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NEWS CLIPPINGS –13-11-2018

U.S. says India paid far bigger cotton subsidies than allowed by WTO	Economic Times https://economictimes.indiatimes.com/news/economy/foreign-trade/us-says-india-paid-bigger-cotton-subsidies-than-wto-allows/articleshow/66590508.cms

India has paid out far more in cotton subsidies than is allowed by the World Trade Organization, with actual payments "vastly in excess" of what it had officially declared, the United States said in a filing to the Geneva-based trade watchdog on Monday.

The U.S. assessment of India's market price support for cotton said New Delhi was allowed to pay out up to 10 percent of the value of production, but the actual figure had ranged between 53 percent and 81 percent since 2010.

"It appears that India provides MPS for cotton vastly in excess of what it has reported to the WTO," the U.S. filing said.

Indian Commerce Ministry officials declined to make an immediate comment on the U.S. document, but India has previously dismissed U.S. allegations that it pays higher subsidies than permitted.

Along with more than 45 countries, India has demanded that MPS should be calculated by using the recent reference period instead of 1986/88 prices, which was built into the equation at the creation of the WTO, said a government official, who declined to be named.

While India's calculations are based on dollar terms, the U.S. calculations are based on local currency, said the official, who has direct knowledge of the trade negotiations.

The U.S. filing is the latest in a series of analyses of publicly available data that Washington has submitted to the WTO, each one setting out apparent breaches of WTO rules that are hiding in plain sight. Previous submissions have targeted China and Vietnam as well as India.

"The United States is providing this information to other (WTO) Members in the interest of promoting transparency surrounding India's MPS policies," the filing said. "This document is for the purpose of discussion by World Trade Organization Members."

India has been the second-largest cotton producer since 2006, behind China, and the second-largest exporter since 2007, the document said.

The U.S. filing said that for the 2015/16 marketing year, India had notified market price support of $18 million, which was about 1.2 billion rupees, but the United States estimated that the correct figure was 504 billion rupees. In 2016/17, India had not notified any MPS, but the United States calculated the correct level at around 557 billion rupees.

"The United States looks forward to future discussion of the significance of India's MPS for cotton for both India's market and for world markets – both with India and with other Members," it said.

Govt extends paperless processing of export documents to all ICES locations	**Business Today** https://www.businesstoday.in/pti-feed/govt-extends-paperless-processing-of-export-documents-to-all-ices-locations/story/290033.html

The revenue department has decided to extend the facility of uploading digitally signed documents for all types of exports under Indian Customs EDI System (ICES) with a view to improve ease of doing business and promote paperless processing.

The ICES is operational at 134 major customs locations handling nearly 98 per cent of India's international trade in terms of import and export consignments. The customs department had introduced paperless processing under Single Window Interface for Facilitation of Trade on pilot basis on e-SANCHIT in exports at air cargo complex, New Delhi and Chennai Customs House. "On successful implementation of the pilot, it has been decided to extend this facility to all ICES locations on pan India basis for all types of exports under ICES," the Central Board of Indirect Taxes and Customs (CBIC) said in a circular.

The Shipping Bill (Electronic Integrated Declaration) Regulation, 2011, provides for authorised person to submit digitally signed electronic integrated declarations and supporting documents and dispenses with the need for trade to submit the corresponding hardcopies. The circular further said that once a shipping bill has been filed, Customs officers will be able to access the uploaded electronic versions of supporting documents while viewing or assessing the bill on ICES. ICES is designed to exchange/transact customs clearance related information electronically using Electronic Data Interchange (EDI).

A large number of documents that trade, transport and regulatory agencies are required to submit/ receive in the process of live customs clearance are now processed online. e-SANCHIT is a facility of the revenue department for paperless processing and to facilitate the trading across borders with "ease"

Government likely to reduce employee's Gratuity tenure from five to three	Zee News http://zeenews.india.com/personal-finance/government-likely-to-reduce-employees-gratuity-tenure-from-five-to-three-years-2154812.html

years In a move that could benefit lakhs of employees in the formal job sector, government may accept proposal to reduce the tenure of services to claim Gratuity by the end of this year.

The proposal to make amendments to the Payment of Gratuity Act of 1972 seeks to lower the five-year service period for Gratuity eligibility to three years.

As per Zee Media sources, the Labour ministry has sought comments and views from the industry on the impact of reduction in Gratuity tenure. Sources said that after holding consultations with industry and experts, a proposal regarding this will be placed before the central board of trustees.

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Sources also said that workers hired under fixed-term contracts will also be entitled to Gratuity. Till now, contractual employee was not entitled to any Gratuity. However, sources said that Gratuity component for these workers will be proportional to the number of years they have served

The Payment of Gratuity Act 1972 was enacted to provide for gratuity payment to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments. It is applicable to employees who have completed at least five years of continuous service in an establishment that has ten or more persons.

Sources have said that although labour ministry may agree with the industry demand on lowering the gratuity tenure to three years, labour unions have been demanding a further decrease in the tenure.

The Payment of Gratuity Act, 1972 says that Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years under:

(a) on his superannuation, or

(b) on his retirement or resignation, or

(c) on his death or disablement due to accident or disease:

Currently establishment employing ten or more persons fall under the Gratuity Act.

It may be recalled that the government had in March decided to double the limit of tax-free gratuity to Rs 20 lakh in private sector. The notification follows changes in the Payment of Gratuity Act which had empowered the government to fix the ceiling of the retirement benefit through an executive order.

After implementation of the 7th Central Pay Commission, the ceiling of tax-free gratuity amount for the central government employees was increased from Rs 10 lakh to Rs 20 lakh. The unions have been demanding for inclusion of the change in the Payment of Gratuity Act

Now, Tangedco plans to import 3.5 million more tonnes of coal	**The Hindu** https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/tangedco-to-import-an-extra-35-million-tonnes-of-coal/article25481260.ece

Fossil fuel continues to be in short supply in the domestic market

Having realised that the gap between requirement and supply of coal is likely to continue for many more months, the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) has decided to import an additional 3.5 million of coal.

Already, the power utility is importing coal of 1.75 million tonnes through suppliers, who source the fuel mostly from Indonesia.

The need for import has arisen in the light of shortage of domestic coal assuming serious proportions, says a senior official.

Apart from the issue of availability, the Corporation has to deal with the logistics of transportation.

For several months, it had been getting much less the usual 20 rakes, whose capacity is 3,800 tonnes each.

Price factor

After Chief Minister Edappadi K. Palaniswami and Power Minister P. Thangamani took up the issue with the Central government, there has been an improvement in the situation and now, the tally is 16 rakes, says the official.

As for the price of coal that is being imported, the official claims that through e-reverse auction, the Corporation has been able to get it at the rate of $ 67 to $ 69 per tonne, which is cheaper by $ 10 to 12 per tonne, compared to the price in the international market. For 1.75 million tonnes, the utility will be saving around Rs. 140 crore. The total expenditure will be of the order of Rs. 780-Rs. 800 crore, says the official, adding that it has been planned to spread the receipt over six to seven months.

On the additional quantity of 3.5 million tonnes, the price has not yet been finalised.

Inexpensive rate

Tangedco is hopeful of securing a rate as inexpensive as the one of the present consignment.

Annually, the power utility, which has power plants of 4,320 megawatt (MW), requires around 21 million tonnes of coal. Under the given circumstances, Coal India will take care of about 16 million tonnes. For the remaining five million tonnes, Tangedco has to look outside the country.

Govt heeds economists' advice, defers releasing GDP back series data	**Business Standard** https://www.business-standard.com/article/economy-policy/govt-heeds-economists-advice-defers-releasing-gdp-back-series-data-118111201753_1.html

Minutes before the back series of gross domestic product (GDP) for the base year 2011-12 was to be released, the NITI Aayog and the Ministry of Statistics and Programme Implementation (MoSPI) on Monday decided to "defer" it. The decision was taken at a meeting between the two along with economists.

"During the discussion, experts sought analytical information, which is being worked out. It was, therefore, decided to have a follow-up round-table discussion with experts soon," said Anna Roy, advisor for data management and analysis at the NITI Aayog said. The release of the data could have put to rest all speculations that rose after the National Statistical Commission (NSC) came out with its recommendations on the back series data, which showed two years of double-digit growth in the UPA regime.

Sources in government said it was cautious about the data since it pertains to economic growth during previous governments. In addition, they said MoSPI officials were unable to answer queries raised by experts.

"The experts said a better understanding of the back series at the disaggregated levels was needed. In addition, the series needs to be substantiated with pertinent data used to formulate it, such as interest rates of previous years, which needs to be obtained from the Reserve Bank of India (RBI). The process would be complete in the next two weeks," said a senior official. Questions were raised on the methodology, the econometric model and the assumptions made to arrive at the values for previous years. But officials present at the meeting said this was merely a "technical deferral". Formulating a back series requires several assumptions that have to be substantiated with pertinent data, the officials said.

"Back series formulation is a research exercise involving a multitude of approximations. Whenever there is a considerable divergence between the back series (Base: 2011-12) and the old series (Base: 2004-05), the reasons for it must be clear," one of the experts present at the consultation said. The CSO is using a variety of data sets for the purpose of creating the back series, including data from MCA-21 — the Ministry of Corporate Affairs data set, Annual Survey of Industries, and the Centre for Monitoring of Indian Economy.

In addition to Chief Statistician Pravin Srivastava, former CSI T C A Anant, former chairman of National Statistical

Commission (NSC) R B Barman, former NSC member Manoj Kumar Panda, and Biswanath Goldar, economics professor at the Institute of Economic Growth were some of the experts invited by the NITI Aayog. The meeting was facilitated by Vice-Chairman Rajiv Kumar. The Sudipto Mundle committee on real sector statistics in its report to the NSC in July had devised a back series for the base year 2011-12. This report had created a political storm, since with the new base GDP growth in two of the years under the previous government crossed the 10 per cent mark.

The Mundle report had mentioned that CSO had already formulated 'tentative' estimates for the official back series using a variety of data sets. These tentative estimates were sent to the Advisory Committee of National Accounts Statistics for deliberation. These were then finalised, after which the parent ministry MoSPI, in consultation with NITI Aayog, decided to release the data.

IIP growth slips to 4.5% in Sept; retail inflation falls to 3.31% in Oct	**Business Standard** https://www.business-standard.com/article/economy-policy/iip-growth-slips-to-4-5-in-sept-retail-inflation-falls-to-3-31-in-oct-118111201705_1.html

Growth in industrial output slowed to 4.5 per cent in September against 4.7 per cent in the same month last year as the festival season started late this year compared to 2017.

Growth faltered as the output of capital goods and mining expanded at a slower pace in September than in the previous month.

The index of industrial production (IIP) growth numbers were revised for August from 4.3 per cent to 4.7 per cent.

If compared to the provisional numbers, growth would be seen as moderately rising. As such, it is a bit of a statistical illusion, depending on which number one takes for August because some people may argue provisional numbers should be compared to provisional numbers.

However, a low base effect of September 2017 compared to August 2017 should have magnified the growth numbers for September this year. IIP growth fell to 4.1 per cent in September 2017 against 4.5 per cent in August. This is the last crucial official data before the gross domestic product numbers for the second quarter of the current financial year come out by the end of November.

"The mild dip in industrial growth in September was driven by the impact of floods in some parts of the country, and the disruption related to the later start to the festive season, and does not pose a substantial concern," Aditi Nayar, chief economist at ICRA said.

Among three major segments, it was primarily electricity generation, which grew 8.2 per cent in September against 7.6 per cent in the previous month. However, electricity constitutes just around 8 per cent of the IIP. The growth rate in manufacturing, the dominating segment, accounting for 78 per cent of the IIP, declined to 4.6 per cent in September from 5.1 per cent in the previous month.

Mining output remained almost flat, rising only by 0.2 per cent in September against a contraction of 0.5 per cent in August.

Within manufacturing, capital goods continued to witness volatility despite the new IIP. The growth rate here moved down to 5.8 per cent from 9.3 per cent.

Infrastructure and cement grew to 9.5 per cent from 7.9 per cent, while intermediate goods expanded at slower rate of 1.4 per cent against 2.8 per cent.

Consumer and primary goods grew at the same rate in September as in August

While consumer durable saw growth of 5.2 per cent in September against 5.3 per cent in the previous month, fast-moving consumer goods grew 6.1 per cent against 6.5 per cent.

Govt vs RBI: Urjit Patel meets PM Narendra Modi amid ongoing tussle	**Business Standard** https://www.business-standard.com/article/economy-policy/govt-vs-rbi-urjit-patel-meets-pm-narendra-modi-amid-ongoing-tussle-118111300038_1.html

Reserve Bank of India Governor Urjit Patel met Prime Minister Narendra Modi on Friday to iron out issues on which the government and the central bank are not seeing eye to eye.

Sources said Patel was in New Delhi on Friday, when he met Modi and senior officials in the Prime Minister's Office (PMO).

Some of the government's demands the Reserve Bank of India (RBI) may accede to include relaxing prompt corrective action (PCA) norms for some banks and a special dispensation for micro, small and medium enterprises.

Top officials of the PMO didn't respond to text messages from Business Standard. However, sources in Mumbai termed it a "routine meeting" and said some of the issues that had been the flashpoint between the central bank and the government were discussed.

"The emphasis is on working on solutions though there may be some differences," the source said.

These talks come ahead of the upcoming meeting of the central board of the RBI on November 19, when the RBI and the government are supposed to hold formal talks on matters highlighted by the finance ministry.

It is not clear if an agreement has been worked out to ease liquidity for non-banking finance companies (NBFCs) and the RBI parting with its substantial part of its surplus. The RBI is not convinced about a liquidity crunch in the NBFC sector whereas the government has pressed the need to maintain the cash flow in the sector.

Further, the government has demanded a review of the economic capital framework of the RBI. The framework governs the risk capital that the RBI is required to keep with itself along with the amount of surplus that needs to be transferred to the Central government.

Over the past few days, the government and the RBI have had discussions in a bid to arrive at common ground on at least two demands of the government — easing PCA norms for some banks along with aligning the regulatory capital requirement of banks with international norms and a special dispensation for MSMEs.

Tension between the RBI and the government escalated particularly after the finance ministry initiated discussions with the regulator under the never-used-before Section 7 (1) of the RBI Act. The provision empowers the government to issue directions to the RBI, following consultations with the governor. The RBI had shown signs of discomfort with Deputy Governor Viral Acharya going public and talking about maintaining the independence of the central bank and how a potential compromise could be "potentially catastrophic" for the economy.

Among various demands, the finance ministry has suggested to the RBI doing away with the requirement of an exposure limit of 20 per cent of foreign portfolio investments in corporate bond portfolios of a single corporate group; removing the requirements of mandatory hedging for infrastructure loans of less than 10 years' maturity; setting up a special refinance window for non-banking finance companies, housing finance companies and mutual funds; creating a facility for banks to raise $30 billion; and a review of the economic capital framework for bringing it in line with the requirements of the RBI Act.

Other suggestions were related to the application of Basel III norms to banks that are not internationally active, requirement for building up a capital conservation buffer during periods of stress, the need for keeping the RBI capital adequacy norms at 1 per cent higher than Basel III norms, the efficacy of the framework for PCA for banks in restoring banks to health, the need for high-risk weights for credit to micro, small and medium enterprises (MSMEs), and enhancing opportunities for rectifying and restructuring MSMEs' loan accounts.

Sri Sethi urges government for stronger textile policy to keep the industry and art alive	**APN News** https://www.apnnews.com/sri-sethi-urges-government-for-stronger-textile-policy-to-keep-the-industry-and-art-alive/

A Global Meet "Knowledge in Handloom Weaving in India" **featuring many eminent speakers and experts from Oxford University, NALSAR, Columbia University, IIT Delhi, Netherlands, Germany and Italy began today** at one of India's largest weaving-focused towns, Chirala in Andhra Pradesh informed Ravi Kumar Reddy of REEDS, a city based NGO in a press note issued today in Hyderabad, the joint capital of Telangana and Andhra Pradesh.

The theme of the meet is "Rethinking Indian Industrialisation of Crafts". It is organised in collaboration with Mr Mohan Rao of National Federation of Handlooms and Handicrafts, Prof Bijker of Maastricht University and Ineke Sluiter of Universiteit Leiden.

During the inaugural speech today, Padmabhushan Sri Rajiv Sethi, Asian Heritage Foundation, a not for profit organization servicing creative and cultural industries since 1996, expressed his concern over the shrinking creative spaces in formal pedagogy pertaining to handlooms industry.

He outlined the importance of life skills in handloom industry which cannot be measured by an y economic indices. He emphasized on textiles of making, doing and being as a living form of the art which converges as the true essence of handlooms.

The Padmabhushan Awardee Sri Rajiv Sethi called upon every person in the society to collectively revive India's handlooms as they carry the tangible and intangible heritage of the nation.

Sri Sethi made to the young artisans in the handlooms to create a pressure group and collectively bargain for their stronger textile policy to keep the industry and art alive.

The 8 day Conference Cum Workshop called Chenetha Chethikala Sambaralu lined up many eminent speakers and experts like Uzramma of Malkha, Jaya Jaitly; Jagada Rajagopalan, Consultant; Amita Dhanda, NALSAR; Anique Hamelin, Classics and Ancient History, University of Amsterdam; Ashoke Chatterjee, Prabhat Education Foundation, Ahmedabad; BuYun Chen, Professor, Swarthmore College; Dorothy Ko, Professor of History and Women's Studies, Barnard College, Columbia University; Ellen Harlizius-Kluck, Research Institute for the History of Technology and Science Deutches Museum, Munich; Rajeev Sethi, Asian Heritage Foundation; Sampat Mukhopadhyay, IIT Delhi; Subir Kumar Saha, IIT Delhi; Ulinka Rublack, Facujty of History, Cambridge University and others

It is organsied by Hyderabad based, NGO, REEDS–Rural Economic and Educational Development Society. It is a Not-for-Profit organization involved in formulating and implementing programs relating to various spheres of rural life. REEDS is a registered Society under the Societies Registration Act XXI of 1860..

The purpose of the conference is knowledge sharing, standardization and innovation of techniques, designs, motifs and repertoires.

The Workshop is led by scholars, academicians, weavers of outstanding expertise like Sri Mohan Rao, Sri Ravikumar Reddy from Reeds, Uzramma from Malkha, Mr. Bijker from Maastricht University, Padmabhushan Sri Rajiv Sethi, Smt. Anuradha Reddy from Dr. Reddy's Foundation, Smt. Annapurna and Sri Mamidipudi Ravindra Vikram.

The Focus of the workshop is to exhibit the various types of looms, demonstrate the weaving techniques from various regions across the nation.

Another objective of the workshop, according to the organsiers is to exhibit the technology sharing through sessions where weavers interact with each other with scholars and designers to discuss the various techniques used across India in the knowledge sharing demonstrations.

The workshop is also aimed at activists and writers to document the history and also share the innovation techniques that have been developed for uplifting the industry.

The meet is the convergence of various experts, artisans, tradespersons who are involved in the handloom industry such as the spinners, dyers, sizers, warpers, embroiderers, tailors.

The handlooms provide livelihoods for 4.3 million families, making it the 2nd largest employer sector after Agriculture. The meet will provide a roadmap to transform the future of handloom weavers through innovations and network building.

The meet is organized by REEDs, a Hyderabad based NGO involved in formulating and implementing programs to various spheres of rural life. The industry has the potential to create over one million jobs with the lowest per capita investment for creation of such jobs, through building on existing skills and social capital.

The handloom industry employs thousands of people across the state. However, due to certain perceptions regarding handloom cloth, and the necessity of competing with power loom imitations, growth in the sector is severely hindered. For example, power loom designers can easily copy popular handloom designs and produce them in a cheaper fashion, as designs are not protected by copyright, eating into the demand for handloom cloth.

In order to improve the situation of handloom weavers, it is crucial to improve market and production infrastructure, capacitate weavers and designers to innovate deep craft skills, and provide access to credit and financial support. Designs have to be protected under the intellectual property regime. The system of production can be re-engineered such that the creativity of the weaver can co-exist with the demands of production to the designers taste. Handloom currently services many growing market niches; luxury, ethnic, semi-urban markets for sarees as well as green markets for sustainable goods. The meet is organised against this backdrop.

Many Scholars, artisans and other professionals involved in the textile industry are participating in order to better understand and promote futures and livelihoods in handloom weaving informed Ravi.

The meet will go on till 19th November.

26% growth registered in Cotton textile export between April-September 2018	**Business Standard** https://www.business-standard.com/article/news-ani/26-growth-registered-in-cotton-textile-export-between-april-september-2018-118111201392_1.html

Union Textile Minister Smriti Irani stated that India held a special place in global textile trade as the 2nd largest textile exporter in the world, with cotton yarn and fabric exports accounting for over 23 per cent of India's total textiles and apparel exports.

Furthermore, Irani emphasised that the Cotton Textiles Export Promotion Council (TEXPROCIL) should also look at propagating growth in the MSME sector, as a third of its members fall under the MSME category. "This has become more relevant in the light of the announcement made by the Prime Minister on November 2 for the MSME sector," she said.

The minister added that it was for the first time that banking institutions were directed to give in-principle approvals to loans in 59 minutes. She urged the industry to avail benefits of the ATUF scheme, as provided under the special package of Rs. 6,000 crore for the made-ups and garments sector. She assured that the Ministry of Textiles would provide all types of support to the cotton textile sector in increasing exports.

Irani addressed the gathering as the Chief Guest of TEXPROCIL Export Awards 2017 - 2018 on November 3, where the TEXPROCIL presented 56 awards in 32 categories for the best export performance during 2017-2018. Out of the 36 companies receiving the awards in various categories, 7 companies received the prestigious export award for the first time. Another novel feature of this year's awards was the introduction of the award for the highest employment generated during fiscal 2017-18, including women employment.

"The ongoing trade war between the US and China would possibly open up new opportunities for the cotton textile exports from India and we should be ready to explore them. The Government was also in the process of putting in place alternate schemes to promote exports which would improve the competitiveness of the products. These alternate schemes were expected to be WTO compatible. The alternate scheme would replace earlier schemes like MEIS etc. and it was believed that the level of support would not in anyways be lowered," said Ujwal Lahoti, Chairman of the TEXPROCIL.

TEXPROCIL has proposed to include cotton yarn under the MEIS. The cotton yarn is a value-added product with a lot of value addition taking place within the country. The MEIS for fabrics also needed to be increased from 2 to 4 per cent. TEXPROCIL would also request the Government to include cotton yarn and fabrics under the ROSL scheme as these products also face the incidence of state levies as in the case of made-ups and garments. The ROSL scheme currently covered only state levies. However, there are also central levies, the burden of which the exporters have to bear. To make exports competitive, these central levies also needed to be refunded under a new scheme.

In the current year (April to September 2018), exports of textiles and clothing have declined by 3 per cent with exports of readymade garments registering a steep decline of 16 per cent. However, export of cotton textiles have grown by 26.8 per cent in 2018-19 (April to September 2018). During this period, exports of cotton textiles (raw cotton, yarn, fabrics, and made-ups) touched USD 6235 million as compared to USD 4917 million in 2017-18.

While delivering the Vote of Thanks, Dr. K.V. Srinivasan, Vice Chairman - TEXPROCIL, stated that although many issues related to the sector have been addressed, but there are still a few that require attention and intervention of the government.

Welcoming the package for the MSME sector, Lahoti said: "Interest subvention on pre-shipment and post-shipment finance for exports by MSMEs has been increased from 3 to 5 per cent. These measures would provide much-needed support and encouragement to the MSME sector, which contributed significantly to the textiles exports. Under the package, GST - registered MSMEs would get 2 per cent interest rebate on incremental loan up to Rs. 1 crore.

Commerce Minister leads delegation for RCEP meet in Singapore	Pib.nic.in http://pib.nic.in/newsite/PrintRelease.aspx?relid=184684

The Union Minister for Commerce & Industry and Civil Aviation, Suresh Prabhu, is leading the delegation for the meeting for trade Ministers of RCEP member countries which is taking place in Singapore on November 12-13, 2018.

The Regional Comprehensive Economic Partnership (RCEP) is a pact that aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights. Trade Ministers of the 16 member RCEP are meeting in Singapore to continue to exert all efforts towards meeting the targets set. The chief negotiators had recently concluded the 24th round of meeting in Auckland, New Zealand, last month.

India already has a free trade agreement with Association of Southeast Asian Nations (ASEAN), Japan and South Korea and it is negotiating similar pacts with Australia and New Zealand.

India is pushing for liberalizing norms to promote services trade as the sector accounts for about 55 % of India's GDP. India is looking for a balance trade agreement as it would cover 40% of the global GDP and over 42% of world's population.

The RCEP members include 10 ASEAN members – Brunei Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam and their 6 free trade agreement partners – India, China, Japan, South Korea, Australia and New Zealand.

The ministerial meeting will be followed by the 2nd RCEP Leaders Summit on 14th November, 2018, in Singapore.

Besides RCEP, India will be part of the third round of Quad Dialogue in Singapore	Financial Express https://www.financialexpress.com/defence/besides-rcep-india-will-be-part-of-the-third-round-of-quad-dialogue-in-singapore/1379655/

Briefing media ahead of the East Asia summit, Vijay Thakur Singh, secretary (East) MEA, said, "The meeting of the Quad will take place but let's make it clear it has nothing to do with the East Asia Summit

Besides participating in the most important Regional Comprehensive Economic Partnership (RCEP) meetings, leaders of India, US, Japan, and Australia will be having the third round of Quadrilateral dialogue (the Quad) on the sidelines of the East Asia summit in Singapore.

Briefing media ahead of the East Asia summit, Vijay Thakur Singh, secretary (East) MEA, said, "The meeting of the Quad will take place but let's make it clear it has nothing to do with the East Asia Summit. The Prime Minister will also meet with US Vice President Mike Pence in Singapore."

Other issues that will be discussed by the ASEAN members and its eight key partners, who will also be present at the

East Asia Summit, will discuss a wide range of issues concerning regional cooperation including the environment to cyber security. And other issues related to strengthening the trade and economic relations.

The leaders of these countries besides sharing their views on the geopolitics of the region, will highlight the importance of the Quad for the ASEAN Centrality, which could also be extended to other countries in the South Asian region in an effort to maintain balance of power in the region.

In this year, there have been several rounds of discussions amongst the members of the Quad in an effort to that the `ASEAN Centrality remains'.

Indian Prime Minister Narendra Modi will pay a two-day visit to Singapore beginning Nov 14 to attend the 13th East Asia Summit organised by ASEAN and associated meetings on both days. He will also participate in the crucial Regional Comprehensive Economic Partnership (RCEP) meeting.

The official spokesperson of the MEA, Raveesh Kumar said that Prime Minister Modi is also expected to participate in a number of other events during the visit.

RCEP expected to be the world's largest regional trading bloc has proposed trade agreement between ASEAN countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and their six free trade agreement partners – Australia, China, India, Japan, South Korea and New Zealand.

He will also hold bilateral talks with Singapore Prime Minister Lee Hsien Loong and other leaders that day. The East Asia Summit is a premier forum in the Asia-Pacific region. Since its inception in 2005, it has played a significant role in the strategic, geopolitical and economic evolution of East Asia. While the ASEAN summit is already taking place in Singapore, this time this is no India-ASEAN summit.

Leaders will be reviewing the progress made so far in the RCEP talks and look for ways of concluding the negotiations which includes ASEAN members and India, Japan, Australia China, South Korea and New Zealand.

Modi will meet ASEAN leaders for an informal breakfast summit, while US Vice-President Mike Pence will be at the ASEAN-US Summit. Leaders from the ASEAN countries will gather for the ASEAN-India informal breakfast summit with Modi, before meeting US Vice-President Mike Pence at the ASEAN-US Summit.

RCEP is a proposed trade agreement between ASEAN countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and their six free trade agreement partners – Australia, China, India, Japan, South Korea and New Zealand.

Besides attending the important meetings, PM Modi is also scheduled to deliver a keynote address at the Singapore Fintech Summit. It is the biggest fintech event in the world which is expected to attract more than 30,000 people including influential entrepreneurs, leaders and experts.

Cotton prices harden on higher minimum support prices	The Hindu https://www.thehindu.com/business/cotton-prices-harden-on-higher-minimum-support-prices/article25469909.ece

CCI presence in market also keeping prices above MSP

The cotton season has commenced this year with an unusual trend — prices are up despite new arrivals.

The price of the widely-used Shankar 6 variety is ₹ 130.42 a kg against ₹105.34 a kg last November.

Since October 1, when the season started, more than 20 lakh bales are said to have arrived in the market. Trade and industry associations have given varying estimates for cotton production this year (October 2018 to November 2019), with expectations ranging from 343 lakh bales to 380 lakh bales. The daily arrivals of cotton have crossed one lakh bales now and are expected to go up.

The prices usually drop when the new season starts. However, this year, prices are remaining firm for several reasons, say the trade and industry representatives.

The main cause is the hike in minimum support price (MSP), says P. Nataraj, chairman, Southern India Mills' Association. The MSP is higher by 26% to 28 % this season, depending on the cotton variety.

Situation may change

The market prices are above the MSP by just 1% to 1.5%, says P. Alli Rani, CMD, Cotton Corporation of India (CCI). When the daily arrivals pick up, the situation might change, she says. Though the corporation has made minimum purchases now, it is present in more than 348 centres, ready for MSP operations if the prices fall. The presence of CCI in the market is also keeping prices above MSP, she says.

According to J. Thulasidharan, president of Indian Cotton Federation, sentiments are playing a bigger role in determining prices at present more than demand and supply.

The Cotton Advisory Board normally meets in October to estimate cotton production.

This year, it had not met so far. "We have written to the Textile Ministry to convene it soon and clear all the rumours and anomalies about the expected production and to give a clear picture of the crop position," he said.

The movement of international prices will also have an impact on the domestic cotton prices. If China levies duty on import of cotton from the US, which is a major cotton producer, it will have an impact on the international and Indian cotton prices.

Atul S. Ganatra, president, Cotton Association of India, said domestic prices are high as the international cotton prices are up. Further, this year, there is a fear of a smaller domestic cotton crop. Prices might not reduce much for quality cotton as the season progresses.

Industry sources say the mills are buying cotton for their short-term needs, expecting arrivals to pick up and prices to stabilise.

Slow offtake

The yarn offtake is slow and is likely to revive from next week. Cotton yarn exports were good from April to August (553 million kg between April and August this year compared with 364 million kg during the same period last year).

Mr. Nataraj says the textile industry, which is the largest consumer of cotton in the country, is doing well and cotton consumption this year might be same as last year.

“We have to wait and see how the cotton pries will move.” At present international prices are higher than domestic prices.

Volume of purchase of Indian cotton by the mills will depend on the price movement, he says.

US-India $500 billion Trade Target Achievable: CII	**Business Standard** https://www.business-standard.com/article/news-cm/us-india-500-billion-trade-target-achievable-cii-118111201076_1.html

India-US trade in goods and services stands at $126 billion with a $27 billion trade balance in favour of India. While trade negotiations are ongoing, both countries' sustained investments in the other indicate a valuable and resilient economic relationship. Indian investments and job creation in the US continue to rise and the US has also been a significant contributor to the Indian economy. The ambitious $500 billion trade target, while achievable, will need steadfast commitment and reform on both sides. The US is India's largest export destination and second largest source for imports and the two countries can achieve $500 billion trade by widening the trade basket and resolving impediments.

In recent months, the US has raised tariffs on its global imports of steel and aluminium, imposed higher duties on $250 billion worth of Chinese goods and renegotiated the North American trade agreement. The US has a broad strategic agenda with India and has recently accorded it the Strategic Trade Authorization Tier 1 (STA-1) status.

However, India is impacted by the metal tariffs, and the US has recently withdrawn GSP benefits to 50 products totalling $70 million of imports.

A high-profile CEOs delegation led by Mr. Rakesh Bharti Mittal, President, CII and Vice Chairman, Bharti Enterprises will be visiting the US from 14 - 16 November 2018, to reinforce Indian Industry's commitment to US - India business ties. The Business leaders will meet with diverse stakeholders - including senior government representatives, industry bodies and think tanks - in a bid to fortify the bilateral India-US strategic and economic relationship at this critical time. With the US midterm elections just concluded, the delegation will aim to strengthen US Government, Congressional and US corporate ties with Indian industry and highlight trade and investment concerns at a time when the two Governments are working on negotiations on various issues.

The delegation will hold several engagements through which the CII CEOs will deliberate on some of the most pressing economic issues in the bilateral agenda in areas such as commerce, defence equipment, agriculture, energy and high-tech goods. Engaging key stakeholders driving these discussions in Washington, D. C., the delegation aims to deliver future engagement strategies for both countries as well as opportunities for increased business collaboration.

Opinion | Is United States' GSP review unfairly targeting Indian imports?	**Money Control** https://www.moneycontrol.com/news/business/trade/opinion-is-united-states-gsp-review-unfairly-targeting-indian-imports-3149571.html

A quick check of the numbers show that all Indian products satisfy the Competitive Need Limitations criteria.

On October 30, US President Donald Trump signed Proclamation 9813 "to modify the list of products eligible for duty-free treatment under the Generalized System of Preferences". This proclamationannounced the list of products from the developing countries that would not receive duty-free access to the US market from November 1, which they had hitherto received under the Generalized System of Preferences (GSP).

The GSP has been in place since 1971 after it was adopted unanimously in the second session of the United Nations Conference on Trade and Development (UNCTAD) in 1968. Under the GSP, products exported by the developing countries were granted duty-free access in the markets of developed countries. In other words, developed countries granted unilateral grant of trade concessions to the developing countries for increasing their exports.

While most developed countries introduced the GSP in 1971, the US accepted this system of trade preferences in 1976, after the Trade Act of 1974 authorised the US President "to extend duty-free treatment to certain eligible products imported into the United States from beneficiary developing countries". The benefits were extended for an initial period of 10 years, which was subsequently extended.

This Act also outlined a set of conditions for determining whether any country should be designated as a beneficiary developing country. These are: (i) a request by the country to be so designated; (ii) the level of economic development of such country; (iii) whether or not the other major developed countries extend their GSP scheme to the country; and (iv) the extent to which the country has assured the US of equitable and reasonable access to its market and basic commodity resources. These conditions gave the trade administration discretionary powers with which they could discriminate against the developing countries while implementing the GSP.

Alongside, the Act also introduced a mechanism that was to be used to review whether specific products originating in the beneficiary developing countries could continue to enjoy the GSP benefits. One of the key mechanisms is the

Competitive Need Limitations (CNL). This states that a beneficiary developing country could lose its GSP eligibility with respect to any product if the CNLs are exceeded. There are two measures for CNLs: (i) when, during any calendar year, import of a particular product into the US from a beneficiary developing country account for 50 percent or more of the value of total imports of that product into the US; or (ii) exceed a certain dollar value. As per the GSP rules, the dollar-value limit is increased by $5 million annually. The limit set in 2017 was $180 million.

Enforcement of CNLs is, however, subject to the application of waivers, the more important of which is the de minimis waiver. This waiver is important for it sets a floor for the value of imported products below which the CNLs cannot be enforced. The de-minimis level is adjusted upwards each year, in increments of $500,000. In 2017, the floor was set at $23.5 million.

The current year's review of the US' GSP is particularly significant as it identified a much longer list of products to be excluded from the coverage of the system based on the observed CNLs. Ninety-four products were identified from 16 countries — the largest number of products included in this list in recent years. Of these 94 products, 50 were imports from India — by far the largest number for any GSP beneficiary.

A quick check of the numbers show that all the products satisfy the CNL criteria, namely that the imports of these products into the US from India accounted for well over 50 percent or more of the value of total imports of that product into the US in 2017. In case of 12 of these products, India accounted for more than 99 percent of the total imports to the US. However, none of the other identified products imported from India meet the other criteria, i.e. exceeded $180 million in 2017. The list of products targeting imports from India are relatively low-value products; more than half of the 50 identified products had import values of less than $1 million. In fact, the product having the highest import value in 2017, hand-loomed carpet and other textile floor coverings, was just $10.3 million — way below the $180 million threshold.

These calculations show that the entire list of products for which the GSP benefits have been withdrawn, should have been given the benefit of de minimis waiver, where the threshold was $23.5 million in 2017.

Commentators have often argued that the US' trade administration implements the GSP using a set of objective criteria, and is, therefore, non-discriminatory. The latest round of the GSP review and the application of the rules in the case of India, does not support this argument.

U.S., China, 10 Other Countries Seek Brexit Assurance at WTO	**Bloom Berg** https://www.bloomberg.com/news/articles/2018-11-12/u-s-china-10-other-countries-seek-brexit-assurances-at-wto

A dozen nations including the U.S. and China demanded the European Union provide a mechanism for "appropriate compensation" to ensure its split with the U.K. doesn't leave them worse off after Brexit, according to a World Trade Organization document.

The document marks another snag in the EU and U.K.’s plan to unwind their WTO commitments and increases the likelihood of a showdown at the global trade body.

Europe’s Ties That Bind

The bloc has long-standing pacts governing trade, immigration and currency

We urge the EU to provide further assurances to members that it will provide clarity on how it intends to account for U.K.-EU trade; that it will provide for negotiated outcomes that maintain the quality and level of access currently enjoyed to the EU; and that appropriate compensation will be offered where this access is not maintained," according to the document, which was obtained by Bloomberg.

The document, which was to be discussed at a WTO meeting in Geneva on Monday, was signed by Argentina, Australia, Brazil, Canada, China, Mexico, New Zealand, Paraguay, Taiwan, Thailand, the U.S. and Uruguay.

Read more: Pressure Mounts on Theresa May to Abandon Brexit Proposal

"Given their considerable, unprecedented scale and scope, these changes are of general and systemic interest to the WTO membership," according to the paper.

The countries said they were dissatisfied with the EU’s plan to divide its joint WTO tariff rate quota, or TRQ, obligations with Britain and said the bloc has not made any new WTO commitments regarding the future of the EU-U.K. trade relationship, according to the document. The issue centers on the most important part of the EU and the U.K.’s membership in the WTO -- their schedules of concessions, which outline tariff rates and other trade rules by which other countries may sell goods and services to the European marketplace.

TRQ Commitments

Since the U.K. does not possess an independent schedule, it has offered to replicate the EU schedule and split their joint TRQ commitments -- which set import limits on hundreds of sensitive goods such as beef, lamb, and sugar. But the signatory countries said the joint TRQ proposal "amounts to a reduction in the quality and level of access provided by the EU to WTO members" that could "affect a globally-significant volume of trade," according to the document. "Given their considerable, unprecedented scale and scope, these changes are of general and systemic interest to the WTO membership," according to the paper.

Though WTO members cannot force the EU and the U.K. to provide market concessions they can block certification of their schedule of concessions and launch WTO dispute settlement proceedings into the matter. The EU can -- and already does -- trade on uncertified WTO schedules. However, a negative dispute settlement judgment could require the EU to offer new market-access commitments to any, and potentially all, of the WTO’s other 135 members.

Vietnam ratifies Pacific Rim trade pact abandoned by Trump	**Asahi.com** http://www.asahi.com/ajw/articles/AJ201811120053.html

Vietnam's National Assembly on Monday ratified a Pacific Rim trade deal abandoned by U.S. President Donald Trump, but still being pushed forward by 11 other members.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership or CPTPP will take effect at the year's end after Australia became the sixth nation to ratify it last month.

Trump pulled out of the pact just days after taking office last year, saying multilateral trade agreements cost American jobs and that he would prefer bilateral trade agreements.

The remaining 11-members account for more than 13 percent of the world's GDP.

Vietnam is expected to be one of the members that would most benefit from it with its strong base of exports of cellphones, garments, shoes, seafood and agricultural products. A government study says the pact will boost Vietnam's GDP by 1.3 percentage points, while exports will also increase by 4 percentage points by 2035.

State-run online newspaper VnExpress reported the legislators unanimously approved a resolution to ratify the pact Monday.

It said the resolution asked government to prepare to take advantage of the trade pact while minimizing the negative impact it poses.

"The government should pay attention to training of human resources to take advantage and sustain opportunities and benefits created by CPTPP and build measures to prevent and handle negative impacts which could occur while implementing it," the paper quoted the resolution as saying.

New Zealand, Canada, Japan, Mexico, Singapore, Australia and Vietnam have ratified the pact. Malaysia, Brunei, Peru and Chile have yet to ratify it.

A Digital Transformation Underway in Textiles	**Think.com** http://whattheythink.com/news/92625-digital-transformation-underway-textiles/

An article written by Senior Editor Cary Sherburne on the digital transformation underway in the textiles industry was published in the latest newsletter from the American Association of Textile Chemists and Colorists (AATCC). Sherburne has become a regular contributor to the Association’s publication since WhatTheyThink’s Textiles section was launched in January of this year.

The article explains some of the drivers for increased adoption of digital solutions within the textiles and apparel supply chain—drivers that are not that different from other industries that have undergone, or are undergoing, a similar transformation. Shorter runs. Faster time to market. Reduced costs. Increased customization. Sound familiar? It should!

The book industry was experiencing 40% waste in the supply chain, and publishers have employed digital technologies to reduce that number. Supply chain waste in textiles is also at 40%, including inventory obsolescence and the amount of inventory that ends up on sale racks at reduced prices, or worse, must be disposed of.

Textiles also have a huge negative impact on the environment, which can be somewhat alleviated by employing digital technologies, from fabric finishes to online ordering, digital printing, and automated cut-and-sew.

There are even developments in the dyeing of thread on demand. Thread may seem inconsequential, but there is a great deal of waste and environmental contamination associated with conventional thread manufacturing. Sherburne cites Israeli company Twine Solutions as one example. Not only are there environmental benefits to this digital on-demand technology, but it enables production of complex patterns in embroidery and knitting that were not possible before.

She also mentions Unmade, a UK-based company dedicated to providing solutions and tools to enable widespread adoption of on-demand personalization and customization of apparel and other soft goods. Unmade started by developing software to enable custom knitted items, but is now expanding into direct-to-textile printing and more. Unmade not only lets manufacturers use existing equipment for custom items, but also works with companies to help them build the necessary infrastructure to make one-off production and logistics profitable.

Arguably, the transformation is almost complete in commercial print—there will always be analog product (offset, flexo, etc.), but digital printing and automated digital workflows are mainstream. Also arguably, it took 30 years to get to this point. One would hope the textiles and apparel industry will learn from experiences in other industries and progress much faster. Today, only about 6% of textiles are printed digitally…but that’s up 2% in just a couple of years.