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NEWS CLIPPINGS –21-03-2019

Coal-based power tariff may see hike to boost renewables	Financial Express https://www.financialexpress.com/economy/coal-based-power-tariff-may-see-hike-to-boost-renewables/1521732/

Rise may be about 13% of average all-India price at which states procured non-renewable power in FY18.

To make thermal power stations more flexible to accommodate renewable energy, tariffs of coal-based electricity may be raised by as much as Rs 0.45/unit, depending on the quantum of green energy being generated by solar and wind plants. The tariff rise is about 13% of the average all-India price at which states procured non-renewable power in FY18. A recent report titled 'Flexible operation of thermal power plant for integration of renewable generation', prepared by the Central Electricity Authority, pointed out that "revision of tariff is essential to make profitable flexible operation of thermal units".

Flexibility is the extent to which a power system can modify electricity production or consumption in response to variability. The country expects to have an installed renewable capacity of 175 GW by FY22, when daily net load swings are expected to be up to 80,000 MW.

Variable electricity generation from renewables increases the flexibility requirements of power plants. "In the Indian context, while Coal is expected to provide majority of the flexibility, Hydro and Gas are also expected to play a pivotal role," the report said. However, if gas power plants are to be used optimally for flexibility, about 45.27 MMSCMD of the fuel would be required in FY22, significantly higher than the present availability of 29.88 MMSCMD.

The report estimates that maximum flexing of thermal generation would take place on July 27, 2021. On this day, about 1,08,082 MW of solar and wind generation will be integrated into the grid when power demand would be 1,81,151 MW. This would cause thermal generation to back down to 79,207 MW with a maximum ramp down rate of 310 MW/min.

To make the grid flexible, the report has not ruled out the possibility of renewable energy curtailment, but as a last resort. Though 'must-run' status and feed-in tariffs for renewable energy have made the sector more viable, the report admits that the option of curtailment "looks like an aberration from the general policy of govt. of India". Every percent renewable generation curtailment would lead to loss of 2,630 million units of renewable energy in the FY22, corresponding to monetary loss of `658 crore at an average renewable cost of `2.5/unit.

Online import licence for select goods	The Hindu https://www.thehindu.com/todays-paper/tp-business/online-import-licence-for-select-goods/article26595082.ece

The Commerce Ministry’s foreign trade arm DGFT has come up with a new online facility for obtaining import licence for restricted category goods, a move aimed at promoting paperless work and ease of doing business.

Currently, importers need to obtain licence for certain goods such as gold dore, some pulses, plastic waste, and bio-fuels. “Online application format for obtaining import licence for restricted items is notified,” the Directorate General of Foreign Trade (DGFT) said in a public notice.

GST favours coal power over solar generation: Study	Business Standard https://www.business-standard.com/article/economy-policy/gst-favours-coal-power-over-solar-generation-study-119032000892_1.html

Post GST, cost of thermal power generation dips 1.6%

The introduction of Goods & Services Tax (GST) has thrown a spanner in India's clean energy transition, implicitly favouring coal-fired power over solar photo voltaic (PV) generation and incentivising greater take up of coal based sources, a study shows.

The study commissioned by Canada based International Institute for Sustainable Development (IISD) and Council on Energy, Environment & Water (CEEW) says post the roll out of GST, the levelized cost of energy (LCOE) for existing coal-based thermal power stations has fallen by one or two per cent, depending on the share of imported coal used. On the contrary, LCOE for solar PV has risen six per cent. This does not take into account the cost of uncertainty for solar PV developers, who have not known how their projects would be treated under the new taxation system until the recent clarification in December 2018 by the GST Council.

The LCOE computation for coal-fired thermal power was done assuming a typical 500 Mw capacity. A significant proportion of such plants between 2003 and 2016 are 500 Mw in size, influenced by both fixed and variable costs.

Overall, the variable LCOE of a coal thermal power plan, assuming that it uses only domestic coal decreased by almost 1.6 per cent post-GST reform. Plants using a mix of domestic and imported coal would see a smaller decrease of one per cent, largely due to the influence of higher taxes on imported coal.

The LCOE is a metric that permits comparison of the costs of electricity generation across various generation sources. It represents costs on a per kWh basis accounting for the total lifetime of a project. The costs of any project consist of two components—fixed costs and variable costs. There is no fuel cost for solar PV, and other variable costs, such as operations and maintenance, are small. As a result, the LCOE for solar PV generation is driven almost entirely by the estimated capital cost. On the other hand, the LCOE for coal thermal power is sensitive to both the variable cost of fuel and the capital investment required.

While the total tax subsidies for both solar PV and coal-fired thermal power have been slashed, the absolute size of the subsidy to coal power exceeds that of solar. The absolute size of the subsidy to coal-based power generation remains Rs 7685 crore higher than solar PV in FY2018. “India has reformed a number of subsidies for petroleum products since 2014. Over the same time period, government support for renewable energy has increased significantly but the scale of subsidies for coal has remained largely unchanged”, the study noted. The study foresees GST is likely to lead to a significant increase in the cost of generation for new solar PV plants. In contrast, existing coal-fired thermal power plants are likely to experience reduced variable costs under the GST.

To tax or not? Govt makes last ditch attempt to save India-US trade package	Business Standard https://www.business-standard.com/article/economy-policy/govt-making-last-ditch-attempt-to-save-india-us-trade-package-119032000301_1.html

US wants India to hold off on tariff increase, Govt won't press for GSP benefits to be reinstated

Less than a month before the country goes to polls, the government is pushing forward on the proposed India-US trade package to clear pending bilateral issues and leave behind the bad blood caused by America cancelling India's Generalized System of Preferences (GSP) benefits.

Keen to salvage its engagement with Washington DC that has gone southbound ever since the Trump administration came in, India has called for a final set of meetings with US trade officials, soon. "The Prime Ministers office has directed that there be constant communication and a joint solution should be reached with the US," a senior government official said.

The package has been in the works for the past one year and trade officials have met as many as five times to hammer out a deal that provides an amicable solution to grouses from both sides. The package has been under negotiation for the last 8 months and includes mutual trade concessions across IT goods, aviation and oil purchases.

Talks came apart after the US last month cut off India's duty-free access to the American market under its largest preferential trade scheme, the GSP. Now, the US has hinted that India needs to hold off on its plans to raise tariffs on key imports from the country.

To tax or not

Senior Commerce Department officials are divided over whether to delay the announced tariffs. India has already deferred the imposition of higher duties on 29 key imports from the US, for an unprecedented six times. Originally set to go live from June 28, 2018, the tariffs have been repeatedly postponed by the government and are now expected to take hold from April 1 as opposed to March 2.

Despite them being notified by the Central Board of Indirect Taxes and Customs, the tariffs have been postponed repeatedly. In response to an unilateral increase in steel and aluminium duties from India and other countries by the Trump administration, New Delhi had announced higher tax by up to 50 per cent on import of mostly agri goods like apples, almonds, walnuts and some industrial products.

The new taxes are proposed to rake in an estimated $240 million worth of additional taxes. Spread across sectors from which imports stood at $1.5 billion in 2017-18, New Delhi claimed the amount was equal to the estimated loss faced by India after the Trump Administration imposed a 25 percent extra levy on steel and 10 percent on aluminium products from many countries, including India in May, 2018.

Package at cost of GSP

However, officials said the basic contours of the package has to be renegotiated as trade experts had said the earlier terms were favorable to the US without helping India.

New Delhi had considered the dismantling of its current price cap regime for coronary stents with a trade margin policy, and agreed to concede lower duties on import of certain information and communication technologies products such as high-end mobile phone and smartwatches from the US.

"Cheaper access to oil from Texas along with a broad range of trade concessions were offered by the American side. But none of that was conditional on the GSP," another official said. The GSP benefits are lapsed and the government will not actively petition the US to change its position, he added.

"The (GSP) benefits in absolute sense and as a percentage of trade involved are very minimal and moderate," Commerce Secretary Anup Wadhawan had earlier said.

India is also the only major trade partner, with which the US trade deficit has gone down consistently. In an instance of supreme irony, annual trade figures released by the US trade authorities a day after Washington DC snatched away India's GSP benefits, showed its trade deficit with India to have shrunk 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.

Fertiliser subsidy: Most farmers don't know they receive benefit: Survey	**Financial Express** https://www.financialexpress.com/economy/most-farmers-dont-know-they-receive-fertiliser-subsidy-survey/1522989/

The Centre spends some Rs 70,000 crore annually to heavily subsidise fertiliser for farmers, but two-third of the beneficiaries have no idea that they receive the largesse, a survey has found. About 90% of them, however, know that Aadhar is required to buy fertilisers.

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According to a new survey by consulting firm MicroSave, awareness among farmers about urea subsidy, which constitutes about two-third of fertiliser subsidy in India, was only 37%. Some 32% believe there is no subsidy in urea while 31% are not aware about the subsidy at all. While the production cost of gas-based urea is about `900 per 45-kg bag, farmers get it for `242, at a discount of over 70%.

Thanks to Aadhaar, average transaction time for farmers has come down to 3-4 minutes at retail fertiliser shops from 9-10 minutes found in a pilot study by MicroSave in September 2016. The new study found that 60% retailers reported that they face issues while serving customers during peak season, forcing them to sell manually and authenticate later.

Of the 99.5% people who bought fertiliser, 80.3% used Aadhar authentication, 6.4% Aadhar enrolment ID and Kisan Credit Card, while 12.8% bought through manual transaction. About 0.5% people were denied fertiliser, it noted.

Thanks to plugging of leakages due to nationwide Aaadhaar authentication of beneficiaries at the time of sale under the Direct Benefit Transfer (DBT) programme, the Centre has estimated to have saved about `10,000 crore in April-February of FY19. Aadhar-enabled PoS machines at shops were rolled out from April 1, 2018 across the country. The new survey was conducted during July-September 2018 in which 11,281 farmers and 1,182 retailers spread over 18 states and 54 districts were covered. Other major findings include 99% farmers reported buying urea at MRP while 94% got transaction receipts. Reduction of weight of urea bag by 5 kg has also helped in optimization of urea use as farmers did not increase their consumption of fertiliser by way of number of bags.

Retailers have flagged technology-related issues in PoS machines. On an average, they use one PoS to manage sales. They do not want to use more than one PoS because of its cost and additional manpower. Retailers said that the PoS updates are too frequent, which hamper their work.

India eyes traceability system for agricultural seeds	Securing Industry https://www.securingindustry.com/food-and-beverage/india-eyes-traceability-system-for-agricultural-seeds/s104/a9488/#.XJMhaSIzbIU

India has a problem with spurious and low-quality seeds that can cause extensive damage to farmers – and thinks traceability could be a solution.

The government is reaching out to stakeholders, including seed producers, to explore technological approaches that could help farmers trace the origins of the seeds they purchase and use, for example if they suffer an unexpected crop failure.

Sanjay Agarwal, India's Secretary of Agriculture, said the intention is to develop a framework with the national and state governments as well as industry to develop a traceability system within a set timeframe, according to a *Hindu Business Line* report. The approximately 130 seed testing and certification centres across the country would also need to be linked, he added.

The move follows a series of incidents in which falsified seeds have caused problems for farmers in India, Pakistan and other countries, including low crop yields that can threaten the livelihoods of tenant farmers already struggling to make ends meet.

Last year, there were multiple cases of cotton and chilli producers losing crops due to spurious seeds, in some cases bought at reduced rates form unlicensed sellers.

Earlier this month, the government of India stepped up inspections of outlets selling seeds produced by private companies to make sure that the varieties are properly registered with the Directorate of Seed Certification.

In fiscal 2018-2019, the Directorate ordered private firms to remove 1,355 tonnes of unregistered seed from sale in an attempt to prevent the sale of spurious seed in the marketplace.

The government's latest move comes against a backdrop of seismic change in the Indian agricultural market, with two separate studies in 2014 and 2015 pointing to some 300,000 farmer suicides in the previous two decades that have been blamed by some commentators on the monopolisation of the cotton seed sector by producers of genetically-modified Bt strains.

A 2017 scientific paper describes an "unbridled spread" of "identically labelled spurious seed" in recent years that has often made it difficult to distinguish between non-Bt and Bt cotton.

Cotton farmers target 300,000 tonnes production under CBN policy	Daily Trust https://www.dailytrust.com.ng/cotton-farmers-target-300000-tonnes-production-under-cbn-policy.html

The National Cotton Association of Nigeria (NACOTAN) says it is targeting the production of between 240,000 and 300,000 tonnes of cotton in 2019.

Mr Anibe Achimugu, the president of NACOTAN, made the disclosure in an interview with the News Agency of Nigeria (NAN) in Abuja on Thursday.

Achimugu said the set target would be achieved under the Central Bank of Nigeria's Anchor Borrowers' Programme (ABP).

According to him, the association produced an estimated 60,000 and 80,000 tonnes of seed cotton in 2018.

This year, I believe that we will be able to achieve a minimum of 240,000 tonnes and a maximum of 300,000 tonnes.

"I am saying this with confidence because of the Anchor Borrowers' Programme of the Central Bank of Nigeria (CBN) and the fact that we have started early in engaging the CBN to participate fully in the ABP programme.

"It means that before planting which is usually about June, we would have gotten all the required inputs.

"And under the programme, it is so specific, in the sense that, the recommended quantities of input such as fertiliser of seven bags as recommended per hectare and agro-chemicals for instance are adhered to.

"We are going to ensure that our members have those recommended quantities and dosages and apply them accordingly.

"The figures are on the basis of our target to have at least 100,000 farmers involved in the programme for this year on the basis of two hectares per farmer which basically will be 200,000 hectares.

"And we are looking at a minimum of 1.2 tonnes per hectare yield which is 240 and the best in case the scenario will be 1.5 tonnes which will be 300 tonnes per hectare.

"I believe we can achieve that with good seeds, with the right quantities of input as recommended and the training that we also intend to do before planting starts,'' he said.

Achimugu listed some of the challenges facing the association to include poor seeds, poor timing or delivery of input, inadequate extension services, poor training and guidance.

He noted that the CBN programme would assist the association to source the right seeds and deliver them to cotton farmers at the right time.

On biotechnology cotton, the president explained that cotton farmers were yet to commence its planting, adding that the association was yet to consult with the necessary authorities to know the way forward.

He said farmers would only use the conventional seeds for the wet season farming.

Cotton arrival at Pak ginneries down 6.84% as on March 15	Fibre 2 Fashion https://www.fibre2fashion.com/news/textile-news/cotton-arrival-at-pak-ginneries-down-6-84-as-on-march-15-248110-newsdetails.htm

Over 10.762 million bales of cotton have arrived in 2018-19 season at various ginneries in Pakistan, as on March 15, 2019, down 6.84 per cent over arrival of 11.552 million bales during the corresponding period of last season, according to the latest fortnightly report on cotton arrivals, released by Pakistan Cotton Ginners' Association (PCGA).

In the major cotton producing province of Punjab, total cotton arrivals decreased by 9.39 per cent year-on-year to 6.613 million bales, according to the report prepared by PCGA, in joint cooperation with All Pakistan Textile Mills Association (APTMA) and the Karachi Cotton Association (KCA). While in Sindh province, cotton arrivals decreased 2.45 per cent to 4.149 million bales as on March 15 during the ongoing cotton season 2018-19.

Of the total arrival of 10.762 million bales at various ginneries in Pakistan, 10.754 million bales were pressed by ginners, of which 9.743 million bales were sold, leaving an unsold stock of 1.010 million bales with the ginners, as on March 15, according to the data.

The textile mills in Pakistan consumed 9.641 million bales, while another 102.330 million bales of cotton were sold to exporters, according to the data. The Trading Corporation of Pakistan (TCP) has not procured any bale of cotton so far this season.

As of March 15, a total of 24 ginning factories were operational in Punjab compared to 43 ginneries that were operational during the same time last season. Similarly, 1 ginning unit was operational in the Sindh region, compared to 8 operating units during the corresponding period last year.

Prospects for the textile and clothing industry in Bangladesh, 2019	Innovation in Textiles https://www.innovationintextiles.com/prospects-for-the-textile-and-clothing-industry-in-bangladesh-2019/

Bangladesh is the world's second largest clothing exporter. Furthermore, it is the second biggest clothing supplier to the EU and the third biggest clothing supplier to the USA. Between 2011/12 and 2017/18, Bangladeshi clothing exports grew by more than 60% to reach almost US$31 bn, which accounted for almost 85% of the country's total exports.

The clothing industry's development has been aided by government policies aimed at encouraging foreign investment and allowing private enterprise to take the leading role. The industry has set an ambitious clothing export target of US$50 bn for the country's 2020/21 financial year. But to achieve this target, it will have to continue to tackle issues of occupational safety, regulatory compliance and labour rights.

Looking further ahead, Bangladesh could lose its tariff-free access to European, Canadian and Australian markets if, as expected, it graduates from least developed country (LDC) status and becomes a middle income country in 2021. If this were to occur, imports from Bangladesh into a number of major markets could become subject to additional tariffs and this could result in a loss in export earnings.

On the positive side, labour costs in Bangladesh remain very low, problems of occupational safety are being addressed and the country's clothing industry has strong links with many leading Western retailers. This report looks at the development of the textile and clothing industry in Bangladesh, its size and structure, and production and consumption.

The report also features: a geographical, political and economic profile; a detailed look at the country's imports and exports; a review of government policies, investment incentives and foreign investments; a look at Bangladesh's infrastructure and human resources and how these affect the textile and clothing industry; and an analysis of its strengths, weaknesses, opportunities and threats (SWOT).

Exports of majority of categories under textile segment declines in February	**KNN India** https://knnindia.co.in/news/newsdetails/sectors/exports-of-majority-of-categories-under-textile-segment-declines-in-february

A majority of categories like carpet & handicraft, jute manufacturing, man-made yarn/ fab/ made-ups under the textile segment have reported decline in exports in February.

Only the cotton yarn/fabs/made-ups/handloom products category have shown growth under the segment.

According to the Confederation of Indian Textile Industry (CITI), man-made yarn/fab/made-ups category has reported a decline of 2% in the month to USD 388 million, compared with USD 398 million in the year-ago period. Similarly, jute manufacturing (including floor covering) reported a decline of 10% to USD 23 million as compared to USD 26 million in February 2018.

The carpet and handicraft categories reported a decline of 3% each to USD 111 million (USD 114 million) and USD 151 million (USD 156 million), respectively, in exports during the month.

Exports of the apparel segment, however, grew 7% during the month to USD 1.544 billion, compared with USD 1.44 billion in February 2018.

Following this, textiles and apparel exports in February saw a growth of 3% to USD 3.094 billion, against USD 2.992 billion in February 2018. Cumulatively (April-February 2019), except the jute category, all the other categories under textile segment grew marginally.