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NEWS CLIPPINGS –22-06-2018

Tariff War With China Hits California Cotton Market	Apparel News https://www.apparelnews.net/news/2018/jun/21/tariff-war-china-hits-california-cotton-market/

In the latest salvo in the tariff war between the United States and China, the U.S. cotton industry is expected to receive a direct hit as China piles on an additional 25 percent tariff on U.S. uncombed-cotton imports.

The tariff, which goes into effect July 6, is already being felt in California—where farmers in the Central Valley region of the state cultivate highly prized long-staple American Pima cotton that is soft to the touch and durable. Most of the crop is exported to China and India.

"This is an issue that is going to affect the U.S. cotton industry rather significantly as China has traditionally been a larger buyer of U.S. cotton and a massive supplier of products back to the U.S. market," explained Marc Lewkowitz, the president and chief executive of Supima, a nonprofit promotional organization in Arizona representing American Pima-cotton growers. It is also the owner of the Supima trademark for American Pima.

He noted that about 95 percent of the American Pima crop is exported every year, and typically China imports about 40 percent of that crop. For the crop year that runs through July 31, China has purchased 239,200 bales, or approximately 120 million pounds of the fiber, valued at around $200 million, Lewkowitz explained.

Already, some 205,000 bales have been shipped, leaving a balance of about 34,000 bales for this year in addition to some 34,000 bales of forward contracted cotton sales for the next crop year. "These existing sales along with the entire new crop are at risk relative to the proposed Chinese tariffs," he said.

Roger Isom, president and chief executive of the California Cotton Ginners & Growers Association in Fresno, Calif., said his organization is hearing stories of China canceling contracts to purchase California cotton. And news reports are recounting how farmers in India are getting more inquiries about their cotton crops.

Cannon Michael, president and chief executive of Bowles Farming Company, which grows Supima and other cotton on land near Los Baños, Calif., said some speculators have pulled out of the market, which has put a damper on cotton prices.

His farm exports about 60 percent of its cotton crop to China and another 40 percent to India. "Any trade disruption is potentially negative," he said, "especially for states like California that export a lot of agricultural products."

The National Cotton Council of America in Cordova, Tenn., said it was laying low on the issue right now. But in April, when China first announced the cotton tariffs, NCC Chairman Ron Craft said he could not overstate the importance of

China's market to U.S. cotton farmers.

China is one of the principal buyers of U.S. cotton as is Vietnam. The United States is the second largest exporter of cotton, having shipped around 15 million bales of cotton overseas last year.

The tariff on uncombed cotton is part of a trade war the Trump administration launched earlier this year. The administration started out by slapping a 20 percent to 50 percent tariff on all solar panels and washing machines imported into the United States.

Then it piled on more tariffs on aluminum and steel, which prompted the European Union to place a 25 percent tariff on key imports coming from the United States. Those include men's and women's blue jeans, T-shirts, shorts, men's synthetic woven industrial and occupational trousers, cotton woven bed linen that is not printed, and footwear with upper and outer soles of leather not covering the ankle. These items carry an estimated value of $88 million.

Then the trade war expanded in April when the Trump administration announced a long list of Chinese products that would be subject to a 25 percent tariff.

The proposed new tariffs amount to $12.5 billion on about $50 billion in goods. They affect hundreds of China-made products such as semiconductors, car and aircraft parts, and machine tools.

After that broadside, China threatened to place a 25 percent tariff on uncombed cotton and other U.S. items including soybeans; corn; pork; certain fruits including apples, sorghum and dried cranberries; whiskey; and some passenger cars.

And now the Trump administration is threatening to amp up the tariffs on as much as $200 billion or more on Chinese goods brought into the United States.

The National Retail Federation in Washington, D.C., recently conducted a study showing that the initial tariffs on $50 billion of Chinese imports would reduce the U.S. gross domestic product by nearly $3 billion and lead to the loss of 134,000 American jobs.

"Higher prices for everyday essentials and lost jobs threaten to sap the energy out of the strong U.S. economy," said Matt Shay, the president and chief executive of the National Retail Federation. "This reckless escalation is the latest reminder that Congress must step in and exert its authority on trade policy."

Dry spell leaves Telangana farmers worried	**Live Mint** https://www.livemint.com/Politics/ALMWZaUwHsu6v31k6sKaHM/Dry-spell-leaves-Telangana-farmers-worried.html

Several farmers who have invested in seeds are hoping for rain in the next few days as otherwise they will suffer losses and will have to go through the whole process again

A dry spell over the last 10 days after a few early showers at the end of May has left farmers across Telangana worried, as the seeds they sowed in anticipation of the monsoon are in danger of dying, leading to great financial loss for the farmers.

Several farmers who have invested in seeds are hoping for rain in the next few days as otherwise they will suffer losses and will have to go through the whole process again.

“We have been waiting for about 15 days now after sowing seeds. Most of the people in my area have sown cotton seeds, which might get spoilt. Because of the dry spell they might lose the money invested in not just the seeds but also on labour and machinery for the harvest this kharif season,” said G. Rajinder, a farmer from Nalgonda district.

He added that farmers are set to lose about Rs.4,000 per acre on an average if it does not rain in the next few days. “Others who have not yet sown seeds of non-cash crops are still waiting for the monsoon. This (erratic rainfall) has been the case from the last few years,” said Rajinder.

A senior official from the Telangana agriculture marketing department, who did not want to be named, said that if there is no rainfall in the next four days or so, many farmers will lose their money. “The monsoon generally begins from the first or second week of June. But this year there was some rainfall at the end of May and early in June, and nothing after. If this continues, then the government will go for alternate cropping patterns for farmers,” he said.

Last year in Telangana, cotton cultivation touched nearly 1.9 million hectare, a good 50% higher than the previous year’s 1.24 million hectare. Cotton is the most sown crop in the state. The state also witnessed some violence by chilli farmers, who ransacked the Khammam agriculturual market yard, after chilli prices crashed to the range of Rs.3,000 to Rs.4,000 in 2017-18 from the range of Rs.12,000 to Rs.15,000 the previous year.

Saraswati Kavula, an organic farmer and member of the Rashtriya Kisan Samanvay Samithi (a farmers’ organization) who has a farm about 70km outside Hyderabad, said the situation should be under control for natural farmers like her if it rains soon. However, if this does not happen, she will have to give up hope of her kharif crop, Kavula said. “This happened last year also and in 2015, there was no rain for a whole month. All this is a result of climate change,” she told Mint.

According to the India Meteorological Department, a prediction of rainfall and thundershowers has been given for the next five days. The heat also has been on the higher side, with Hyderabad recording maximum temperature of 37.8 degree Celsius.

MSMEs' exposure to credit increasing despite GST and Demonetization: CIBIL-SIDBI report	**KNN India** http://knnindia.co.in/news/newsdetails/economy/msmes-exposure-to-credit-increasing-despite-gst-and-demonetization-cibil-sidbi-report

Despite demonetization and GST fever, the credit growth in the MSME sector improved, according to a CIBIL-SIDBI joint report.

In the last five quarters, the overall growth exposure registered the highest growth at Rs 54 lakh crore as on March 2018, noted MSME Pulse quarterly report.

According to the report, the MSME exposure constitutes 23% of this, which means Rs 12.6 lakh crore is the overall credit exposure to MSME for the same period of time.

Further, the report pointed that the micro-credit of less than Rs 10 million and SMEs of Rs 10-250 million grew by 22 per cent and 13 per cent, respectively, as on March, 2018, implying that the self-inflicted pain due to GST and demonetization is over.

Commenting over this, Mohammad Mustafa, CMD, SIDBI said that the MSMEs are firmly back on the growth path with the segment having an exposure below Rs 250 million growing at 25%.

He said high growth in new credit shows the positive impact of GST.

“Bad loans moderated in the sector but it was too early to conclude that it’s bottoming out”, he added.

The report further highlighted that the fresh NPAs may be driven by Rs 11,000 crore standard credit exposures, belonging to companies who have at least one or more credit exposures as NPA by other bank or credit institution.

As such, there’s a system-wide exposure of Rs 1.2 lakh crore of those entities with CIBIL MSME Rank (CMR) of 7 to 10 -- associated with high risk.

With such a high exposure, Rs 16,000 crore are expected to be added in NPAs by March 2019, according to report.

“However, strong credit demand in this segment among other things driven by the formalization of MSME segment is likely to keep the overall NPA rate in this segment in check,” the report said.

With the entering of new private banks in providing lending facility to MSME sector, their share of lending touching 30.03% as on March, 2018 while that of NBFCs grew marginally to 10.9 per cent from 9.1 per cent earlier.

In other words, the share of public sector banks fell from 57 per cent to 50.4 per cent.

Also, Mustafa noted that recent move taken by RBI to allow banks to recognize NPAs in 180 days as against the previous norm of 90 days past due date for MSMEs is expected to bring relief worth Rs 15,000 crore of exposure.

GST cuts truck turnaround time’	**Business Line** https://www.thehindubusinessline.com/news/gst-cuts-truck-turnaround-time/article24222950.ece

Smart warehouse network to improve cost efficiencies: ICRA

A year since the introduction of GST, the turnaround time in road transport sector is down by 18-20 per cent and many companies are on warehousing consolidation mode, rating agency ICRA has said.

A study of approximately 50 transport companies and 15 customer-oriented companies across various sectors found definite benefits of GST rollout. However, in the short term, many transport companies reported higher compliance cost on account of technological upgradation, re-skilling of workers, penalty charges etc.

"In the long term, it is expected that the truck turnaround time will reduce and, setting up of efficient warehouse network will improve the overall cost-efficiency," said Shamsher Dewan, Vice-President, ICRA.

According to the study, the removal of inter-State checkposts benefited truckers. "The impact is more pronounced in States like Kerala, West Bengal, Maharashtra, Madhya Pradesh and Bihar, which were known for notoriously high waiting time," it said.

Warehouse consolidation

Move towards higher tonnage trucks and warehouse consolidation were considered two natural outcomes of removal of inter-State tax barriers.

According to the study, the pace of warehouse consolidation remained slow especially in large consumer-oriented sectors such as FMCG and consumer durables.

"Sectors like FMCG and consumer durables reported limited consolidation as maintenance of decentralised warehouses remains necessary for product availability and customer servicing," it said.

However, sectors like tile manufacturing, which experience a more predictable demand, have already consolidated their warehouses.

Overall half of the companies which participated in the study "indicated" that warehouse consolidation had either happened or were in progress. Many are also interacting with supply chain management companies in redesigning the warehouse network.

E-way bill

E-way bill, which was introduced in April, had a positive impact on logistics efficiency, as two-third of respondents reported significant time-saving and paper work reduction due to digitisation.

"The overall impact of e-way bill has been positive," the study said. "The full benefit of GST on the road logistics sector are expected to be realised over the longer term," it added.

CCI attaches riders to Bayer-Monsanto deal	**The Hindu** http://www.thehindu.com/business/Industry/cci-attaches-riders-to-bayer-monsanto-deal/article24223111.ece

'Non-exclusive licensing policy a must'

In a bid to protect farmers' interests, the Competition Commission of India (CCI) has attached several conditions to its approval for the merger of global major Bayer and Monsanto in India.

'Adverse effect'

"Based on its investigation, the Commission was of the opinion that the proposed combination is likely to have an appreciable adverse effect on competition in some markets in India but the same could be addressed by way of modifications to the proposed combination," CCI said in a statement on Wednesday.

For a seven-year period post the merger, the new entity must follow a non-exclusive licensing policy for non-selective herbicides and for GM and non-GM traits which are currently or soon to be commercialised in India, on a fair, reasonable and non-discriminatory basis. The Union government and its institutions must also be given free of charge access to all Indian agro-climatic data, to be used exclusively for creating a public good. CCI asked Monsanto to divest its 26% shareholding in Mahyco, its Indian hybrid seed arm, and Bayer to divest its glufosinate ammonium, crop traits of cotton and corn, and vegetable hybrid seeds businesses.

Mustard, cottonseed oils decline on muted demand	**Business Standard** https://www.business-standard.com/article/pti-stories/mustard-cottonseed-oils-decline-on-muted-demand-118062100496_1.html

Mustard expeller and cotton seed mill delivery oil prices drifted lower by up to Rs 50 per quintal on the wholesale oils and oilseeds market today due to low demand from millers as well as retailers.

Other edible and non-edible oils, however, after moving in a tight range on scattered deals ended at their previous levels.

Traders attributed the fall in select edible oil prices to easing demand from millers and retailers amid ample stocks.

In the national capital, mustard expeller (Dadri) fell by Rs 50 to Rs 7,650 per quintal. Mutard pakki and kachi ghani oils in sympathy also traded Rs 10 each down at Rs 1,265-1,310 and Rs 1,315-1,415 per tin, respectivley.

Following are today's quotations (in Rs per quintal):

Oilseeds: Mustard seed Rs 2,950-3,050 and Groundnut seed Rs 2,150-2,900.

Vanaspati Ghee (15-litre tin) Rs 800-1,000.

Edible oils: Groundnut Mill delivery (Gujarat) Rs 8,300, Groundnut Solvent Refined (per tin) Rs 1,700-1,800, Mustard expeller (Dadri) Rs 7,650, Mustard Pakki Ghani (per tin) Rs 1,265-1,310, Mustard Kachi Ghani (per tin) Rs 1,315-1,415, Sesame Mill delivery Rs 9,500, Soybean Refined Mill Delivery (Indore) Rs 7,650, Soybean Degum (Kandla) Rs 7,250, Crude Palm Oil (Ex-Kandla) Rs 5,500, Cottonseed Mill delivery (Haryana) Rs 7,200, Palmolein (RBD) Rs 7,100, Palmolein (Kandla) Rs 7,150 and Coconut (per tin) Rs 3,100-3,150.

Non-edible oils: Linseed Rs 9,000, Castor Rs 7,000-7,100, Neem 5,350-5,450.

Terms set for easing jute packing rules	Telegraphindia https://www.telegraphindia.com/business/terms-set-for-easing-jute-packing-rules-239369

he standing advisory committee which recommends jute-packaging norms to the government has called for a conditional dilution on the use of jute bags to pack foodgrains for jute year 2018-19 (July-June).

The committee, while recommending the commodity wise reservation under Jute Packaging Materials Act, has proposed 100 per cent of the foodgrains produced be reserved for the packaging of jute.

However, if the mills fail to supply the bags on receiving the entire requirement from the procuring agencies within 30 days, the department of food and public distribution may allow the dilution of packaging material of up to 10 per cent at a time and 30 per cent in the whole year, with the approval of the textile ministry.

Conversely, if the procuring agencies do not place indents according to the supply plan prepared by the department of food and public distribution and if there is a bunching of indents (orders exceeding 2.5 lakh bales a month), the procuring agency is unlikely to have the benefit of dilution and the mills may get additional time to meet the requirement.

In case the mills fail even after the extension, the dilution provisions would be applicable. The issue of the timely supply of jute bags for the purpose of packaging has remained a key area of concern on both sides - the procuring agencies and the mills.

The department of food and public distribution while presenting its view before the committee has noted that the placement of early indents is difficult for the procuring agencies as the assessment of crop size and the arrangement of funds take time.

The department had sought relaxation in procurement based on the projected requirement and the industry's ability to supply the bags.

Maharashtra plastic ban: Mumbai shopkeepers seek more time and clarity	Hindustan Times https://www.hindustantimes.com/mumbai-news/maharashtra-plastic-ban-mumbai-shopkeepers-seek-more-time-and-clarity/story-5ea8HJgwjbhsvQ2rbLqfFL.html

Demanding clarity from the state government over alternatives to plastic, 54 retail traders’ associations in Mumbai have called for a one-year extension before the Brihanmumbai Municipal Corporation (BMC) starts penalising violators.

Until this extension is granted, no fines should be collected from retailers for selling products in plastic bags till the monsoon is over, or at least till August 15, said the representatives.

Ramnik Lal Chedda, president of Mumbai Grain Dealers’ Association, said, “There is no alternative to plastic packaging during monsoon, especially for food products, dry fruits, grains and textile. If the ban is imposed after one year, we can meanwhile come up with alternatives. We can put forth our demands, probably continue to use plastic with a strong buyback and recycling policy, instead of banning plastic altogether."

After a meeting on Wednesday, the associations, registered under Federation of Retail Traders Welfare Association (FRTWA), wrote to chief minister Devendra Fadnavis and environment minister Ramdas Kadam about their demands.

Viren Shah, president of FRTWA, said, "We have proposed that instead of banning plastic, why not come up with an effective way to collect and dispose the used plastic to recycling units. This is done in all countries."

Among the major demands are exemption to polypropylene bags (transparent plastic bags given at grocery stores) above 50 microns, ban on branded plastic packets too and breather for plastic packaging till August 15.

More than 1,100 shopkeepers attended Wednesday's meeting and proposed these demands. Shah said, "The fine for shop owners is too high — between Rs5000 and Rs25,000. We will not be bullied into paying money as there is no clarity about the banned items. We have decided to move court, if harassed by BMC inspectors."

Grain dealers, chemists, textile traders, jewellery shop owners, plastic manufacturers, electronic goods manufacturers and automotive spare parts manufacturers took part in Wednesday's meeting.

Manufacturers find it hard to switch to alternatives

Even after a six-month breather, plastic manufacturers have failed to switch to alternatives to plastic because it is neither feasible nor profitable.

A city-based manufacturer of plastic straws said he is prepared to shut down his unit because they do not have any other option. "Changing the product and getting new machinery are not feasible. We will fight till the end to save our product from the ban. If it is still not exempted, we will have no other option but to shut down."

Neemit Punamiya, general secretary of the Plastic Bag Manufacturers' Association of India (PBMAI), said switching to alternatives and availability of new machinery are not viable. "We have no plans of manufacturing any alternatives. It is a relief for us that all packaging material has been exempted from the ban. Shifting to alternatives such as cloth bags is not feasible as of now."

Sonil Shah, another member of PBMAI, said he is relieved that packaging material is not part of the banned items. He said plastic manufacturers are holding discussions over the thickness of plastic bags which could be left out of the ban purview. "We will give a presentation to the government in a day or two on the banned plastic items," said Shah.

The state government had issued a notification on March 23, imposing a ban on purchase, sale, distribution and storage of single-use disposable plastic. Following this, the state decided to give extension of another two months to people for disposing of the banned plastic items. Implementing authorities such as the BMC cannot start punitive action till June 23.

RBI may raise rates owing to higher expenditure by the public: Analysis	Indian Express http://www.newindianexpress.com/business/2018/jun/21/rbi-may-raise-rates-owing-to-higher-expenditure-by-the-public-analysis-1831412.html

After the implementation of GST and Demonetisation, people have finally adjusted with the higher prices, but RBI may increase rates further.

Lifestyles have changed over the past few months, Ruth Timmy an Indian housewife recalls living off money collected by her 4-year old daughter and then expenditures doubled.

The 32-year-old said she had to break into her daughter's piggy bank to meet household expenses when India suddenly demonetised high-denomination currency notes.

"We're more confident to spend now on shopping and eating out than we were a year or two back because now our income flow has stabilised," said Verghese, referring to income from her husband's advertising job and his freelance work. "How long can we hold off fulfilling our happiness?"

Like Verghese, many other middle-income Indians are splashing cash on beauty salons, shopping, movies and eating out as the economy normalises after disruptions from two big events - demonetisation and the introduction of a new goods and services tax (GST) last year.

This surge in expenditure is pushing core inflation higher and could keep overall consumer price inflation well above the Reserve Bank of India's 4.7 per cent target by March 2019, raising odds that the RBI may raise rates more than once in coming months.

While markets have already priced in one rate hike in the months ahead, further hikes could put a damper on growth as Asia's third-largest economy goes into an election year.

Santosh Shetty, the owner of Mumbai's Satish Restaurant & Bar, said business had declined by 50 per cent after the implementation of demonetisation and GST, but had returned to normal since January despite both raw material and menu prices rising.

"The raw material cost has gone up for all items for us, from vegetables to chicken, mutton, eggs and spices by 15-25 per cent, accordingly we have also raised our menu prices," he said. "Customers are willing to pay higher rates as they know that prices are rising everywhere."

The expenditure boom is not just in cities.

Conglomerate Hindustan Unilever, which has a deep rural reach and whose sales are often taken as a barometer for rural demand, has seen strong growth in personal care and home care products in the March quarter over last year.

With a good monsoon forecast this year, farm incomes are likely to rise, economists say.

INFLATION LANDMINE

Economists note that while the surge in consumer spending helped India post robust 7.7 per cent growth in the March quarter, it is also a potential inflation landmine.

India's May headline inflation rose to a four-month high of 4.87 per cent, driven by 6.20 per cent core inflation that excludes food and fuel. Within the core figure, recreation and amusement inflation, which has been on an uptrend since January, rose to an annual 4.93 per cent in May. Personal care inflation rose for the third straight month to 5.61 per cent.

These, along with items including transport, clothing and household services, comprise nearly 40 per cent to the inflation basket, making it a concern for the RBI, which raised its policy rate for the first time in over four years in early June.

"Core inflation has recovered from the troughs hit after the twin shocks of demonetisation and GST," said A. Prasanna, chief economist at ICICI Securities Primary Dealership.

"If core CPI momentum picks up and underlying inflation sustains around 5 per cent, there could be a risk of the monetary policy committee raising rates more steeply than expected," he said, adding he expects another rate hike by October along with a shift to a tightening stance.

The so-called demonetisation and GST implementation had hit businesses and households with wage growth slowing to 6 per cent in April-June 2017 from 10 per cent a year ago. It also sent the consumer confidence index for the year ahead sliding to 114.7 in November 2017 - its lowest level in four years, RBI data showed.

However, 2018 is looking a lot rosier:

Wages have risen an average of 7-8 per cent and the consumer confidence index for the year ahead also improved to 118.4 in May. Consumer goods companies, including automobiles, have seen strong demand.

Passenger vehicle sales rose by an annual 19.6 per cent in May from 7.5 per cent in April despite rising fuel prices. In June 2017, auto sales were down 11.2 per cent from a year ago.

"The fact is there is demand and so these companies have pricing power," said Saion Mukherjee, head of equity research, India at Nomura.

"Higher volumes in consumer discretionary companies, especially autos, staples are flowing into higher margins."

GROWTH HEADWINDS

However, property prices remain muted, due to a huge overhang of unsold houses keeping a lid on prices.

Meanwhile, risks loom from high oil prices and tighter financing conditions with rising interest rates.

Further rate hikes will add to higher costs of borrowing and stifle growth at a time when Prime Minister Narendra Modi is looking for a boost ahead of general elections due by May.

"Often a rate hike is equated with credibility," said Siddhartha Sanyal, chief India economist at Barclays.

"But the impact of rate hikes in India can be more direct on growth than on inflation. Rate hikes tighten financing conditions and often impact growth, but a large part of the CPI basket like food, healthcare, education is relatively less sensitive to interest rates."

Fin Min urges exporters to follow correct procedure of filing returns for quick disbursal of refund claims	**KNN India** http://knnindia.co.in/news/newsdetails/economy/fin-min-urges-exporters-to-follow-correct-procedure-of-filing-returns-for-quick-disbursal-of-refund-claims

The Central Board of Indirect Taxes and Customs (CBIC) has so far made total GST refund of Rs 41,548 crore till 16th June, 2018. As much as Rs 6,087 crore IGST refund has been sanctioned in the 2nd Special Refund Fortnight extended from May 31- June 16, 2018. “In line with the commitment of Government to liquidate all pending GST refunds filed till 30th April, 2018, the Central Board of Indirect Taxes and Customs (CBIC) has successfully concluded the 2nd Special Refund Fortnight extended from 31st May, 2018 to 16th June, 2018,” Ministry of Finance said in a statement.

During the second fortnight about 1,68,191 shipping bills have been processed and IGST refund claims of about 9,293 exporters have been sanctioned including about 3500 new exporters, whose refunds had been held up, have got their refund sanctioned.

The amount of RFD-01A refund claims received by the Centre as on 30th April, 2018 was Rs. 9,816 crores. The target for the Special Refund Fortnight was to dispose off this amount. During the refund fortnight, an amount of Rs. 1,548 crores was sanctioned by the Centre and Rs. 2,290 crores by the States. This takes the amount of RFD-01A refund claims disposed, as on 16.06.2018, by the Centre to Rs. 10,824 crores and by the States to Rs. 7,287 crores. Thus, the total amount of RFD-01A claims disposed off stands at Rs. 18,111 crores.

In all, Rs 21,142 crore (IGST refunds), Rs. 9,923 crore (RFD-01A refund by CBIC) and Rs 6,997 crore (RFD-01A refund by States) all totaling Rs 38,062 crore has been sanctioned till 16th June, 2018. Considering the amount of rejected claims, the total IGST disposed is Rs 23,437 Crore, RFD-01A (by CBIC) is Rs10,824 crore, RFD-01A (by States) is Rs 7, 287 crore and total GST refund disposed till 16th June, 2018 stands at Rs 41,548 crore.

The momentum gained during this fortnight would be carried on by all formations where refunds are still pending, the Finance Ministry assured.

It has asked the exporters to ensure that the correct procedure of filing returns, giving accurate information in Shipping Bill and submitting RFD01A application forms to the jurisdictional formations are followed for quick disbursal of their refund claims.

Post-Brexit UK-India partnership can shape global economy: UK Minister	**Money Control** https://www.moneycontrol.com/news/trends/current-affairs-trends/post-brexit-uk-india-partnership-can-shape-global-economy-uk-minister-2605071.html

The week-long set of events are aimed at bringing together senior figures in the UK with their counterparts from India for high-level talks.

The first-ever UK-India Week was launched here today with the message that a post-Brexit bilateral trade partnership has the potential to shape the global economy.

Britain's Secretary of State for international trade Liam Fox, who is set to visit India later this year for the next UK-India Joint Economic Trade Committee (JETCO), described India as “foremost” among the UK's allies and trading partners and hailed reforms initiated by the Indian government.

"We are here to look to the future and lay out our ambitions for a trading partnership that has the potential to shape the global economy," said the senior Conservative party leader.

"In particular, as we leave the European Union (EU), there is the opportunity for both countries to enhance this partnership – opening up new sectors for business and minimising barriers to trade," said the minister in charge of the UK's Department for International Trade (DIT)

The launch event at Taj Hotel in London was marked by the release of the second edition of the '100 Most Influential in UK-India Relations' – covering leading figures across business, politics, arts and culture who are seen as making a significant contribution towards enhancing the UK-India relationship.

"Collectively, these change-makers help to build a 'Living Bridge' between the UK and India – something Prime Minister (Narendra) Modi has long championed and encouraged," said Manoj Ladwa, Founder & CEO of India Inc. – the organisers behind UK-India Week.

Matt Hancock, UK Secretary of State for Digital, Culture, Media & Sport, Indian minister of communication Manoj Sinha and the Indian High Commissioner to the UK, Y.K. Sinha, were among the other prominent guests at the event.

"It is important that India and the UK ensure that the true potential of this relationship is tapped. As the UK leaves the EU and as India grows steadily, yet surely, there is a definite match between the two countries," said Sinha.

The week-long set of events are aimed at bringing together senior figures in the UK with their counterparts from India for high-level talks.

It will include a two-day UK-India Leadership Conclave tomorrow and Thursday, when ministers and business leaders from both countries will descend upon Latimer Estate in the English countryside in Buckinghamshire to address the prospects of post-Brexit partnership opportunities.

"UK-India Week celebrates the strong partnership between the UK and India and is a catalyst for promoting opportunities for future collaboration," Ladwa said.

"There is a huge opportunity for these two great countries – now equals on the world stage – to harness their shared values, trade, technology and talent to enhance prosperity at home and around the world," he said.

The conclave, backed by the Federation of Indian Chambers of Commerce and Industry (FICCI) and Confederation of Indian Industry (CII) as well as leading Indian companies like Infosys, Ola Cabs, and Hero Future Energies, will include a Global Investors Forum and Young Leaders Forum as well as spin-out sessions on smart cities, soft power, energy and climate change.

Alongside hard-hitting political and economic debate, the conclave – now in its fifth year – will celebrate the cultural ties between the UK and India, including an early morning yoga session in celebration of International Day of Yoga on Thursday.

UK-India Week will culminate with the second annual UK-India Awards in London on Friday, to honour high-achievers within the bilateral space.

Government to soon launch national portal with skilling data	**Economic Times** https://economictimes.indiatimes.com/news/economy/policy/government-to-soon-launch-national-portal-with-skilling-data/articleshow/64690846.cms

The government is collating the rise in the number of skilled persons in the country since the launch of the flagship Skill India programme, following on from efforts to tally jobs.

The move for creating a data portal was triggered after cabinet secretary PK Sinha started conducting monthly review meetings in January on the number of skilled personnel, thus bringing all central ministries on board to converge their skilling programmes.

Around 12 million youth enter the country's workforce every year but a large chunk of them are unemployable because of poor skillsets, which is why it's a key thrust area for the government. Skilling the new entrants while upskilling and reskilling the existing workforce will mean there will more employable people in the country, which in turn will add to job numbers, lift incomes and boost growth.

At the launch of the Skill India programme in 2015, the government had targeted training over 400 million people in different skills by 2022. However, barely 40 million have been trained by different stakeholders since then, 25 million of them by the ministry of skill development and entrepreneurship. The government will soon launch the national skills portal that will have skilling data from all central ministries, states and corporates, a senior official told ET.

"The first phase will be launched on July 15 and, over a period of time, when all stakeholders are on board, it is estimated that the number of skilled personnel could go as high as 15 million a year against 10 million estimated by the skills development ministry," he said. This will act as a boost for the government ahead of polls next year as the jobs issue has been haunting it and it aims to make India the skill capital of the world.

Skill training is imparted by not just the ministry of skill development but also over a dozen other central ministries besides states and companies and the numbers are not reported on any common platform. “The comprehensive data on the portal is expected to have twin benefits,” said the official cited above. “Firstly, we would get total number of skilled personnel in the country on a real-time basis and secondly this would help in de-duplication so that resources are not wasted.”

energy impart skill training, taking the total estimated number to 10 million a year. 'Under the flagship PMKVY launched in 2015, close to 5 million candidates have been trained across the country at a cost of Rs 3,000 crore. The target is to

According to the official, the cabinet secretary has directed the ministry of skill development and entrepreneurship to converge all skilling data across sectors, gender, social and geographic landscape to assess demand and supply for the skilled workforce. “The national skills portal, which is being developed by the National Skills Development Corp. (NSDC) and the World Bank, will help to address the mismatch between the existing pool and the fast-changing skill sets required today,” the official said.

The skill development ministry says it trains 6 million youth a year through Industrial Training Institutes (ITIs), apprenticeship programmes, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and fee-based NSDC training. Besides, other central ministries such as agriculture, rural development, textiles, electronics and IT, human resource development and new and renewable train 10 million youth by 2020 at an estimated cost of Rs 12,000 crore.

Arvind Subramanian’s Exit Shows us That Economic Policy-Making in India Is Still Too Centralised	**The Wire** https://thewire.in/government/does-arvind-subramanians-exit-mean-economic-policy-making-is-becoming-centralised

At this point, it seems that the actual economic policy-making process at the higher government level features a small, concentrated group of decision-makers that is largely unaffected by the influence of econocrats.

The announcement of the exit of chief economic adviser (CEA) Arvind Subramanian will be a great loss for the domain of economic policy-making by econocrats (economists working as bureaucrats) within the Indian government.

Subramanian served as the CEA to the Centre for nearly four years and is now the third renowned economist with international recognition to leave his position with the government and return to the US.

Former RBI governor Raghuram Rajan and former NITI Aayog boss Arvind Panagariya were the other two econocrats, who left to return to the US for undertaking academic roles at different universities. While it would be speculative to comment on the common links between these three departures, it is vital to acknowledge the contributions made by Subramanian during his term, and perhaps, understand the failure of the current government to retain some of its best policy minds.

During his term, Subramanian was involved in implementing the Goods and Services Tax with the finance ministry and contributed one of the most comprehensive and meticulous Economic Surveysin recent times this year, presenting a robust policy action plan for the government to prioritise upon.

From a careful review of the most recent Survey, one could get a nuanced analysis of the twin-balance sheet problem affecting the credibility of the banking sector; the disparate patterns in agricultural productivity across India and its link with trends in overall temperature changes and water availability (recommending different irrigational strategies like drip irrigation in dry areas of states); the issue of gender inequality and its impact on sectors within the economy; and an interesting study on the ineffective nature of government export-subsidies in the textile sector.

All these analytical observations offered a set of critical issues and measures to be undertaken by the government in its action plan.

Unfortunately, Subramanian's contributions didn't seem to have a big effect on the government's enacted policy approaches and vision (as evident from this year's Union Budget). On the issue of ineffective export subsidies allocated by the government in the apparel sector, the Economic Survey depicted how a Rs. 6,000 crore package (announced by the Cabinet in 2016) failed to boost exports of readymade garments (silk, cotton etc.) with a limited impact on other manmade fibre exports, proposing a revision to the government's export enabling strategies. Similarly, some of Subramanian's recommendations pertaining to the GST fell on the government's deaf years. For instance, the GST structure he suggested was far simpler with a minimum rate of 18%, but this was ignored, leading to a complex web of GST tax slabs with multiple rates causing initial implementation hurdles.

The case of ignoring consequence-sensitive policy insights fromSubramnian remains quite similar to the earlier experiences of Raghuram Rajan (in case of demonetization) and Arvind Panagariya (cautioning against the fiscal spending spree).The exit of eminent scholars in inconsistent ways not only affects the international impression about India's political economy of policy-making, it also reflects a trust deficit between elected politicians and econocrats where the latter play a limited role in guiding or shaping government policies during their term as bureaucrats.

While the application of economics in actual policy-making can hardly be recognised as some form of exact science, there remains a vital need to nurture and value insights from econocrats like Subramanian, Rajan and Panagriya, who demonstrate skills of economic craftsmanship through a rich body of work and prior experience. At this point, what seems certain is that the actual economic policy-making process at the higher government level features a small, concentrated group of decision-makers that is largely unaffected by the influence of econocrats.

Earlier this year, Raghuram Rajan made a statement to such effect, questioning the so-called "democratic" nature of decision-making within the government (evident since the time of demonetisation).

Questioning what he thought was an undemocratic way of running the country, the former central bank governor said: "…We also have to ask whether things are getting too centralised and if we are trying to run the economy by a very small set of people and whether there is enough sort of capacity to manage what a $2.5 trillion economy needs," he said.

Bizarrely, and seemingly contradictory, there is an assortment of one-too-many economic advisory committees at this point in the presence of the NITI Aayog, the Prime Minister's Economic Advisory Council (PMEAC) and other temporal changes within the Finance Ministry's management (Arun Jaitley's battling ill-health and Piyush Goyal taking charge), yielding confusion on the direction of economic policies and objectives of the government.

For the Modi government, which is currently facing major macroeconomic challenges, nurturing domain expertise from hired scholars as bureaucrats remains vital to ensure the creditability of democratic decision-making within the government, while also promoting scholars across other disciplines (outside economics) to come forward and contribute towards the process of public-policy designing.

Politicians need to further facilitate a space for reasoned disagreement within the policy-design and review stages, offering operational autonomy to eminent individuals in effectively shaping economic policies for desired outcomes.

It is important to acknowledge that we are living through a period in which the general public distrusts academic expertise as soon as it affects real-world topics such as economics, medicine, climate science etc. The implicit social contract between the government, the citizen and the academic researcher too, is at its weakest in an age where fiction is often mistaken as facts (and vice-versa). Confronted with such realities, econocrats (or other eminent scholars) with limited operational autonomy or influence may often get dis-incentivised and prefer to retreat into their academic worlds, detached from such existential realities.

Such “ivory tower” retreat approaches need to be deterred and require a deeper introspection from agencies and elected leaders of the government to retain and value talent in parliamentary democracies.

At a time when the Modi government seeks to allow lateral entry into the bureaucracy to promote new talent and knowledge within public-policy making and implementation processes, it remains to be seen the extent to which ministers can actually ensure their intended objectives by ceding enough space to expert insights and giving them enough autonomy to independently function within India’s parliamentary democracy.

The popular belief around the making of a policy, which unfortunately is still seen to be a prerogative of the politician alone, needs to change.

Tunisia, Canada Seek Concluding FIPA	**AAwsat** https://aawsat.com/english/home/article/1307511/tunisia-canada-seek-concluding-fipa

Tunisia’s Minister of Foreign Affairs Khemaies Jhinaoui and Canadian Minister of International Trade François-Philippe Champagne met and discussed means to advance the current negotiations towards a Foreign Investment Foreign Investment Promotion and Protection Agreement (FIPA).

During the two-day meetings in Canada, on June 18 and 19, both parties agreed to establish an equal strategic partnership in promising, cost-effective and high value added areas, such as artificial intelligence, modern technologies, higher education, scientific research and the tourism sector.

On the occasion of this visit, ministers announced Canada’s funding of $8.6 million to increase women’s participation in leadership roles in Tunisian municipalities and to protect Tunisia’s borders from threats of terrorism and illicit trafficking.

The Tunisian minister sought to emphasize that Tunisia has the right elements, human potentials and high qualifications that enable it to serve as an investment and commercial pole in the Middle East and the African continent.

Jhinaoui referred to the various privileges and incentives adopted by Tunisia to investors in various sectors.

He highlighted the noticeable improvement in economic indicators and the availability of infrastructure, making Tunisia an important investment pole in the region.

Tunisia has earlier inaugurated a direct air route with Canada, which businessmen and investors in both countries have seen as an important opportunity to boost trade and tourism.

Bilateral trade relations still need several new incentives, and the value of trade between the two countries did not exceed $212 million in 2016, which is very low compared to the enormous potential existing in both countries.

Tunisian exports to Canada include olive oil, textile products, footwear and petroleum materials.

Notably, Tunisia is the sixth market for Canada, and the Tunisian economy relies heavily on the Canadian market to provide grains.

Price ratio is key factor for knitted fabrics market'	**Fibre 2 Fashion** http://www.fibre2fashion.com/news/textile-news/price-ratio-is-key-factor-for-knitted-fabrics-market-242906-newsdetails.htm

The price ratio is a key factor for the global knitted fabrics market and there has been an increase in the interest for values as Made in Europe when combined with traceability, transparency, sustainability, innovation and aesthetics, said a top official from Tintex. According to a market research report, the market was valued at $777 billion in 2017.

“In specific markets for sportswear and activewear, increased performances are fundamental; while the innerwear market is looking more for well-being solutions,” Ana Silva, head – sustainability and innovation, Tintex, told Fibre2Fashion.

Tintex started out by making high quality, natural based, responsible jersey fabrics, and now combines its core expertise with the latest and best sustainable hi-tech dyeing and finishing processes. It aims to build a new generation textilebusiness that adheres to an eco-sustainable strategy for all its production and fabric innovations.

Silva said that going by the perception from the market sample requests and company’s sales, the cotton fleeces have been of major interest lately. “At Tintex, we have experienced an increased interest in responsible innovation from our customers. Specifically, our customers appreciate the naturally advanced effects, which are our unique and advanced finish applied on natural fibres for a truly smart product. As we are able to offer products that blend together design, innovation and responsibility, we are able to provide to the market an absolutely contemporary choice with the added value of sustainability."

Silva added that Tintex is committed to a continuous programme of sustainable innovations and refinements throughout processing, production and supply of better-made, nature-based textiles. Moreover, Tintex is transparent about its sustainability credentials, and proud to guarantee a 70 per cent improvement in terms of environmental impacts for all its resources, production and processing.

The company also aims for full transparency and traceability of all products and processes as well as that of suppliers, including origins of their yarns and fibre contents by 2018.

Textile exports up by 28.42 percent in May	**Business Recorder** https://fp.brecorder.com/2018/06/20180621383302/

Exports of textile group registered a growth of 28.42 percent in May 2018 and increased to US $1.204 billion from US $ 937.723 million for the same month a year before. According to Pakistan Bureau of Statistics (PBS) data for selected commodities released on Wednesday, export of raw cotton increased by 90.94 percent to US $970,000 as compared to US $508,000 for the same month of the last fiscal year while export of cotton yarn increased to US $130.138 million from US $92.135 million. Export of cotton cloth increased to US $191.681 million in May 2018 from US $157.012 million in May 2017 following a growth of 22.08 percent while export of yarn other than cotton yarn increased to US $3.785 million in May 2018 from US $2.123 million in May 2017, showing a growth of 78.29 percent.

Export of knitwear registered an increase of 39.20 percent to US $258.864 million in May 2018 as opposed to US $185.969 million for the same month of last year and export of bed wear were increased to US $199.971 million in May 2018, 27.97 up over US $156.269 million for the same period of the last fiscal year. Export of towels increased to US $69.149 million in May 2018 which are higher by 14.18 percent over US $60.561 million for May 2017, export of tents, canvas and tarpaulin were US $7.813 million in May 2018 against US $4.785 million for the same month of last year.

Export of readymade garments increased to US $223.375 million in May 2018 over US $180,156 million for the same month of the last year and registered a growth of 23.99 percent while export of art, silk & synthetic textile were US $27.666 million in May 2018 against US $23.439 million for the same month of last year, registering a growth of 18.03 percent. Export of made-up articles (excluding towels & bed-wear) increased to US $58.841 million in May 2018 from US $46.907 million for May 2017, showing a growth of 25.44 percent while exports of other textile materials went up to US $32.006 million in May 2018 from US $27.859 million for the same month of last fiscal year subsequent to 14.89 percent growth.

A growth of 9.82 percent was recorded in exports of textile sector during the last eleven months (July 2017-May 2018) of the current fiscal year and they increased to US $12.336 billion from US $11.232 billion for the same period a year before.

Export of raw cotton increased by 32.66 percent to US $57.541 million from US $43.374 million while export of cotton yarn increased by 9.97 percent in July-May 2018 to US $1.247 billion from US $1.134 billion during the period under review. Export of cotton cloth increased by 2.80 percent in July-May 2018 to US $2.015 billion from US $1.96 billion and export of yarn other than cotton yarn increased by 38.01 percent to US $30.273 million in July-May 2018 from US $21.935 million in July-May 2017.

Export of knitwear increased to US $2.460 billion in July-May 2018 from US $2.106 billion for the same period of the last year, export of bed wear increased to US $2.055 billion from US $1.927 billion and export of towels increased to US $736.924 million in July-May 2018 from US $724.863 million for the same period of the last year.

FDI textile-garment projects on the rise	English Vietnam http://english.vietnamnet.vn/fms/business/202847/fdi-textile-garment-projects-on-the-rise.html

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA) have helped Vietnam attract more foreign direct investment (FDI) in textile-garment projects in the country, officials said.

At a press conference held on June 18 to introduce the third Denims & Jeans Exhibition, which will be held in HCMC late this month, Nguyen Thi Tuyet Mai, general secretary and head of the representative office in HCMC of the Vietnam Textile and Apparel Association (VITAS), noted that Vietnam is one of the most attractive markets for those keen on the apparel sector.

Early last year, when the United States, the largest buyer of Vietnam's textiles and garments, withdrew from the Trans-Pacific Partnership (TPP), the FDI capital injected into the local textile-garment sector dipped and tended to flow to other markets with a lower-cost workforce and lower import duties, such as Cambodia, Myanmar and Bangladesh. Since the third quarter of last year, foreign investments in the sector have increased again due to domestic textile-garment enterprises' high-quality products and short delivery time.

According to VITAS, Vietnam has inked 16 bilateral and multilateral free trade agreements (FTAs), including CPTPP and EVFTA, which will take effect in the near future, creating numerous opportunities for local textile-garment producers.

Mai said import duties of the European Union, Vietnam's second-largest importer, currently ranging from 10% to 12%, will be cut to zero when EVFTA comes into force. She forecast South Korea would overtake Taiwan to become the largest investor in Vietnam's textile-garment sector in the near future as this country has clinched a two-way FTA with Vietnam and a cooperation agreement with the European Union.

At the press conference, Sandeep Agarwal, CEO of India-based Balaji Enterprises Company, said Indian textile-garment producers could see potential in the Vietnamese market and are seeking export opportunities there.

In reality, Vietnam's apparel sector has attracted a large volume of FDI. Some 137 projects were approved in 2014 with total registered capital of nearly US$1.75 billion.

The respective numbers for the following years were 197 and US$2.6 billion in 2015, and 184 and US$1.5 trillion in

2016. Last year, although the United States withdrew from the TPP, Vietnam attracted 129 FDI apparel projects worth US$651.4 million.

In the first five months of the year, cities and provinces approved several FDI projects to produce materials and accessories for the sector. In addition, investors of projects launched in the country tended to pour more money into these projects. According to data by the General Department of Vietnam Customs, textile-garment exports amounted to US$2.35 billion in May, up 11.2% month-on-month, taking the total amount in the first five months of the year to US$10.91 billion, marking a year-on-year growth of 15.8%.

The United States remained the largest buyer of Vietnamese apparel products in the five-month period, at US$5.15 billion, rising 12.7% versus the year-ago period and accounting for 47% of Vietnam's total textile-garment exports. The European Union ranked second with export revenue of US$1.46 billion, followed by Japan with US$1.39 billion and South Korea with US$1.09 billion.

According to local enterprises, a trade war between the United States and China would benefit China's rivals, including Vietnam. Last year, local textile-garment exporters shipped fibers, fabrics, shirts and jackets to China for the first time. Chinese apparel products with competitive prices have been exported to many countries worldwide, and a few countries can export such products to China. Thus, Vietnamese apparel products have proven their quality and competitive prices.

Mai noted that the target of US$34-34.5 billion in apparel export turnover this year, which is 10% higher than the result last year, is achievable.

The large amount of FDI will contribute to developing textile-garment supporting sectors, raising the localization rate.

However, localities hesitate to approve projects involved in fabric dying out of fear of environmental pollution, Truong Van Cam, vice chairman and general secretary of VITAS, told a teleconference on comprehensive solutions to promote exports, held early last month.

For instance, Hong Kong-based TAL Group, which wants to invest in a dying project in Ba Thien 2 Industrial Park in Vinh Phuc Province, has not yet received an investment certificate from the local government, despite receiving the approval of the prime minister and the Ministry of Natural Resources and Environment.

Most FDI projects in the sector are related to fiber, garments and material production. Textile and dying projects account for a mere 9% of the total FDI apparel projects, Cam stated.

According to VITAS, it is impossible to develop supply chains to benefit from EVFTA and CPTPP if local authorities refuse to give the green light to textile and dying projects. Cam proposed provinces allow foreign firms to make investments in these projects but prioritize those with modern wastewater treatment systems.

Minister of Industry and Trade Tran Tuan Anh also suggested provinces and cities should accept investors of textile and dying projects if they can ensure environmental protection.