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NEWS CLIPPINGS –08-03-2019

Govt amends hank yarn packaging norms	**Business Standard** https://www.business-standard.com/article/pti-stories/govt-amends-hank-yarn-packaging-norms-119030701106_1.html

The textiles ministry Thursday amended hank yarn packaging norms whereby yarn packed for civil consumption in each quarter commencing from January-March should be less than 30 per cent of total yarn packed in each quarterly period for civil consumption.

The move is expected to benefit spinning industry.

Previously, this proportion was 40 per cent of the total yarn packed.

"This notification will come into effect from January 1, 2019," an official statement said.

"However, not less than 80 per cent of the yarn required to be packed in hank form shall be of counts 80s and below," it added.

In the textile industry, a hank is a coiled or wrapped unit of yarn or twine.

SIMA hails enhanced export benefit for garments and made-ups and reduction in hank yarn obligation	**Textile Value Chain** http://www.textilevaluechain.com/index.php/news/corporate-sme-news/item/3715-sima-hails-enhanced-export-benefit-for-garments-and-made-ups-and-reduction-in-hank-yarn-obligation

In the post-GST implementation period, the exports of garment and made-ups have been struggling due to inadequate export benefits and tariff barriers in the global market. The industry Associations and export promotion councils have been pleading the government to refund the blocked and embedded taxes so as to enable the industry to remain competitive and mitigate the challenge of trade barriers to a certain extent. The Union Cabinet chaired by the Hon'ble Prime Minister, Shri Narendra Modi on 7th March 2019 has approved the Scheme to rebate the State and Central Embedded Taxes to support the textile sector and boost exports.

In a Press Release issued here today, Mr.P.Nataraj, Chairman of The Southern India Mills' Association (SIMA) has stated that the proposed rates of RoSL has come at a right time and felt that it would benefit the garmenting and made-ups segments. He has added that this would also increase the demand from the downstream sector and thereby strengthen the entire cotton textiles value chain.

SIMA chief has pointed out that the industry has also been pleading to include spun yarn and fabrics under the RoSL benefit for the last two years. He has said that the Government should have considered the spinning and weaving /

knitting segments as these segments suffer with surplus production capacity for the last few years. He has further said that the envisaged demand would not meet the excess supply from the spinning and weaving segments. He has appealed to the Government to consider the genuine demand of the industry and include spun yarn and fabrics under RoSL and enable these segments to revive from the financial stress being faced during the last three years.

SIMA Chairman has thanked the Hon'ble Union Textile Minister for considering the long pending demand of the spinning sector and reducing the hank yarn obligation from 40% to 30% with effect from 1st January 2019 to enable Ease of Doing Business. Mr.Nataraj has stated that when the hank yarn obligation was reduced from 50% to 40% during 2003, the obligatory quantity was around 930 million kgs and the same had increased over 1600 million kgs during 2018. On the other hand, the number of handlooms were 31.37 lakhs during 1997-98 and the same got reduced to 21.46 lakhs during 2009-10 handloom census. He has said that the proportionate reduction in obligation works out to less than 15% and therefore, there is a room to reduce the obligation further by 10%. Mr.Nataraj has stated that as per the Handlooms Census 2009-10, the actual hank yarn requirement works out to less than 10%.

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

A. Cotton		
Spot price- Shankar-6 (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20191	42200	76.67
Domestic Futures price (Ex-Warehouse Rajkot) March		
Rs/Bale	Rs/Candy	USD Cent/lb
20810	43493	79.02
International Futures		
NY ICE USD Cents/lb. (May 2019)		73.11
ZCE Cotton: Yuan/MT (May 2019)		15395
ZCE Cotton: USD Cents/lb.		103.99
Basis difference (ICE March -Domestic Spot)		3.56
Cotlook A Index - Physical		82.25
WTI Crude USD / Barrel		56.66
B. Currency		
USD/INR	Close	Previous Close
Spot	70.13	70.01
USD Dollar Index	97.60	

Cotton Guide

Before we start analyzing cotton price trends, we would like to communicate to the cotton fraternity about a Day which will be specifically dedicated to cotton throughout the world. The name of the day shall be "World Cotton

Day”. This day will be observed every year starting 7th October 2019. Mr. Kai Hughes, Executive director of International Cotton Advisory Committee, informed all the delegates present at the Cotton Association of India conference yesterday. The initiative is endorsed by WTO and also has approval of other UN Bodies.

While speaking with the cotton fraternity on the first day of the CAI conference, it was observed that most of them took a bullish stance towards the movement of cotton prices for the coming month having a view that cotton prices should touch 80 cents/lb in the next 30 days. However, the market yesterday took a completely different stance at ICE. The International cotton futures settled almost 100 points lower as compared to the gain of almost +150 cents a couple of days ago. The most active ICE May 2019 futures settled at 73.11 cents/lb with a negative slide of -110 points. The ICE July contract settled at 74.30 cents/lb with a negative slide of +92 points. All the other ICE contracts displayed a relevant negative slide. In a matter of a few hours the prices fell from 74.60 cents/lb to 73.10 cents/lb post 6 pm IST.

The major driver for cotton to touch one week’s low was attributed to the USD Strength and Weak Export Sales Data. For the week ended February 28, 2019, US export sales of upland cotton for the 2018/19 crop year amounted to 114,000 running bales and for the 2019/20 year, sales amounted to 25,700 running bales. Export shipments were reported at 359,000 running bales.

The ICE estimated volume was estimated to be 35,100 contracts (source cotlook) as compared to the previous 30,094 contracts. A decline in open interest was seen by 2951 contracts to 220,339 contracts. The OI for the ICE May 2019 and ICE July 2019 decreased by 2,214 and 1,215 contracts, respectively, to 118,667 and 43,258.

The MCX contracts on the other hand followed the route of ICE prices, thus showing a decline. The MCX March contract showed a decline of -160 Rs therefore settling at 20810 Rs/Bale. A Change of Rs -160 and Rs -140 was reported for the MCX April and MCX May contracts therefore settling at 21,100 Rs/Bale and 21,380 Rs/Bale respectively. The Total Volume for the MCX contracts was seen at 5028 lots as compared to the previous figure of 4347 lots which is a decline of 681 lots.

The estimated arrival figures in India are estimated to be 135,000 lint equivalent bales (private estimates). The prices of Shankar 6 are revised lower at an average price of 42,200 Rs/candy. The Cotlook Index A is readjusted to a slightly lower figure of 82.25 cents/lb with a change of -0.40 points.

On the Technical Front, ICE cotton futures witnessed sharp decline as it failed to move above 75 level. In the daily charts price is still hovering in the intermediate upward sloping channel range of 71.80-75.18. Below 71.80, 70.80 hold crucial support, likewise above 75.18, 76.14 hold critical resistance level. Meanwhile RSI is still in the neutral zone of 50, indicating sideways trade for the day. From the above it is expected that cotton futures to trade in the range only, either side break would bring further clarity in the market. In the domestic market MCX Cotton Mar is likely to remain in the range of 20530-21100.

Currency Guide

Indian rupee- Indian rupee may witness mixed trade against the US dollar but some losses are likely. Rupee has appreciated sharply in last few days and is now near key 70 levels. Mixed factors may keep rupee choppy. Supporting rupee is easing geopolitical risks, reports of investor inflows and stability in crude oil price. However, weighing on rupee is general strength in US dollar and weakness in equity market. Asian equity markets trade lower as ECB’s downbeat growth outlook and mixed economic data from major economies fueled global growth concerns. The US dollar index rallied sharply yesterday as euro weakened after ECB sent a warning signal on prospects for Europe’s economy and announced the launch of another round of cheap long-term liquidity for eurozone banks. Rupee has been on a rise since easing of India-Pakistan tensions however weaker risk sentiment may keep pressure on the currency. USDINR may trade in a range of 69.8-70.3 and bias may be on the upside.

Enhanced export benefit for garments and made-ups, reduction in hank yarn obligation hailed	Covai Post https://www.covaipost.com/coimbatore/enhanced-export-benefit-for-garments-and-made-ups-reduction-in-hank-yarn-obligation-hailed/

The proposed rates of Rebate on State Levies (RoSL) has come at a right time, which would benefit the garmenting and made-ups segments, Southern India Mill' Association (SIMA) said Thursday.

This would also increase the demand from the downstream sector, thereby strengthening the entire cotton textiles value chain, SIMA Chairman, P Nataraj said here.

In a statement, he said the industry has also been pleading to include spun yarn and fabrics under RoSL benefit for the last two years and the Government should have considered the spinning and weaving / knitting segments as these segments suffer with surplus production capacity for the last few years.

The envisaged demand would not meet the excess supply from the spinning and weaving segments, Nataraj said and appealed to consider the genuine demand of the industry to include spun yarn and fabrics under RoSL.

Thanking Union Textile Minister, Smriti Irani for considering the long pending demand of the spinning sector and reducing the hank yarn obligation from 40 to 30 per cent with effect from January 2019 to enable ease of doing business.

He said that when the hank yarn obligation was reduced from 50 to 40 per cent during 2003, the obligatory quantity was around 930 million kgs and the same had increased over 1,600 million kgs during 2018.

On the other hand, the number of handlooms were 31.37 lakhs during 1997-98, which got reduced to 21.46 lakhs during 2009-10, he said.

The proportionate reduction in obligation works out to less than 15 per cent and therefore, there is a room to reduce the obligation further by 10 per cent, since as per the Handlooms Census 2009-10, the actual hank yarn requirement works out to less than 10 per cent, Nataraj said.

The Union Cabinet chaired by the Prime Minister, Narendra Modi today has approved the Scheme to rebate the State and Central Embedded Taxes to support the textile sector and boost exports.

Scheme to rebate embedded taxes for garments gets nod	The Hindu https://www.thehindu.com/todays-paper/tp-business/scheme-to-rebate-embedded-taxes-for-garments-gets-nod/article26461972.ece

Will help make exports of apparels, made-ups zero-rated

The Union Cabinet chaired by Prime Minister Narendra Modi, on Thursday, approved a scheme to rebate State and Central Embedded Taxes for apparels and made-ups exports.

“This will enable the Government to take various measures for making exports of apparels and made-ups zero-rated.

The government has a Rebate of State Levies (ROSL) for these two segments. However, some taxes were not covered under the scheme. The Cabinet decision is to rebate all embedded taxes of the Central and State Governments," said a press release.

An official of the Ministry said that the new scheme would come into effect when the rates are notified. It is applicable for apparel and made-ups now and will be extended to yarn in the future. "This ROSL for apparel and made-ups will amount to Rs. 6,300 crore revenue foregone per annum," the official said.

Apparel products currently get ROSL of 1.5% to 1.7%. The Apparel Export Promotion Council said that embedded taxes total up to 5%.

"We have been asking for reimbursement of all embedded taxes and it has been considered for the first time. It will help in making exports zero-rated," said a spokesperson for the council.

The Union Ministry of Textiles also issued a notification reducing the hank yarn obligation to 30% from the existing 40%, with effect from January this year. Mills that pack yarn for the domestic market had to ensure that 40% was in hank form. This is now reduced to 30%.

Govt approves projects, revival scheme worth Rs 31,000-cr for power sector	**Business Standard** https://www.business-standard.com/article/economy-policy/govt-approves-projects-revival-scheme-worth-rs-31-000-cr-for-power-sector-119030701277_1.html

The Cabinet Committee on Economic Affairs approved two thermal power and two hydro power projects, a hydro power scheme and a revival scheme for stressed assets

The central government has cleared projects and schemes totalling Rs 31,000 crore to boost investment in the languishing power sector. The Cabinet Committee on Economic Affairs (CCEA) approved two thermal power and two hydropower projects, a hydropower scheme and a revival scheme for stressed assets on Thursday, probably the last Cabinet meeting before the Lok Sabha elections.

Hydropower has been devoid of investment for a decade. In this segment, any projects above 25 Mw in capacity would now come under the category of renewable energy. This would entail a hydro power purchase obligation on states and get it priority status. With this, India would achieve one of the targets it has committed to under the global climate change treaty for reducing of emissions — sourcing 40 per cent of its total energy consumption from renewable sources.

R K Singh, minister of state for power and new & renewable energy, said budgetary support would be provided for allied infrastructure of hydro power units, to contain the cost.

Budget support for funding cost of the flood moderation component, enabling infrastructure such as roads and bridges, would be given on case to case. This would be limited to Rs 1.5 crore per Mw for up to 200 Mw projects and Rs 1 crore per Mw for above 200 Mw projects," he told reporters.

Business Standard reported recently that the Centre was aiming to reduce the cost of hydropower during the construction period through budget support. Also, to promote and incentivise hydro power as 'peaking power', to balance the increasing share of solar and wind energy in the national grid.

Among other measures for hydro, the project life has been increased to 40 years, thereby also increasing the debt repayment period to 18 years. The policy also allows for a two per cent yearly escalation in rates.

“We have discussed with all the banks and they have agreed to the extended period of debt payment. We want to reduce the cost of hydro power in the initial years of operation,” said Singh.

New projects

The Cabinet also sanctioned two investment proposals in hydro power units. The Kiru hydro electric project of 624 Mw, at an estimated cost of Rs 4,288 crore, was approved. The project is to be executed by Chenab Valley Power Project, a joint venture company of government-owned NHPC, Jammu and Kashmir State Power Development Corporation and PTC India.

Teesta Stage-VI in Sikkim was also approved, to be bought by NHPC. The project was being developed by Lanco Teesta Hydro Power Ltd, promoted by the Lanco Group. Due to the company's financial difficulties, the project was not completed and the insolvency law was invoked; NHPC emerged the highest bidder, with Rs 907 crore. The investment proposal for an estimated Rs 5,748 crore was approved by the CCEA.

GoM report

Stressed assets in the power sector are about 40,000 Mw. On these, the recommendations of a Group of Ministers (GoM) constituted to examine the suggestions of a High Level Empowered Committee (HLEC) were approved. The HLEC was chaired by the cabinet secretary, to provide a long-term solution.

Among the HLEC recommendations approved were grant of linkage coal for short-term power purchase agreements (PPAs). And, for allowing the existing coal linkage to be used in case of a PPA termination due to a payment default by the distribution company (discom) concerned. To improve coal availability for power units, an increase in the quantity for special forward e-auction for the sector was allowed. The Cabinet also allowed coal linkage auctions to be held at regular intervals.

Also, for procurement of bulk power by a nodal agency, against pre-declared linkages. The HLEC had recommended NTPC act as an aggregator in procuring, through a transparent and competitive bidding process from stressed power plants. It can then offer that power to discoms against the PPAs of NTPC, till such time its own plants/units are commissioned, went the report.

“Any PPA, fuel supply agreement or regulatory approvals would remain unchanged even after the project changes hands post NCLT (the insolvency process). We hope that with these recommendations, many of the issues of the thermal power sector would get resolved,” Singh said.

UP, Bihar

The CCEA approved a proposal by THDC Ltd to set up a 1,320 Mw super-thermal plant at Khurja, Uttar Pradesh, for about Rs 11,000 crore. And, a 1,320 Mw thermal power projct at Buxar in Bihar, for about Rs 10,400 crore. The plant will be set up by SJVN Thermal, a wholly owned subsidiary of SJVN. Both projects are to be commissioned by 2023-24, to cater for the increased power demand in both states.

Relief for industry as govt clears air on levy of GST on promotional offers	**Business Standard** https://www.business-standard.com/article/economy-policy/relief-for-industry-as-govt-clears-air-on-levy-of-gst-on-promotional-offers-119030800072_1.html

In a major relief to manufacturers, distributors, marketers and direct sellers of consumer products, the government on Thursday clarified the extent of tax liability and the eligibility of input tax credit on promotional offers such as free samples and “buy one, get one free”.

Industry players were apprehensive about increased litigation from tax audit authorities if they marketed their products as free, because of ambiguity on such offers. Now, the notification by the Central Board of Indirect Taxes and Customs makes it clear that tax would be applicable and input tax credit would be available for the entire package sold, including the free items.

Experts said the clarification will bring ease of marketing and save litigation troubles for the industry, but most importantly for the FMCG and pharma sectors where such offers are common.

n the case of free samples, such as the ones medical representatives of pharma companies provide to doctors, they would not be considered as supply, and would not attract tax.

For offers such as a discount of 10 per cent for a purchase of more than Rs 1,000 and of 20 per cent for a purchase of more than Rs 2,000, the discounted amount would be excluded to determine the value of supply. Such discounts are generally passed on by the supplier through credit notes.

But this is applicable only when the discount is made clear at the time of supply. When it is provided after the sale, it is termed as secondary discount, the discounted value should not be excluded to calculate the value of supply.

“GST would be paid on the price recovered from the customer without reversing the input credit. Input credit will only be reversed in case of 'free samples' and 'gifts' which is specifically mentioned in the law,” said Pratik Jain, indirect tax partner at PwC India.

US trade deficit with India falls, PM Modi to raise issue with Trump	**Business Standard** https://www.business-standard.com/article/economy-policy/us-trade-deficit-with-india-falls-pm-modi-to-raise-issue-with-trump-119030800061_1.html

Days after the US cut off India’s duty-free access to the American market under its largest preferential trade scheme, the Generalized System of Preferences (GSP), official figures from Washington DC showed that its trade deficit with the country has fallen over the past two years, slipping to $21.3 billion in 2018. In 2017, the US’ trade deficit with India was $22.3 billion, down from $24.4 billion in the previous year.

Prime Minister Narendra Modi is expected to point this out to US President Donald Trump in a letter on the matter soon, *Business Standard* has learnt.

The latest figure, released by the United States Census Bureau, under the Department of Commerce, on Thursday, comes three days after Trump notified US Congress of his intent to remove India from the list of beneficiaries of the GSP programme for not granting American producers “reasonable access” to its markets. Senior Indian government officials, however, have argued that the dominance of US firms in several sectors showed that India had suitably opened up its market to foreign industry.

The US' trade deficit with India, an issue raised Trump several times, has also served as the justification for the country imposing a 25 per cent extra levy on steel and 10 per cent on aluminium products, and threatening to arbitrarily increase tariffs on major imports from here.

Despite increased protectionism through higher tariffs on imports and easier export norms, the Trump administration has not been able to rein in the US' ballooning global trade deficit, that jumped to a record $878 billion in 2018, from $807 billion in 2017. Its global trade deficit has increased for the third consecutive year.

The US' trade deficit with China also hit a record $419 billion, despite a series of tariffs the administration imposed on

Chinese goods to decrease reliance on imports.

The US had record exports to 53 countries in 2018, led by Mexico ($265.0 billion), Japan ($75.0 billion), and the United Kingdom ($66.2 billion), according to the US Federal government. However, it also had record imports from 60 countries in 2018, led by China ($539.5 billion), Mexico ($346.5 billion), and Germany ($125.9 billion).

GSP drama continues

India has been the largest beneficiary under the GSP scheme, the largest and oldest US trade preference programme designed to promote economic development by allowing duty-free entry for thousands of products, mostly from developing nations. India exported goods worth $5.6 billion under the GSP last year. But the Indian government has downplayed the impact of Trump's decision, saying that the country has received only $190 million worth of benefits under the scheme.

Though India is not keen to engage the US in a tit-for-tat show, the government on April 1 will finally impose higher duties on 29 key imports from the country, senior government officials said. This roll-out has been deferred six times.

"We do not believe that a knee-jerk reaction is the best option. We are internally reviewing our stance and will reply in time. The US has notified that benefits will lapse after a 60-day period," an official said.

GST exemption limit of Rs 40 lakh for SMEs to be effective from April 1	**Business Standard** https://www.business-standard.com/article/pti-stories/finmin-notifies-april-1-as-date-for-availing-increased-gst-exemption-limit-composition-scheme-119030701022_1.html

Also, service providers and suppliers of both goods and services with a turnover of up to Rs 50 lakh would be eligible to opt for the GST composition scheme

The government Thursday notified April 1 as the date for the implementation of doubling of GST exemption limit to Rs 40 lakh, which will benefit small and medium enterprises.

Besides, the effective date for availing higher turnover cap of Rs 1.5 crore for availing composition scheme by traders has also been fixed as April 1.

Also, service providers and suppliers of both goods and services with a turnover of up to Rs 50 lakh would be eligible to opt for the GST composition scheme and pay a tax of 6 per cent from the beginning of next fiscal.

These decisions were taken by the GST Council, chaired by Finance Minister Arun Jaitley and comprising his state counterparts, on January 10. These decisions would come into effect from April 1, a finance ministry statement said.

"There would be two threshold limits for exemption from registration and payment of GST for the Suppliers of Goods i.e. Rs 40 lakhs and Rs 20 lakhs. States would have an option to decide about one of the limits.

"The Threshold for Registration for service providers would continue to be Rs 20 lakhs and in case of Special Category States Rs 10 lakhs," it said.

Also the GST Composition Scheme, under which small traders and businesses pay a 1 per cent tax based on turnover, can be availed by businesses with a turnover of Rs 1.5 crore, against the earlier Rs 1 crore, with effect from April 1.

EY India Tax Partner Abhishek Jain said implementation of these proposals with specifically the higher turnover limit for composition schemes, would aid enhancing the ease of doing business for MSMEs.

US trade deficit with India down by 7% to $1.6 billion in 2018	**Business Standard** https://www.business-standard.com/article/pti-stories/us-trade-deficit-with-india-decreased-by-usd-1-6-billion-in-2018-119030700295_1.html

The trade deficit between India and the US decreased by $1.6 billion, almost seven per cent, in 2018 as compared to the previous year, according to the latest official figures.

India recorded a decrease in the deficit from $22.9 billion in 2017 to $21.3 billion in 2018, according to the latest figures revealed by the Bureau of Economy Analysis on Wednesday.

The US trade deficit in goods and services increased by $9.5 billion from $50.3 billion in November to $59.8 billion in December, according to the figures.

For 2018, the US goods and services deficit was $621.0 billion, up $68.8 billion from $552.3 billion in 2017. Exports were $2,500.0 billion in 2018, up $148.9 billion from 2017. Imports were $3,121.0 billion, up $217.7 billion from 2017, it said.

The figures showed that the goods deficit hit $891.3 billion in 2018, the largest in US history. America's goods deficit with China hit a record $419.2 billion last year.

Opposition Democratic party were quick in criticising US President Donald Trump.

"Today's announcement that the merchandise trade deficit for 2018 topped $891 billion shows that the President has flunked the test he set for himself, said House Majority Leader Steny H Hoyer.

Alliance for American Manufacturing president Scott Paul in a statement criticised President Donald Trump for his polices that has resulted in a record trade deficit.

"Perhaps Donald Trump will now discover that tweets and bluster alone won't dramatically shrink the trade deficit," he said.

"The selective interventions of the administration on trade have been helpful to key sectors, but these actions haven't put a dent in the massive deficit. The administration's fiscal policies have helped to boost the trade deficit, as has its reluctance to engage more actively in exchange rate misalignment," he said.

"While the trade deficit results from many factors, the staggering sum represents lost opportunities for American workers and businesses," Paul said.

"If the president wants to back his words with actions, any trade deal with China will insist on dramatic, structural changes in Beijing's state-led economy, which have contributed to massive industrial overcapacity in key sectors. The next few weeks of negotiations with China are critical to the future of American manufacturing. We can't afford a deal that doesn't deliver real and lasting change," Paul said.

China urges India-Pak. talks	**The Hindu** https://www.thehindu.com/todays-paper/tp-international/china-urges-india-pak-talks/article26462002.ece

Beijing’s foremost concern is to freeze the status quo

China on Thursday asked India and Pakistan to dial down tensions through talks.

Both nations should “refrain from aggravating the situation, to uphold regional peace and stability through dialogue at an early date, and China will continue to play a constructive role,” Foreign Ministry spokesman Lu Kang said in his daily briefing.

Asked whether Chinese Vice-Foreign Minister Kong Xuanyou, who has concluded a two-day visit to Pakistan, had discussed elimination of “breeding grounds of terrorism” from Pakistani soil, Mr. Lu said the focus of the Chinese envoy’s visit was on preventing “aggravation” of tensions between India and Pakistan.

“Like I said Vice-Foreign Minister Kong Xuanyou, when in Pakistan, held in-depth talks on the situation and tension between India and Pakistan. So the major concern is the security situation in this region,” Mr. Lu said.

The spokesperson pointed out that China’s foremost concern was to freeze the status quo, and other issues could be tackled along a diplomatic spiral.

“Recently, a lot has happened in this region, and there are many issues. China has stated our position, first the sovereignty and territorial integrity should be upheld, and to specific issue whether we believe we should take positive measures to ease tensions so as to maintain peace and stability in the region, this is a general issue,” Mr. Lu said.

China buys Indian cotton as prices at home jump: Trade	**Money Control** https://www.moneycontrol.com/news/business/economy/china-buys-indian-cotton-as-prices-at-home-jump-trade-3622271.html

The exports from the world's biggest cotton producer will help China in augmenting supplies, but could weigh on global prices.

Indian traders have signed contracts to ship 800,000 bales of cotton to China as demand surged from the world's biggest consumer of the fibre due to a rally in prices in China, industry officials told Reuters.

The exports from the world's biggest cotton producer will help China in augmenting supplies, but could weigh on global prices.

"Chinese buyers were very active in the market in last few days," said Atul Ganatra, president of the Cotton Association of India (CAI).

The cotton was sold at around 80 to 81 cents per pound on a cost and freight basis (C&F) to China, for shipments in March and April, he said on the sidelines of a Cotton India conference in Mumbai.

India has already shipped around 600,000 bales to China so far in the 2018/19 marketing year that started on Oct. 1, he said.

The United States, the world's biggest exporter of the fibre, has cornered the bulk of Chinese imports for at least a decade. But China's decision to impose a 25 percent import tax on cotton, in retaliation for tariffs enacted by the administration of US President Donald Trump, has allowed India to grab a bigger share of the Chinese market.

"Imports are nearly 10 cents (per lb) cheaper than domestic supplies for Chinese buyers," said a London-based cotton dealer with a global trading firm.

China has also been buying cotton from Brazil in the last few days due to depleting stocks, he said.

Cotton ending stocks in China are forecast at 6.58 million tonnes in 2018/19, down from 7.43 million tonnes.

BORDER TENSION

India's cotton sales to neighbouring Pakistan have slowed in the last few days amid rising tensions between the nuclear armed nations, said Mohit Shah, director at Gill& Co., a leading exporter.

"Traders on both sides of the border are waiting for clarity," Shah said.

Hostilities between the two countries escalated dramatically late last month, after an Indian air strike on what it said was a militant group that carried out a deadly suicide attack in the Pulwama district of Indian-controlled Kashmir on Feb. 14.

A few traders diverted cotton shipments for Pakistan to China due to the uncertainty, and as China was paying around 2 cents per lb more than Pakistan, said CAI's Ganatra.

Around 100,000 bales of cotton shipments for Pakistan were delayed, but those would be shipped in the next few weeks, said a Mumbai-based dealer with a global trading firm.

Despite good demand from China, India's cotton exports in 2018/19 could fall 27.5 percent to 5 million bales, the lowest in a decade, due to a drop in production, CAI estimates.

India's goods export to hit $330 bn in 2018-19: Suresh Prabhu	**Money Control** https://www.moneycontrol.com/news/business/indias-goods-export-to-hit-330-bn-in-2018-19-suresh-prabhu-3622181.html

He said the country's merchandise exports have seen high growth in the past six years through sector-specific interventions, focused export promotion initiatives, and quick resolution of issues.

The country's goods export will touch $330 billion in 2018-19, which will be the highest ever, Commerce and Industry Minister Suresh Prabhu said Thursday.

He said the country's merchandise exports have seen high growth in the past six years through sector-specific

interventions, focused export promotion initiatives, and quick resolution of issues.

With the structural reforms that have been put in place over the past five years by the ministry and action-oriented plans for major sectors, the minister said India is on the path to become the fifth-largest economy this year.

"India's goods export will peak at $330 billion in 2018-19 which will be the highest ever," the ministry said in a statement quoting Prabhu.

He also said the Department of Commerce has identified nine sectors - gems and jewellery, leather, textiles, engineering, electronics, chemicals, pharma, agriculture and marine products -- to achieve at least 16 per cent growth in exports in 2018-19.

During April-January this fiscal, exports grew 9.5 per cent to $271.8 billion.

Penalties for violation of plastic ban announced	The Hindu https://www.thehindu.com/news/cities/chennai/penalties-for-violation-of-plastic-ban-announced/article26461249.ece

Now, local bodies can impose fines on those who store, supply, transport or sell the proscribed items

Local bodies in the State can soon start imposing fines on those violating the ban on 14 kinds of single-use plastics, with the government announcing their quantum. The ban, which came into force on January 1, did not have any penal provisions and was enforced using different sections of local body Acts, including “causing malaria.”

The State government has notified the amendments to the by-laws of the respective Acts governing the functioning of local bodies, including municipal corporations and municipalities. Last month, the Governor gave his assent to the amendments under Act 12 of 2019, passed by the Assembly, said sources in the Municipal Administration Department.

Local bodies including the Greater Chennai Corporation have already begun work to set up appellate authorities in case of disputes. Its Commissioner, G. Prakash, said officials including regional commissioners and zonal officers were asked to take up the issue with full vigour.

Storage, supply, transport, sale and distribution of any of the 14 banned items, including carry bags, cups or plates, would attract a fine of ₹25,000 the first time, ₹50,000 the second and ₹1 lakh the third. Similarly, the use and distribution of such plastics in large commercial establishments, including grocery shops and pharmaceutical shops, would attract a fine of ₹1,000 the first time, ₹2,000 the second and ₹5,000 the third. For smaller traders, the fine amounts are nominal and they would be asked to pay ₹100 the first time, ₹200 the second and ₹500 the third. If a person commits the breach for a fourth time, the trade licence shall be cancelled.

Lack of alternative

Following the ban, local bodies had seized the banned items from shops and commercial establishments and manufacturers had stopped production. However, banned plastic carry bags, cups and plates are still found to be in use in many commercial establishments and markets. "No cost-effective alternative has been provided for plastic carry bags. Small vendors, especially those on the road-sides continue to source such bags from the grey market. Unless they are provided with an alternative, the ban will not succeed," said consumer activist T. Sadagopan.

Source segregation, a key to waste reduction, too is not happening in many places. Bins continue to overflow and canals remain clogged, said a person involved in conservancy operations in the city.

Need job security and better on-site facilities'	**The Hindu** https://www.thehindu.com/news/cities/bangalore/need-job-security-and-better-on-site-facilities/article26459589.ece

'Kavitha Rani H.M., executive committee member, Garment and Textile Workers' Union, who works in a factory in Mandya

Women in garment factories work at a furious pace in an attempt to meet the unrealistically high targets set by supervisors. They often complain about back ache and develop allergies after working for a few months.

To make the work environment favourable to women, factories should first reduce work pressure by setting realistic daily targets and allowing women to rest a bit during work hours.

As attrition is high, factories should try to incentivise those who put in more than five years in one place. Job security is an important factor that women want.

It would also be a good move for garment factories to have on-site facilities such as canteens and nurseries for children. This will offer much relief to the workers as many travel long distances to their workplace.

Currently, insurance is applicable only in hospitals in Mysuru and Bengaluru. The ESI facility should be extended to at least two hospitals in every taluk and district headquarters.

Eight sectors expected to add over 10 crore jobs by 2025: CII	**News on air** http://newsonair.com/Main-News-Details.aspx?id=360713

The Confederation of Indian Industry, CII on Thursday said the recent reforms ushered in by the government are creating new livelihoods across existing and emerging sectors, with eight segments of the economy alone expected to create over 10 crore jobs by 2025.

The eight sectors that CII highlighted include retail, construction, transport and logistics, tourism and hospitality, handlooms and handicrafts, textiles and apparels, food processing, and automotive.

CII President Rakesh Bharti Mittal told PTI that the measures to promote ease of doing business, cut in tax rates for smaller enterprises to 25 per cent, and reduction in interest rates are creating the right atmosphere for new businesses to flourish, particularly SMEs. He said this is an effective stimulant for job creation.

Mr Mittal observed that as per the latest data relating to Employees' Provident Fund Organisation (EPFO), around 7.2

million new subscribers were added to social security schemes between September 2017 and December 2018.

He said the social security scheme numbers of EPFO reflect the rising off take of new jobs in the formal sector and this is in line with the estimates for the increase in employment in CII's feedback from large companies.

Italy mulls preliminary Belt and Road deal with China	**The Hindu** https://www.thehindu.com/news/international/italy-mulls-preliminary-belt-and-road-deal-with-china/article26455886.ece

Italian officials said Mr. Xi was due to visit Italy from March 22-24, and would spend at least one day in Palermo.

Italy is negotiating a preliminary deal to become a part of China's giant “Belt and Road” infrastructure plan to boost trade, a government official said on Wednesday, in a move that could upset the United States.

Junior Industry Minister Michele Geraci said that if Italy did sign an accord when Chinese President Xi Jinping visits the country later this month, it would be non-binding and just “an initial framework”.

However, in a sign there is no government unity on the issue, another junior minister cautioned against any such move, saying more thought had to be given about national security.

“At this moment, I do not think we should proceed with the signature,” Foreign Ministry undersecretary Guglielmo Picchi wrote on Twitter.

Both Mr. Picchi and Mr. Geraci represent the coalition, far-right League party.

The Belt and Road Initiative (BRI), championed by Mr. Xi, aims to link **China** by sea and land with southeast and central Asia, the Middle East, Europe and Africa, through an infrastructure network on the lines of the old Silk Road.

Aside from boosting trade and investment, Mr. Xi aims to advance exchanges in areas such as science, technology and culture.

Italian officials said Mr. Xi was due to visit Italy from March 22-24, and would spend at least one day in Palermo — the capital of the island of Sicily.

“We are still negotiating the details of the MoU (memorandum of understanding) and it might, or might not be signed,” Mr. Geraci said. “It is an initial framework. It is not a contract, there are no commitments, there are no funds and no obligations.”

Italy fell into recession at the end of 2018 for the third time in a decade and the government is eager to find ways to boost the economy and revive the stalled construction sector.

Pressure

The Financial Times reported on Wednesday that the United States was irritated by the prospect of Italy joining the

BRI, and had warned the project could significantly damage Rome's international image.

“We view BRI as a 'made by China, for China' initiative,” the newspaper quoted Garrett Marquis, White House National Security Council spokesperson, as saying.

Mr. Geraci said he had not seen any sign the United States was annoyed or concerned.

“Our goal does not seem to me to be controversial,” he said. ”It is about helping companies do business.”

An Italian diplomatic source told Reuters that Rome was facing “a lot of pressure” from China to sign a MOU, but added that if an accord was reached it would be “an empty box”.

Mr. Picchi, who is close to League leader Matteo Salvini, said allowing China to help build Italy's 5G high-speed telecom network and giving it access to other infrastructure was a security issue that needed further review.

A number of European Union states have signed MoUs with China, including Croatia, Czech Republic, Hungary, Greece, Malta, Poland and Portugal. If Italy signs, it would be the first Group of Seven major industrialised nation to do so.

An EU spokesperson in Brussels said the EU was cooperating with Beijing on the initiative, but added that this was “on the basis of China fulfilling its declared aim of making it an open platform which adheres to market rules, EU and international requirements and standards”.

Past EU optimism over dealing with China has turned to frustration over Beijing's slowness to open up its economy and a surge of Chinese takeovers in critical sectors. There has also been pressure from the United States to shun China over espionage fears.

<ahref="http://www.thedailystar.net/business/garments-green-initiatives-impress-top-imf-official-1368958" target="_blank">www.thedailystar.net

China to invest $ 300 million in cotton processing in Tajikistan	**Azar news** https://www.azernews.az/region/146869.html

Strengthening and developing bilateral relations of friendship and cooperation with China is one of the priorities of Tajikistan’s foreign policy. Meanwhile, China is also very interested in the Central Asian region as a whole.

China State Machinery Industry Construction Group Inc will help to raise $ 300 million for the development of the textile industry in Tajikistan.

A delegation of Chinese businessmen under the leadership of the trade manager of China Machinery Industry Construction Group Inc Hu Sina met with Nematullo Hikmatullozoda, Minister of Economic Development and Trade of Tajikistan on March 5.

At the meeting, it was noted that the Chinese state corporation will assist the “Shino Tajikistan Kulyab Textile Industry Park” enterprise in attracting foreign direct investment for processing cotton fiber.

This enterprise is located on the territory of the newly formed Kulyab free economic zone, the press service of the Ministry of Economic Development and Trade reports.

It is expected that investment in this enterprise will be carried out in two stages. At the first stage, financing will be $ 130 million, and at the second - $ 170 million.

It is planned to create 5,500 jobs at the enterprise, the annual processing of cotton will be 35,000 tons.

The resolution on the establishment of the Kulyab FEZ was adopted by the Tajik Government at the end of February 2019.

Since 2008, four FEZs - “Sogd”, “Dangara”, “Pyanj” and “Ishkashim” have been operating in the republic.

Founded in September 1953, China Machinery Industry Construction Group Inc is the largest construction state corporation in China.

Until the middle of the 2000s, cotton was considered one of the two main export goods of Tajikistan (along with aluminum). In the 1980s, about 800,000 tons of cotton were harvested annually in Soviet Tajikistan.

At the same time, most of the cotton fiber produced in the country is exported as raw materials. The processing of these products within the country is insignificant.

Diplomatic relations between Tajikistan and China were established on January 4, 1992.

It was previously announced that it is planned to increase the foreign trade turnover of Tajikistan and China to $3 billion by 2020.

Pakistan announces 50% increase in IP fees	**World preview** https://www.worldipreview.com/news/pakistan-announces-50-increase-in-ip-fees-17611

Pakistan’s Ministry of Commerce and Textile has announced an increase in fees for all intellectual property (IP) matters.

In a notification on Monday, March 4, the government said fees will jump by 50% from March 9 for all trademark and patent related matters. Revised copyright fees will be put into practice on March 14.

Talib Ali Shah, an associate at Ali & Associates in Karachi, said the sudden hike in fees has come as a shock to many stakeholders

Shah said the effective date of the new fees gives “firms and trademark attorneys almost no lead time to prepare and inform clients", including those that are overseas.

Salim Hasan, an executive partner at Meer & Hasan in Lahore, Pakistan, said the increase will certainly impact small businesses and individuals, but "is not likely to impact medium to big enterprises".

Shah added there was already a lack of awareness about the important of intellectual property registration among small enterprises, and these sudden revisions "will only enhance that gap".

"In the prevailing economic situation of the country, the multifold increase" will only "penalise creators, inventors and brand owners from securing their rights," he said.

He described the increase as "counterproductive", and said it created a "long-term disincentive for IP protection, for a short-term increase in revenues".

Ashin Chungath, IP consultant manager at Jah & CO IP in Qatar, said the revision of the fee structure will provide Pakistan's IPO with the necessary finances "to make it a robust organisation" that meets international standards.

"Additional funds are required to upgrade the IP infrastructure and support proposed initiatives which cannot be met under the existing fee structure," Chungath said.

According to Chungath, Pakistan's existing lower fee structure allows for the filing of many undesirable applications for trademark registrations, "with the ulterior motives of killing competition, instead of safeguarding intellectual property rights".

The increase in fees will help to discourage these applications, he said.

Currently, a trademark application costs 2,000 ($14) Pakistani rupees (PKR). As of March 9, this will increase to 3,000PKR.

The increase in patent application fees means inventors will pay 7,065PKR instead of 4,710PKR.

Pakistan last revised its fee structure in 2011, when its IP legislation was amended in line with the Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organisation (WTO).

But, according to Shah, this increase has not yet led to improvement in the system or facilities at the ground level of the registries.

China's Zhejiang province to raise trade with Africa	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/china-s-zhejiang-province-to-raise-trade-with-africa-247851-newsdetails.htm

The Zhejiang province in China plans to raise its trade volume with Africa to $40 billion by the end of 2022 to account for at least 20 per cent of the total Sino-Africa trade. The plan promises to increase investments in Africa's textiles, garments, chemicals, equipment manufacturing and pharmaceutical industries to meet the continent's development needs. The province's commerce department issued an action plan on the details recently as China's first provinciallevel plan on economic cooperation with African nations. Zhejiang hosts many of the country's most successful private businesses.

The 40-billion-dollar target will mark a significant rise from the 30.1-billion-dollar trade between Africa and the province in 2018, according to a news agency report. The province, however, will bar investments that are polluting and highly energy-consuming from going to Africa, said the plan, which also calls for more agricultural investments and cooperation. The province would expand goods imports from Africa, especially in the non-resources category, according to document. China's foreign trade with Africa reached $204.19 billion in 2018, up 19.7 per cent year-on-year and 7.1 percentage points higher than the growth of China's overall foreign trade during the same period, according to China Customs. Specifically, the country's exports to Africa rose 10.8 per cent to $104.91 billion in 2018, while its imports from Africa surged 30.8 per cent to reach $99.28 billion.

Registration open for conference on textile waste	**Innovation Textiles** https://www.innovationintextiles.com/registration-open-for-conference-on-textile-waste/

Not enough textile waste is recycled across Europe. Since 2015, the Horizon 2020 project Resyntex has been looking to tackle this issue by showcasing innovative circular economy concepts for the textiles and chemical industries.

The conference entitled Final Conference: From Textile Waste to Secondary Raw Materials will take place on 24 April in Brussels. The Resyntex project partners invite visitors to join them and other industry experts to exchange knowledge on alternative solutions for post-consumer unwearable textiles, such as innovative reprocessing technologies for pure or blended fibres and secondary materials which can replace virgin feedstock.

Confirmed speakers include:

- Vittoria Troppenz, Head of Circularity & Business Development, SOEX
- Aleksandra Lobnik, Faculty of Mechanical Engineering and the Head of the Centre of Sensor Technology, University of Maribor
- Nicholas Hall, Senior Lecturer – Fashion Business, Manchester Metropolitan University
- Athanassios Nikolakopoulos, Department of Process Analysis and Plant Design, National Technical University of Athens
- Valérie Boiten, Consultant and Researcher in Stakeholder Engagement, Prospex Institute

Policymakers will also join a panel discussion with circular economy and technology experts from the clothing, waste management and chemical industries to discuss how technological and business model solutions can help bring (bio)chemical recycling to market adoption. "Europe needs to move towards a more circular economy to conserve its future environment and society. Currently, many of the materials contained in products are discarded as waste after use. The textiles industry is no exception. Much of its waste is landfilled or incinerated with a high environmental impact and at great cost. Valuable resources held within the waste are lost," the project partners explain. Resyntex aims to change this through research and innovation."