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NEWS CLIPPINGS –13-03-2019

Export index for states on anvil to boost competition	**Economic Times** https://economictimes.indiatimes.com/industry/auto/cars-uvs/with-only-3-suvs-we-need-to-work-harder-for-this-market-gaku-nakanishi-president-honda-cars-india/articleshow/68350745.cms?utm_source=ETMyNews&utm_medium=ASMN&utm_campaign=AL1&utm_content=9

NEW DELHI: Government think tank Niti Aayog and the commerce ministry are working on an index to rank states on their readiness for exports and promote a healthy competition among them, senior officials said.

The export index will rank states on half-a-dozen key parameters, including their policies, ease of doing business, infrastructure access to finance, and output, which will assess the overall export market and exports from eac

A senior government official said there will be 30-40 parameters under the six main sub-heads, based on international trade parameters but tweaked to Indian scenario. "The government is seized of the fact that if India intends to increase its exports and subsequently its share of global trade, we will have to improve the export readiness of states," he told ET. "Hence, the whole idea of an export index is to make states more competitive." According to the official, export policies of various states are being studied to identify the best practices. "We will also collate the best practices as part of the first report to help other states benefit," he added.

The commerce department has identified indicators to reflect issues such as truck stoppages, anti-competitive practices and role of intermediaries affecting exports. These preliminary indicators will be based on efficiency in processes, ease of arranging logistics, quality of infrastructure, adherence to time lines, competence and quality of logistic operators. They will provide qualitative and quantitative assessment of the logistics available to export consignments. The draft logistics policy also seeks to ease bottlenecks.

While computing the index, Aayog will seek inputs from trade bodies like Export-Import Bank of India, and Indian Institute of Foreign Trade, besides different divisions of the commerce ministry including Director General of Foreign Trade. Aayog has been aggressively moving towards outcome-based monitoring and has been in the process of ranking states on key indices like health, education, water composite index, and agriculture, much in line with its role of promoting competitive and cooperative federalism.

The government expects India's merchandise exports to grow 7.3% year on year to $325 billion in 2018-19. The growth rate would be lower than 9.8% clocked in 2017-18 due to factors including muted growth of traditional exports such as gems and jewellery, farm and engineering, a liquidity crunch, and global factors. India's exports stood at $303 billion in 2017-18.

Trade has been a top priority for the government. However, infrastructure bottlenecks, high transaction costs and manufacturing constraints continue to be big challenges for exports. With the implementation of goods and services tax, however, India has become a unified market, subsuming more than a dozen federal and provincial levies, freeing up trade.

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
20431	42700	78.07
Domestic Futures price (Ex-Warehouse Rajkot) March		
Rs/Bale	Rs/Candy	USD Cent/lb
21010	439111	80.28
International Futures		
NY ICE USD Cents/lb. (May 2019)		74.85
ZCE Cotton: Yuan/MT (May 2019)		15200
ZCE Cotton: USD Cents/lb.		102.77
Basis difference (ICE March -Domestic Spot)		3.22
Cotlook A Index - Physical		81.55
WTI Crude USD / Barrel		56.87
B. Currency		
USD/INR	Close	Previous Close
Spot	69.69	69.71
USD Dollar Index	96.99	

Cotton Guide

It was a complete reversal for the trend in the short term. In the past few days the trend was consolidated but yesterday the trend showed signs of moving north. A triple digit gain was seen for the ICE May and ICE July contracts. After calling the 75 cents/lb a Lakhsman Rekha the ICE May futures finally touched the 75 mark but could not exceed it therefore settling at 74.85 with an increase of +165 points. The ICE July contract also settled at 76.04 cents/lb with a gain of +160 points. Strong Buying was witnessed last evening which escalated the prices to another level altogether. As we are writing this report at 7:45 am the prices are touching the 73.87 cents/lb mark. There was a spike in volumes as well which indicates that the market is showing an uptrend. The total volume recorded yesterday was 43,815 contracts as compared to 24,099 contracts which is an increase of 19,716 contracts.

The MCX contracts on the other hand emanated a series of modest gains within the range of 70 Rs and 80 Rs. The MCX March contract settled at 21,010 Rs/bale with a positive gain of +70 Rs whereas the MCX April and MCX May contract settled at 21,310 and 21,570 Rs/bale respectively with similar gains of Rs 80. We assume MCX contracts will follow the trend of ICE in this week. After interaction with a number of market participants it seems that there is a bullish wave going across India.

The total arrivals estimated are 124,000 lint equivalent bales (source cotlook) including 40,000 registered in Maharashtra, 39,000 in Gujarat and 19,000 in Andhra Pradesh. The average prices of Shankar 6 have shot up by 200 Rs showing a price of 42,700 Rs/Candy. The cotlook Index A has been readjusted towards the negative side at 81.55 cents/lb with a change of -0.20.

The reasons for a bullish trend are:

1. Domestic Mill demand is picking up, as the cash flow is seen to have ameliorated the previous adverse financial conditions of the mills.

2. China is expected to buy huge amount of cotton soon.

3. Trade tensions between Washington DC and Beijing seems to be easing, in the near future.

4. OPEC Production cuts – We need to keep in mind that among all commodities highest correlation is seen between crude and cotton. Higher the prices of crude, Higher will be the prices of cotton.

5. Global Economic Growth is helping to increase demand for cotton products.

The reasons for a bearish trend are:

1. Bumper crops in Brazil and United states.

2. Geopolitical Economic uncertainty with respect to European countries.

Despite the aforementioned bearish factors, the market sentiment seem to be bullish. Also with the rise at ICE and appreciation of the rupee the basis has increased therefore, making the Indian Exporters of Cotton to wait for more news on confirmation of the trend. However, it seems that the prices have bottomed out and a buy on correction is recommended.

On the technical front, ICE Cotton May future is trading in a wider range of 71.80-74.80 since last few weeks. The downside in prices got restricted around 71.80 as reversal in momentum indicator from the oversold zone with formation of positive divergence in combination with lower band of the channel supported the change in bearish bias in prices. On the higher side 74.80-75.20 zone holds near term resistance, followed by 76.14. Only a move above would bring fresh buying in Cotton future. Likewise, below 71.80 crucial support exists around 70.80. So for the day price is expected to remain in the range of 72.40-75.20 with side ways to positive bias. In the domestic market MCX Cotton Mar is likely to consolidate in the range of 20850-21220 with positive bias.

Currency Guide

Indian rupee may witness choppy trade against the US dollar but general bias may be on the downside. Rupee hit a high of 69.4913 in intraday trade yesterday but shed some of the gains and ended at 69.71. Weighing on rupee is mixed economic data, weakness in major equity markets and firmness in crude oil price. India CPI inched up to a four-month high of 2.57% in February beating Bloomberg forecast of 2.4% growth. Industrial production rose 1.7% in January as against forecast of 2.1% growth. Global equity markets are under pressure amid Brexit uncertainty and mixed economic data from US and major economies. Concerns about Brexit rose as UK lawmakers on Tuesday rejected the government's latest deal to leave the European Union. UK leaders will now vote to exit without a deal or to delay the Brexit. The 12-month US inflation number of 1.5% was the lowest recorded since September 2016. Brent crude trades near $67 per barrel amid unexpected decline in US crude oil stocks and Saudi's plan to further reduce production next month. However, supporting rupee is investor inflows, easing geopolitical risks and Fed's patient rate hike stance. Rupee has appreciated sharply in last few days but may struggle to extend the gains amid weaker risk sentiment. USDINR may trade in a range of 69.45-69.95 and bias may be on the upside.

Chinese materials find way into army bulletproof vests	Economic Times https://economictimes.indiatimes.com/news/defence/chinese-materials-find-way-into-army-bulletproof-vests/articleshow/68384425.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

NEW DELHI: China may be standing in the way of a United Nations ban on terrorist leader Masood Azhar but its companies are getting a large chunk of the Rs 639-crore Indian Army order for new bulletproof jackets. Azhar heads the Pakistan-based Jaish-e-Mohammad terrorist group that's responsible for numerous attacks in India, including the one in Pulwama on February 14 that led to heightened border tensions.

Chinese companies are now the main overseas raw material source for the 180,000-jacket order after Indian company SMPP changed its suppliers after winning the bid in April last year.

The order has been described by the government as one of its biggest contributions for soldiers who have been denied similar jackets in the past. ET has found that 40% of the jacket material, comprising fabric and boron carbide powder, are being imported from China.

ET has learnt that during the selection process, SMPP presented jackets that contained raw material from western sources in Europe and the US but changed its suppliers after winning the contract. The company said this will make no difference to the product.

Yes, we have changed the suppliers and have informed the army about it. There is no change of quality and the jackets are of the same standard that was tested," SMPP executive director Ashish Kansal told ET.

Records available with ET show that at least Rs 26 crore have been paid to a set of Chinese companies operating in Beijing's Changping district by SMPP since it won the order last year and that the material has been delivered to the Indian company at its manufacturing unit.

SMPP has been paid more than Rs 60 crore in advance.

Jackets Being Thoroughly Tested

Officials say the first batch of 10,000 jackets are being accepted after a series of firing tests to check for quality.

The Indian Army did not respond to queries by ET. However, the jackets are being thoroughly tested before acceptance and force majeure cannot be invoked by the Indian company in case its suppliers back off in any eventuality, said the people cited above.

Defending the change of suppliers, SMPP said it had driven down costs by going directly to the manufacturers of the material instead of western suppliers that were getting it from the same source. "Even during the testing phase, five out of the 10 competitors had jackets with Chinese materials. They were not disqualified for that reason," Kansal said.

The biggest of the four suppliers – Beijing Protech New Material Science Company Ltd – said in its profile that the company was started in 2003 and that its products have been certified by the Chinese government. A listing on Chinese portal Alibaba showed that 45% of its exports are to the Middle East and 10% to Southeast Asian companies.

Assessees can view, download month-wise report on liability declared, credit claimed on GST portal	Business Line https://www.thehindubusinessline.com/economy/assessees-can-view-download-month-wise-report-on-liability-declared-credit-claimed-on-gst-portal/article26513734.ece

Goods and Services Tax Network (GSTN), the IT backbone of GST, on Tuesday announced unveiling of a facility that will allow taxpayers to view and download month-wise report on tax liability, declared and paid. There will also be information regarding input tax credit (ITC).

This functionality has been provided in Returns dashboard on the GST portal to taxpayers under the headings 'Comparison of liability declared and ITC claimed'. The data can also be downloaded in Excel file for viewing and comparison later on.

"This facility will help taxpayers in reconciling their liability and ITC details quickly," Prakash Kumar, CEO, GSTN, said adding that taxpayers can view the monthly comparison as well as cumulative comparison up to the month, on the portal in the tables provided. "This will help them in taking corrective steps," he claimed. At present, there are over 1.10 crore assessees under GST filing returns on monthly or quarterly basis.

According to a GSTN statement, regular taxpayers file Form GSTR-1 on monthly or quarterly basis, depending upon their turnover, to show their outward tax liability on the supplies made by them. This includes B2B (business to business) invoice data, which is used by the system to generate Form GSTR 2A of the receiver taxpayers (recipients). These taxpayers (recipients) are also required to file Form GSTR 3B on a monthly basis, to discharge their tax liability where they show liability and ITC at summary level.

Since GSTR-1 and GSTR-3B are filed independent of each other, a need was felt to provide a view of liability declared in both the forms at one place. The new facility enables the taxpayers to view the two liabilities in one table for each return period at one place, which can be compared. This will enable taxpayers to make good of any differences between the two forms filed by them on GST portal, the statement mentioned.

Taxpayers have also been provided information regarding data of ITC as claimed in their Form GSTR 3B and as accrued in Form GSTR 2A. Taxpayers claim their ITC on supplies received by them during the month, in their Form GSTR 3B and use it to offset their tax liability during the month. Further, when their suppliers upload their Form GSTR-1, the data flows into receiver taxpayer's (recipient's) Form GSTR 2A. Thus, Form GSTR- 2A shows the details of supplies made to receiver taxpayers (recipient) along with tax details, which is nothing but ITC available to receiver taxpayers. Now taxpayers can see both these data sets and compare the input tax credit availed by them.

Similarly, taxpayers have been provided with a facility to view the liability paid due to reverse charge as declared & paid in Form GSTR 3B and as accrued in Form GSTR 2A, due to uploading of such details by the supplier in Form GSTR-1. Also, taxpayers can view and compare the liability related to exports & SEZ supplies as declared in their Form GSTR-3B during the month and liability as declared in their Form GSTR-1 (Zero rated supplies).

DPIIT extends deadline for public comments on draft e-commerce policy	Business Line https://www.thehindubusinessline.com/info-tech/dpiit-extends-deadline-for-public-comments-on-draft-e-commerce-policy/article26510566.ece

The deadline for public comments on the draft national e-commerce policy has been extended till March 29, according to the Department for Promotion of Industry and Internal Trade (DPIIT). The earlier deadline was March 9.

"Comments/suggestions on the draft policy are hereby invited from stakeholders, with the last date for receiving comments being March 29, 2019," DPIIT, which comes under the Commerce Ministry, said.

The draft seeks to provide a policy framework that will enable the country to benefit from rapid digitisation of the domestic, as well as global economy, it said.

The draft addresses six broad issues of the e-commerce ecosystem -- data, infrastructure development, e-commerce marketplaces, regulatory issues, stimulating domestic digital economy and export promotion through e-commerce.

Industrial growth slows to 1.7% in January 2019	**Business Line** https://www.thehindubusinessline.com/economy/industrial-growth-slows-to-17-in-january-2019/article26510569.ece

Industrial output growth stood at 1.7 per cent in January on account of slowdown in the manufacturing sector.

Factory output as measured in terms of the Index of Industrial Production (IIP) had grown by 7.5 per cent in January 2018. During April-January 2018-19, industrial output grew at 4.4 per cent as against 4.1 per cent in the same period previous fiscal, according to the data released by the Central Statistics Office (CSO) on Tuesday.

Price cut ensures the restricted inflow of spurious cotton seeds	**Times of India** https://timesofindia.indiatimes.com/city/chandigarh/price-cut-ensures-the-restricted-inflow-of-spurious-cotton-seeds/articleshow/68383204.cms

The sale of spurious cotton seeds is expected to be checked with the decrease in BT cotton seed prices by Rs. 70 per packet of 450 gram in last two years, feel the cotton growers.

After prices were reduced by Rs. 60 per packet previous year, the price has been in the previous year's farming season, the price has been further reduced by another Rs 10 per packet for the next growing season.

The cotton growers also used to visit Gujarat to purchase these seeds but such steps taken by the government has reduced the dependency on such seeds.

The genetically modified (GM) Bollgard- II, BT cotton seeds are used to sow cotton. Cotton sowing in Punjab though officially start from April 1 but farmers start sowing after in April end after the wheat harvesting. Two packets of seeds are used in 1 acre for growing cotton. With the reduction in prices, 80 lakh cotton growers of the State will benefit. Nearly 5 crore seed packets are consumed in India. Last year the cotton was grown in 123 lakh hectares.

One of the cotton growers, Hardev Singh from village Kaljharani in Bathinda said " Though the decrease is minor but it is welcome step and helpful for the farmers, government should also decrease prices of pesticides and insecticides". Another farmer Gurdev Singh from village Sangat said the cotton seed prices are now nearing to expected levels. Earlier cotton growers used to fall in the net of spurious seed sellers, who used to sell spurious seed at lower prices than market price. We want the government to check the sale of spurious seeds. An oofical of punjab agriculture department said that agriculture department is very serious about banning the sale of spurious seeds. The Union agriculture ministry's department of agriculture, cooperation and farmer welfare issued the notification on March 8 under sub clause (1) of clause 5 of the cotton seed price (control) order, 2018 fixing the maximum retail price of a packet of 450 gram plus 120 gram refugia BT cotton seed packet at Rs. 730 for the financiall year 2019-20.

GST officials bust fake invoices racket	The Hindu https://www.thehindu.com/news/cities/Hyderabad/gst-officials-bust-fake-invoices-racket/article26515441.ece

Eight companies sell steel worth ₹1,289 crore on paper

In a major crackdown on iron and steel industries in the State, the Hyderabad Central GST intelligence wing has detected that eight such companies have been generating fake invoices without actual supply of TMT bars and other products.

Since July 2017

The fake invoices generated by these companies accounted for about ₹1,289 crore and the input tax credit (ITC) of ₹224 crore.

The tax payers of these companies were passing on the ITC to other tax payers within the same group and some to other tax payers since July 2017.

Five of these tax payers are operating from the same address and many of the directors, partners and proprietors were common.

GST Hyderabad Central Principal Commissioner M. Srinivas in a press release late on Tuesday night said that several incriminating documents had been recovered during the simultaneous searches conducted at the residential and business premises of these companies.

The release said the companies were also indulging in circular fake trading just to inflate their turnover, besides supplying such fake invoices to others.

The erring companies generated e-way bills in support of the fake invoices issued by them.

While some e-way bills are also fake, the vehicles mentioned in the bills were found to have much lesser carrying capacity than the quantity shown in the invoices.

Banks defrauded

Mr. Srinivas said investigation also, prima facie, revealed that the above modus operandi was also being adopted to defraud the banks for claiming ‘ineligible’ credit facilities or Letters of Credit (LCs), without any collateral securities. One key person was arrested and a sum of ₹ 17.75 crore recovered, the release said.

Sources in the GST Hyderabad Central said that the modus operandi of these firms is to issue fake GST invoices i.e only invoices without any actual/ physical movement of goods, in this case TMT bars, to the rest of the players in this network. Interestingly most of the companies happen to be operating from the same building in the same floor in Jubilee Hills here.

By showing that they have supplied TMT bars to other players they are merely passing on the ineligible input tax credit to others who in turn are doing the same, thus indulging in circular trading.

The same firms are acting as both suppliers as well as recipients of these TMT bars, a senior officer told *The Hindu*.

Employees' confession

An official said the facts came to light during the course of investigation and simultaneous search conducted on their premises and statements recorded from various people who were employed in these firms. The employees confessed that there was never any physical movement/ supply of goods and mere paper transactions were made and to cover up the fraud, these firms have resorted to fabrication of documents.

The GST official said as per Section 132(1) b of CGST Act 2017 issuance of invoices without any actual supply of goods is an offence and when the value of such tax evaded exceeds ₹5 crore (Section 132(i) of CGST Act 2017) it is a cognizable and non-bailable offence under Section 132(5) of CGST Act 2017.

CERC mulls regional power market for South Asia	**Business Line** https://www.thehindubusinessline.com/economy/policy/cerc-mulls-regional-power-market-for-south-asia/article26514471.ece

By March 2017, India turned around from a net importer of electricity to net exporter of electricity.

The Central Electricity Regulatory Commission (CERC) is in favour of setting up a regional market for power trade across South Asian countries. This will be an extension of proposals for facilitating cross-border power trade.

The market is expected to connect member countries of South Asian Association for Regional Cooperation (SAARC), a senior CERC official said adding "South-Asian countries, namely Afghanistan, Bangladesh, Bhutan, Nepal, India and Sri Lanka, among others, do not have a Regional Market Platform to trade electricity…"

The electricity sector integration for developing a Regional Market is in an evolutionary stage, the official said. At present, transactions between nations take place through bilateral agreements.

"There are no formal, market-based multilateral trading agreements that are supported with a commercial, regulatory and legal framework, between countries. So there is a large scope for developing a structured regional power market," he added.

Bilateral agreements

Investments in viable interconnections are favoured under the present structure of power trade through bilateral agreements. "But gradually, transaction standards, balancing mechanisms, and the strengthening of institutional cooperation, short-term transactions through energy exchanges would become increasingly feasible," the official said.

SAARC countries have already entered into a framework agreement for energy cooperation aimed at promoting energy trade, developing clean energy and energy efficiency, among others. But there has not been much progress in electricity trade under this framework.

On its part, the Centre had issued guidelines on cross border trade of electricity in 2016.

By March 2017, India turned around from a net importer of electricity to net exporter of electricity.

From April 2016 to February 2017, India exported around 5,798 million units to Nepal, Bangladesh and Myanmar which is 213 million units more than the import of around 5,585 million units from Bhutan, according to the Central Electricity Authority.

These guidelines were repealed in 2018 and new regulations for the same have been proposed.

"India has entered into separate bilateral agreements with Bangladesh, Nepal and Bhutan for cross border trade of electricity. India imports around 1450 MW from Bhutan and exports around 500 MW to Bangladesh, and 300 MW to Nepal.

"According to the Centre's estimates, India would be importing around 17,100 MW from Bhutan, 15,800 MW from Nepal and exporting around 2,000 MW to Bangladesh, and 1,000 MW to Sri Lanka…This can be further boosted if there is a uniform framework for undertaking cross border trading of electricity," the official said.

Incentives for new textile units revised	**The Hitavada** http://thehitavada.com/Encyc/2019/3/12/Incentives-for-new-textile-units-revised.aspx

The move aims at attracting such units in industrially backward regions including Vidarbha

Base rate of power per unit to be Rs 3 for industries coming up in D, and D+ regions

State's Energy Department has redacted the incentives provided for establishing new textile units in industrially backward regions of Vidarbha, Marathwada and North Maharashtra by capping the concessions to ensure a level playing field across all regions of Maharashtra.
The notification issued by Industry, Energy and Labour departments stated that the State Government, after providing incentives and concessions from Department of Textile and Energy, has said that the minimum rate of power per unit would not be below Rs 3 for industries coming up in D, and D+ regions.

In the same vein, the notification also capped the rate for industries coming in developed parts of the State to Rs 4 per unit. The new power rates comes into effect from retrospective date -- January 1, 2019, onwards. The timing of notification ahead of general elections indicates quick thinking by the State Government to showcase its balanced development approach.

The incentives for new textile units have helped in establishing new units in Textile Zone in Amravati district's Nandgaonpeth Industrial area. However, representation from units in the other region led to commissioning of internal study that revealed that the power rate being provided to new textile units in backward regions was coming even low than the one applicable to agricultural consumers. This was due to combining of incentives from Textile

Department and concession from Energy Department.

Another reason advocated by Energy Department for upward revision of power rates is that they feared that if such concessional power continued to be provided the textile units would not switch over to solar energy within three years as was envisaged when providing rebates in energy rates to them.
Similarly the balancing act between different regions also ensures that textile sector in developed area does not switch in wholesale manner to seek concession and stay afloat.

Concessional power tariff to continue till March 31

Maharashtra Government has extended the order of concessional power tariff to industries in backward regions of Vidarbha, Marathwada and North Maharashtra till March 31, 2019. The industries in these regions would continue to avail rebate in fuel adjustment cost, on industrial power connected loan and incentive for establishing new industries. The policy was adopted by Bharatiya Janata Party (BJP) Government from April 1, 2016, onwards with a focussed view to promote industrialisation in these backward regions and bring them at par with developed parts of the State. As per the State Government record, only 14 per cent industrial units of Maharashtra are located in Vidarbha and In Marathwada region. The concessions in power tariff in last three years did not result in any substantial gains and hence Energy Department has decided to continue with incentive scheme.

However while extending the concession it was also decided that the total outlay for the same is capped at Rs 1,200 crore. Also, the cabinet sub committee that was set-up to study the issue of lopsided industrial development and suggested measures would now have Finance Minister as the Member. The decision on extension of concessional power tariff should be approved by the sub-committee.

Another important decision taken by Energy Department is to include Foundry industries located in Kolhapur region under the ambit of concessional power tariff and further they should be provided the concessions from year 2019-20 till 2023-24. Also Maharashtra State Electricity Distribution Company Limited (MSEDCL) will be reimbursed through general budget for losses sustained due to continuation of the scheme.

India's goods export to hit $330 bn in 2018-19: minister	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/india-s-goods-export-to-hit-330-bn-in-2018-19-minister-247943-newsdetails.htm

India’s goods export will touch the highest ever figure of $330 billion in 2018-19, according to minister of commerce and industry Suresh Prabhu, who 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, India is on the path to become the fifth-largest economy this year, an official press release quoted the minister as saying. The commerce department has identified nine sectors—gems and jewellery, leather, textiles, engineering, electronics, chemicals, pharmaceuticals, agriculture and marine products—to achieve at least 16 per cent growth in exports in 2018-19, he added. During April-January this fiscal, exports grew 9.5 per cent to $271.8 billion.

US warns of WTO action over 'discriminatory' new digital taxes	**Business Standard** https://www.business-standard.com/article/pti-stories/us-warns-of-wto-action-over-discriminatory-new-digital-taxes-119031200661_1.html

The US is weighing a complaint at the World Trade Organisation against "discriminatory" new taxes on digital giants such as a Facebook and Google which are being planned by France and other EU nations, a top US trade official said Tuesday.

"Various parts of our government are studying whether that discriminatory impact would give us rights under trade agreements and WTO treaties," Chip Harter, a Treasury official and US delegate for global tax talks, said in Paris.

Turkey gains scope as European textile hub while entering recession	**Themds.com** https://www.themds.com/companies/turkey-gains-scope-as-european-textile-hub-while-entering-recession.html

The Gross Domestic Product (GDP) of the country registered in the fourth quarter of 2018 a fall of 2.4% compared to the previous quarter, falling into technical recession for the first time since 2009.

Turkey consolidates its role in the European fashion sourcing while its economy weakens. The county, which has entered a technical recession, shot up last year its exports of textile and fashion goods to Europe, relying mainly on the devaluation of the local currency. Now, in this new period of recession, everything indicates that the situation will persist.

Turkey's Gross Domestic Product (GDP) registered a 2.4% fall in the fourth quarter of 2018 compared to the previous quarter, entering technical recession for the first time since 2009, according to data published yesterday by the Turkish Statistical Institute (Turkstat). In Inter-on-year terms, the country's GDP recorded a 3% drop.

Despite the setbacks of the Turkish economy in the last two quarters of the year, 2018 as a whole had a positive performance, with an annual increase of 2.6% compared to 2017. However, the rise was well below that registered one year ago, when it stood at 7.4%.
For the time being, the Turkish Minister of Finance and Treasury, Berat Albayrak, stressed yesterday the temporary nature of the economic slowdown and explained that the country has started a moderate recovery driven by exports and tourism income. Part of this recovery is based on the devaluation of the local currency executed last year on several occasions by the Turkish Government in order to gain competitiveness in foreign markets.

The textile, highly sensitive to production costs, took advantage of such devaluation to increase purchases to the country. In 2018, the European Union raised by 2% its purchases to the Turkish textile industry, which establishes itself as the third largest hub in the European sector, according to the latest data by Icex.

Turkey was the only proximity sourcing of the European Union which increased its sales to the region last year, when in Italy fell by 2.2%, in Check Republic had a drop by 5.6% in and Portugal plummeted by 10.2%.

In the specific case of Spain, in 2017 Turkey had already overtaken Bangladesh as the second supplier of textiles, clothing, accessories and footwear, and in 2018, it even increased the gap between them. Two years ago, the Spanish market rocketed by 16% its Turkish textile purchases while imports from Bangladesh only grew by 8%.

Also in the case of the fashion industry in Spain, Turkey has distorted the sourcing map of the sector in proximity.

Thus, while the Eurasian country has increased its sales of fashion items to the Spanish market at a double digit rate between 2017 and 2018, Portugal's textile industry has registered drops of 23.5% in 2017 and 13.9% in 2018.

As for Italy, Spanish purchases also shank in the last year, with a decrease of 4.2%, while those of Morocco moderated the growth rate, going from 23.3% in 2016 to 8 % in 2017 and 5.9% in 2018.

Vietnam featured in world's top 10 emerging markets logistics	**English Vietnam** https://english.vietnamnet.vn/fms/business/219491/vietnam-featured-in-world-s-top-10-emerging-markets-logistics.html

China claimed the top spot of the index, followed by India and UAE, Indonesia, Malaysia, Saudi Arabia, Mexico, Qatar, Turkey and Vietnam. In Southeast Asia, Vietnam ranked third, behind Indonesia and Malaysia, and stood above Thailand at 11st and the Philippines 20th.

Vietnam's international logistics market is the standout driver of its overall performance in the 2019 Index. Domestically, the country has solid but not remarkable logistics opportunities – both contract logistics and domestic express markets are around US$750 million in value per year with healthy growth rates, and GDP per capita is amongst the higher of the 50 emerging markets in the index, reinforcing likely positive development.

On the international side, Vietnam has developed real strength. It rates as the fifth largest market for logistics intensive goods trade by value – a measure where it is broadly in line with the significantly larger Indian economy and double the size of much larger Brazil. This advantage is expected to strengthen further as strong growth in both imports and exports is expected over the next five years. The country's sea freight market also plays a key role in strong international logistics performance.

A network of more than 160 ports throughout the country – with main gateways at Ho Chi Minh City, Hai Phong and Da Nang – have annual capacity of more than 11 million TEU, while the report estimated that Vietnam's sea freight market will grow at a 15.3% CAGR over the five years to 2022. Additionally, Vietnam remained 4th overall in the international logistics opportunities sub-Index - where average wages in the manufacturing sector are approximately four times lower than in China.

Its expertise and infrastructure have improved to such an extent that it is a major global exporter in a number of sectors, including textiles and apparel which have come to account for approximately 40% of air freight trade with the US. Such exports are helping fulfil the rapid delivery expectations of fast-fashion and online retail, according to Agility. More widely, Vietnam's ability to negotiate and sign new bilateral (such as with the EU) and multilateral (such as with ASEAN members) trade agreements has bolstered its ability to access new markets and should see it continue to grow over the longer term too. To date, it has signed 17 FTAs, although not all are implemented.

Meanwhile, a rank of 20th in the business fundamentals sub-index suggests room from improvement, with the need to address regulatory burden in particular.

Vietnam earns bigger garment export in 2 months	Xinhuanet.com http://www.xinhuanet.com/english/2019-03/12/c_137888389.htm

Vietnam gained nearly 4.9 billion U.S. dollars from exporting garments and textiles in the first two months of this year, up 19 percent year-on-year, according to the country's Ministry of Industry and Trade on Tuesday.

Between January and February, products witnessing significant export growth included fabrics made from natural fibers (up 14 percent), fabrics from synthetic fibers (up 14 percent) and clothing (up 11 percent).

The revenue surge was mainly attributable to strong market demand, with many orders already placed for the first six months of this year or even the whole year, said the ministry.

By the end of this year, total export turnovers of the industry may reach 40 billion U.S. dollars, the Vietnam Textile and Apparel Association forecast.

Vietnam, among the world's five biggest exporters and producers of garments and textiles, posted garment and textile export turnovers of over 30.4 billion U.S. dollars in 2018, up 16.6 percent from 2017.

However, Vietnam had to spend more than 12.9 billion U.S. dollars importing cloth last year, up 13.5 percent, the association said, noting that most of local cloth has yet to satisfy quality requirements of the country's key garment export markets.

BSEC approves Ring Shine Textiles's Tk150cr IPO	Dhaka Tribune.com https://www.dhakatribune.com/business/2019/03/12/bsec-approves-ring-shine-textiles-s-tk150cr-ipo

As per the BSEC approval—under the fixed price method—Ring Shine Textiles will offload 150 million ordinary shares worth Tk10 each

The Bangladesh Securities and Exchange Commission (BSEC) has approved the initial public offering (IPO) prospectus of Ring Shine Textiles Ltd (RSTL) worth Tk150 crore.

BSEC approved the IPO at a commission meeting held in Dhaka, on Wednesday. BSEC Chairman M Khairul Hossain presided over the meeting, according to a press release.

As per the BSEC approval—under the fixed price method—Ring Shine Textiles will offload 150 million ordinary shares worth Tk10 each. AFC Capital and CAPM Advisory Limited will act as the issue manager for the IPO process.

Net Proceeds from IPO will be used for procurement and installation of machineries for the existing factory unit, partial repayment of bank loans of the company and to meet the IPO expenses, within 18 months of receiving the IPO funds.

According to the financial statement ended on June 30, 2018, the company's net asset value (NAV) per share stood at Tk23.17, while the weighted average of earnings per share (EPS) was Tk1.46.

Authorized capital of the company stands at Tk440 crore and paid-up capital stands at Tk285 crore.

The major activities of the RSTL is manufacturing and marketing of gray and finished fleece fabrics of various qualities, and dyed yarn to the ready-made garment (RMG) industry of Bangladesh.

RSTL commenced commercial operation in August, 1998, and converted to a public limited company on June 8, 2017.