotton crop produced adheres to the standards of organic cotton farming in its initial two years, it is called in conversion cotton. By the third year, the yield is certified as organic cotton.

Pakistan is the fifth largest producer of cotton in the world and the third largest exporter of raw cotton.

Cotton and its products contribute about 10 per cent to gross domestic product and 55pc to the foreign exchange earnings of the country.