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NEWS CLIPPINGS –03-12-2018

Union Minister felicitates 'InnoTex 2018' winners	**Millennium Post** http://www.millenniumpost.in/features/union-minister-felicitates-innotex-2018-winners-329975

Confederation of Indian Textile Industry (CITI) in association with Northern India Textile Research Association (NITRA) as a Knowledge Partner, organised an innovation contest 'InnoTex 2018'. Innovation applications were sought in the field of design, method, process, product and cost in ginning, spinning, weaving, knitting, processing, garmenting and technical textiles from all over India and abroad. CITI received an overwhelming response from the innovators as well as from the industry. A total of 10 innovations were shortlisted after two rounds of jury evaluation. The final round of the Innovation Contest was organised along with CITI Diamond Jubilee Celebrations – Global Textiles Conclave 2018 on November 28, at 10:00 am at hall no. 4, Vigyan Bhawan, New Delhi.

Innovators made their final presentations before the eminent jury members comprising Shekhar Agarwal, Vice Chairman, RSWM Limited, Bharat Bhushan Modi, Vice President (Weaving), D'Décor Home Fabrics Pvt. Ltd., Neelabh Dalmia, Director, GHCL and Professor R S Rengasamy, Department of Textile Technology, IIT Delhi, the stalwarts of textile and apparel industry and top academia. Towards the end, three winners were selected.

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

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20963	43850	80.38
Domestic Futures (Ex-Gin) November		
Rs/Bale	Rs/Candy	USD Cent/lb
21290	44534	81.63
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		78.91
ZCE Cotton: Yuan/MT (Jan 2019)		14510
ZCE Cotton: USD Cents/lb.		80.37
Cotlook A Index - Physical		85.55
B. Currency		

USD/INR	Close	Previous Close
Spot	69.584	69.584

Cotton Guide:

On The outcome of G-20 meeting says Mr. Trump agreed not to boost tariffs on $200bn of Chinese goods from 10% to 25% on 1 January. China will buy a "very substantial" amount of agricultural, industrial and energy products, the US says. Meanwhile, Beijing says the two sides agreed to open up their markets. Alos the outcome of the meeting says the US tariffs on Chinese goods will remain unchanged for 90 days, but warns: "If at the end of this period of time, the parties are unable to reach an agreement, the 10 percent tariffs will be raised to 25 percent."

The outcome of G-20 meeting is now perceived to be positive for markets. Many asset classes are trading higher. Cotton per se this morning in Asian session is seen trading higher by 3.30% at 81.50 cents. Likewise, the ZCE cotton is also higher by 385 points at 15475 Yuan/MT for the active contract. We think price rise is the function of expected demand in next 90-days or the scenario will come to a normalcy state; unlike last two months where everything was supposed very negative.

However, cotton continues to trade in the same range of 77 to 82 cents for the past 11 weeks. Although few cents away for it to break onto higher side. We think a clear break out above 82 cent means price could jump quickly higher towards 84+ cents as next resistance level.

On the domestic front, shankar-6 price quoted lower over the weekend at Rs. 44000 per candy ex-gin and Punjab J-34 at Rs. 4380-4400 per maund. The estimate of arrivals is 151,400 lint equivalent bales (170 kgs), including 40,000 in Gujarat and 35,000 in Maharashtra. The MCX Cotton for December future ended the last week lower at Rs. 21520 per bale down by Rs. 230 from the previous week's close. We think with the new development where ICE cotton is higher and the Indian rupee is slightly weak the market might open higher. The trading range for the day would be Rs. 21470 to Rs. 21900 per bale.

FX Guide:

Indian rupee has opened weaker by 0.4% to trade near 69.88 levels against the US dollar. Rupee came under pressure amid sharp rally in crude oil price and disappointing GDP data. Brent crude has rallied nearly 5% to trade near $62 per barrel amid production cut down by Canada and increasing cooperation between Russia and Saudi Arabia over production cuts. India's GDP rose 7.1% in Q2 as against Bloomberg forecast of 7.5% growth. However, supporting rupee is general strength in equity markets and US-China trade truce. US and China have agreed to halt any new tariffs for 90 days as they continue negotiations to resolve trade issues. The US dollar index has also come under pressure as easing trade tensions has reduced safe haven demand. Rupee may remain under pressure amid sharp rebound in crude price. USDINR may trade in a range of 69.75-70.2 and bias may be on the upside.

Cotton yield in India to hit three-year low on massive crop damage	Business Standard https://www.business-standard.com/article/economy-policy/cotton-yield-in-india-to-hit-three-year-low-on-massive-crop-damage-118120100489_1.html

Cotton yield in India is likely to decline this year to hit a three-year low due to crop damage following drought in its major growing states including Gujarat in Maharasthra, the two states jointly contributing half of India's cotton output.

The Cotton Advisory Board (CAB) headed by the Textile Commissioner under the Ministry of Textiles, in its first estimate released this week, forecasts the yield to decline to 501.47 kg per hectare (ha) for the cotton season October 2018–September 2019 from 506.07 kg the previous year. As a result, average cotton output for the season is the lowest in three years. During the crop year 2016-17, the yield was reported at 459.2 kg per ha. With this, 2018-19 cotton season is set to become the second slowest year in nearly a decade.

To capitalise on benefits, such as procurement at minimum support price (MSP), offered by the government, farmers had brought additional area under this natural fibre last kharif sowing season. As a result, total acreage under the crop rose to 12.24 million ha from 10.83 million ha in 2016-17. Amid hope of a normal monsoon as forecast by the Indian Meteorological Department (IMD) at the start of the season, cotton output was forecast to breach several years' record.

However, uneven distribution of monsoon rainfall in Gujarat -- deficient in cotton growing belts and surplus elsewhere -- coupled with drought in major cotton cultivating areas in Maharashtra such as Marathwada, is set to pull down India's average yield this year.

The CAB estimates India's cotton output at 36.1 million bales (1 bale = 170 kg) for 2018-19 compared with 37 million bales in the previous year. The statistics collated by the CAB showed Maharashtra as the least yielding cotton producing state in the India with an average productivity (yield) of 334.3 kg per ha this year compared to 343.48 kg last year.

"The Marathwada region in Maharashtra received extremely below average rainfall this monsoon (June-September 2018). Also, major cotton growing belts in Gujarat received deficient rainfall this year. We, therefore, estimate output at 32.5-33 million bales this year. In the case of normal November rainfall, cotton flowers can recover some lost yield in the third cycle which may result in a marginal decline in output this year," said Biren Vakil, an analyst with Motilal Oswal Financial Services Ltd.

Despite IMD's estimation of normal rainfall at 92 per cent of the long period average (LPA) during the 2018 monsoon season, Maharashtra received very little rain, with drought-hit Marathwada getting just a little over 60 per cent of the LPA. As per the Maharashtra government's assessment, nearly half the villages across the state faces drought this year.

Tamil Nadu has been projected as the highest yielding cotton producing state, with 728.57 kg per ha, despite having low acreage.

Private forecasters, meanwhile, estimate India's total cotton output at 32.5-33 million bales for the crop year October 2018-September 2019, down from 36.5 million bales reported in the previous year. The premier industry body, the Cotton Association of India (CAI), in its October estimates, forecast cotton output at 34.3 million bales for the season 2018-19.

Deficient and erratic southwest monsoon followed by a long dry spell this winter season has impacted the standing crop. While the first cycle of cotton picking is over, the second and third cycles are likely to get impacted badly due to spoilage of flower buds.

Noticing the dry spell, CAI has revised the cotton crop estimate for Gujarat by 200,000 bales, Maharashtra and Karnataka by 100,000 bales each and Odisha 75,000 bales.

"Big cracks have developed in land across Saurashtra region due to lack of soil moisture following heat waves in the region. Therefore, second and third picking of cotton flowers looks impossible. Farmers have started uprooting plants and clearing the field for rabi crop sowing. Thus, sudden spike in cotton prices looks possible any time soon," said Atul Ganatra, president, CAI.

President Kovind Says Indian Farmer "Remarkably Adaptable" To Innovation	**Ndtv.com** https://www.ndtv.com/india-news/president-kovind-says-indian-farmer-remarkably-adaptable-to-innovation-1956545

CHANDIGARH: President Ram Nath Kovind praised farmers on Saturday, saying they have proven to be "remarkably adaptable" to innovation and bold in taking risk, which has helped India become an exporter of key agricultural and allied products.

The president's remarks come a day after opposition leaders rallied behind thousands of farmers from across the country who had gathered in Delhi demanding remunerative prices for their produce and government relief from debt.

The farmers, battling severe agrarian distress, had started to converge in Delhi on November 29, stayed at the the historic Ramlila Maidan overnight and on the morning of November 30, they marched through the streets shouting slogans to highlight their plight.

Speaking after inaugurating the 13th edition of CII Agro Tech India-2018 in Chandigarh, which was attended by 195 exhibitors, including 37 from outside India, President Kovind said the Indian farmer has been courageous in converting risk into opportunity. He also called for boosting investments, including from private players, in agricultural research and development.

President Kovind said the government is working towards greater efficiency in agricultural markets, which will give farmers access to a wider customer base and allow them to get better prices.

He outlined several government initiatives - such as Pradhan Mantri Krishi Sinchai Yojana and Pradhan Mantri Fasal Bima Yojana - to improve the condition of farmers.

The president said the irrigation scheme has covered about one million hectares and the crop insurance scheme has provided a safety net to nearly 25 million farmers.

"These are only a start. In the years to come, we have to cover more farmers and more farm land," he added.

Complementing farmers, President Kovind said, "The Indian farmer has proven to be remarkably adaptable - unafraid of innovation, new techniques and scientific inputs."

"As a result India has emerged as an exporter of key agricultural and allied products such as rice, marine products, fruits, vegetables and even flowers. Our farmers supply commercial crops like cotton to the rest of the world."

He, however, said the challenge now is to scale up.

"Indian agriculture needs a renewal of its marriage with contemporary technology, protection against climate change, price fluctuations and demand shocks; and sustained investment by and partnership with business.

"Together these will enhance agricultural value and competitiveness - as well as lead to better incomes," he said.

The National Agricultural Market or eNAM, an online platform for buying and selling agricultural commodities, has linked farmers, traders and buyers across India, he said.

The selfless efforts of farmers have contributed to national development and to the well-being of people, he said.

"Initiatives such as the Green Revolution - which was carried out with such determination in Punjab, Haryana and neighbouring states - have helped convert a country of chronic food shortages and imports to a food surplus economy. This was possible due to visionary policy makers, ingenious agricultural scientists - and above all, farmers who gave their sweat and toil," the president said.

He said public-private partnerships in agriculture have the potential to modernise the sector.

"PPPs can be instrumental in developing agricultural value chains, conducting joint research that focuses on innovation, building market infrastructure, and delivering business development services to farmers," President Kovind said.

The president also touched on stubble burning by farmers, saying all stakeholders should come up with a solution.

"We are facing a problem related to disposal of crop residue and of safe and clean removal of husk or stubble. In an extreme form, the burning of such items is leading to pollution that affects even little children.

"It is for all of us, including the state governments, the skilled and large-hearted farmers, and other stakeholders, to come up with a solution," he said.

Stubble burning in some northern states pushes air pollution to dangerous levels. During winters, Delhi is covered under a thick blanket of toxic smog for several days.

On Saturday however, the contribution of long-range dust or stubble biomass to air pollution in Delhi was negligible, the Centre-run System of Air Quality and Weather Forecasting said.

President Kovind also stressed that the link between agriculture and industry must be strengthened for a seamless value chain and minimal wastage.

"To this end, 42 mega food parks are being set up and 228 integrated cold chain projects are underway in different parts of India," he said.

Punjab Governor and Chandigarh Administrator VP Singh Badnore, Haryana Governor Satyadev Narayan Arya, Haryana Chief Minister M L Khattar, Union Agriculture Minister Radha Mohan Singh, Union Food Processing Minister Harsimrat Kaur Badal, CII president Rakesh Bharti Mittal were present at the event.

RCEP: Experts to evaluate pact to strengthen India's position	**Business Line** https://www.thehindubusinessline.com/economy/rcep-experts-to-evaluate-pact-to-strengthen-indias-position/article25648833.ece

Will carry out stakeholder consultations, submit report by January-end

To sharpen India's bargaining position in the Regional Comprehensive Economic Partnership (RCEP), which is being negotiated among 16 countries, the Commerce Ministry has roped in experts from academic institutions and think-tanks to carry out a detailed study of the pact and give their recommendations.

The expert group, from the Centre for Regional Trade, IIM-Bangalore and the Indian Council for Research on International Economic Relations (ICRIER), will also carry out stakeholder consultations, and has been asked to submit its report by January-end, a government official told *BusinessLine*.

"The idea is to get an independent view on the negotiations from experts who have not been part of the discussions so far. They will carry out a scientific and objective assessment, and their recommendations will be studied by our negotiating team and implemented in the on-going negotiations," the official said.

The RCEP now has a new deadline of 2019-end for completion.

Several stakeholders are still unsure about the usefulness of the talks, including the Ministries of Steel, Heavy Industry and Textiles.

"With the deadline postponed by a year, India now has enough time to recalibrate the situation and carry out more nuanced negotiations. We have to cover our sensitivities while being aggressive in our areas of strength. The suggestions by the group of experts will hopefully help the negotiators to strike the right balance," the official said.

Once implemented, the RCEP could be the largest free trade zone in the world as member countries account for 25 per cent of global GDP, 30 per cent of global trade, 26 per cent of global foreign direct investment (FDI) flows and 45 per cent of the total population.

As part of the review, the experts are likely to examine lines of tariffs of all member countries and identify where Indian industry and agriculture need to be protected the most, and where negotiators could be adventurous and aggressive.

India has not yet managed to get substantial offers from other members in the area of services, which is its area of strength. Other RCEP members, however, are pushing India to take up very ambitious commitments in goods such as committing to dismantle import tariffs on 90-92 per cent of items for the 10-member ASEAN, Japan and South Korea and on 80-86 per cent of items for China, Australia and New Zealand.

China Hails Trump-Xi Truce to Halt Trade War; Promises to Import More from US	**News 18** https://www.news18.com/news/world/china

During the meeting, which had also raised global expectations of an end to the six-month-long trade war, Trump agreed that on January 1, 2019, he will leave the tariffs on USD 200 billion worth of product at the 10 per cent rate, and not raise it to 25 per cent at this time.

hinese President Xi Jinping and his US counterpart Donald Trump's decision to suspend imposing of any new tariffs for 90 days for talks to address the trade dispute has put brakes on the escalating trade war between the world two largest economies, a relived China said on Sunday

At their "highly successful" dinner meeting on the sidelines of the annual G-20 Summit in Argentina's capital Buenos Aires, Trump agreed to postpone for 90 days a scheduled increase in tariffs on USD 200 billion in Chinese imports, while Xi agreed to purchase a very substantial amount of US products so as to reduce the USD 375 billion trade deficit between the two countries.

During the meeting, which had also raised global expectations of an end to the six-month-long trade war, Trump agreed that on January 1, 2019, he will leave the tariffs on USD 200 billion worth of product at the 10 per cent rate, and not raise it to 25 per cent at this time.

If there is no deal at the end of the 90-day grace period, the US will increase the tariffs on the USD 200 billions of goods from 10 per cent to 25 per cent.

Addressing the media, at Buenor Aires, after the talks, Chinese Foreign minister Wang Yi acknowledged that China would import more from the US and address Washington's concerns in the 90-day period.

"In a friendly and candid atmosphere, the two presidents had profound discussions that lasted for two-and-a-half hours. The time was much longer than the schedule," the state-run Xinhua news agency quoted Wang as saying.

It was the first face-to-face meeting between the two leaders since Trump's China visit in November last year and since both countries started imposing tit-tat tariffs on each other's exports.

According to Wang, the two presidents reached important common understanding and the meeting certainly has "charted the course for China-US relations in some time to come."

During their working dinner, the two leaders had very "positive and constructive" discussions over trade and economic issues and agreed not to impose additional tariffs, he said, adding that China will import more marketable products form the US in efforts to gradually ease imbalances in bilateral trade.

Wang said the two sides also agreed to open market to each other and China will, in the process of its further opening-up, work to gradually resolve the legitimate US concerns.

Trump has been demanding China to drastically reduce the USD 375 billion trade deficit and ensure IPR production for US technology and services. The escalating trade war raised concerns in China as its economy was on the downward trend amid efforts by the government to rejig the export dependent economy to that of relying more on domestic consumption.

Wang said that working teams on both the sides will follow the guidance of the principled consensus reached between the two leaders, and step up negotiations toward the removal of all additional tariffs so as to reach a mutually-beneficial agreement at an early date.

"The important consensus reached at the meeting not only effectively stopped further escalation of trade tensions, but also opened up new prospects for win-win cooperation between the two countries," the Chinese foreign minister said.

Results achieved at the meeting will not only benefit the two countries and the two peoples, but also be conducive to the stable growth of the global economy, he said.

The two sides also agreed to enhance cooperation on law enforcement and combating illicit drugs, including the synthetic drug fentanyl, Wang said.

Exports of Fentanyl from China became the latest source of friction between the two countries as it has emerged as a new source of drug abuse in the US in addition to heroin, resulting in large scale deaths of American youth.

China's efforts to tackle the abuse of fentanyl-like substances have won positive comments from across the globe and

Beijing has decided to list all fentanyl-like substances and their precursors as controlled substances, Wang said.

"Saturday's meeting has put the brakes on escalating trade friction between the two countries. The two sides decided to avoid escalation of trade restrictive measures and will work towards lifting all additionally-imposed tariffs," Xinhua said.

The outcome of the meeting needs to be cherished. The economic teams of the two countries should follow the consensus reached by the two heads of state, it said.

The usually abrasive ruling Communist Party run Chinese tabloid, Global Times said "the progress made at the talks in Buenos Aires is of momentous significance since the Sino-US trade friction escalates this year".

"It is hoped the agreement reached on Saturday will be implemented by the two sides and Chinese and American working teams will meet the expectations of their leaders, normalising trade relations between the countries," it said.

Playing down domestic concerns of any compromise by China giving in to Trump's demands, it said "the Chinese public needs to keep in mind that China-US trade negotiations fluctuate. China's reform and opening-up's broad perspective recognises that the rest of the world does things differently."

Meanwhile, the state-run China Daily said in the editorial that "the fact that the two leaders could sit down for candid talks and agree to avoid the looming escalation of trade tariffs to allow for continuing trade negotiations, shows that both sides are aware of how damaging they would be, not just on each other but the global economy as a whole."

Textile mills tie up with GEDA to reduce energy consumption	**Times of India** https://timesofindia.indiatimes.com/city/surat/textile-mills-tie-up-with-geda-to-reduce-energy-consumption/articleshow/66900593.cms

SURAT: City-based textile processors have tied up with state government-owned Gujarat Energy Development Agency (GEDA) and Man-Made Textiles Research Association (MANTRA) for reducing energy consumption in textile mills in south Gujarat, including Surat.

At present, energy cost-water, coal and electricity- is about 40 per cent in the overall cost of production of finished polyester fabrics in the textile mills. A licensed agency approved by GEDA and research scientists of MANTRA will be providing inputs on reducing energy costs by cutting down on usage of water, coal and electricity as per international standards of polyester fabric production.

South Gujarat Textile Processors' Association (SGTPA) president Jitendra Vakhariya told TOI, "The textile mills have been using water, coal and electricity abundantly. At present, the prices of coal and electricity are very high and we are unable to compete with our counterparts in Maharashtra where they get cheap electricity at Rs3.50 per unit. Energy saving is the only option left with us."

Vakhariya added, “Researchers at MANTRA and GEDA will be guiding the textile mill owners on reducing consumption of water, electricity and coal as per international standards. For example, fresh water is required for drum washing of fabrics and that the water flows down the drain. The researchers will provide us with input on recycling of the waste water for reuse, thereby helping us save on the cost of water and consumption of power and fuel.”

Escon Tech director Raju Shah, who is the licensed energy auditor of GEDA, said, “Textile mills use electricity in huge quantity and this increases outflow of carbon monoxide from the mills into the air. If the mill owners save 10% electricity then they will be able to save Rs56 crore per annum and reduce the release of carbon monoxide also by 57,400 tonnes.”

Textile sector leader Ashish Gujarati said, “Electricity tariff for industrial purpose is very high compared to Maharashtra. Textile industrialists are unable to compete with those in Maharashtra due to cheap electricity there. The energy saving mission in the textile mills will go a long way in changing the future of the textile sector in the city.”

Announce duty drawback rate soon, garment exporters urge FM Jaitley	**Business Standard** https://www.business-standard.com/article/companies/announce-duty-drawback-rate-soon-garment-exporters-urge-fm-jaitley-118120100569_1.html

Tirupur Exporters' Association (TEA) Saturday appealed to Finance Minister Arun Jaitley to immediately announce the revised all-industry rate of duty drawback for the garments sector and help it overcome the crisis and enhance exports.

The duty drawback rate was usually announced in September or October, but it wasn't this year and the government has been delaying the announcement since the rupee has depreciated, and that was affecting exports, president of the association, Raja M Shanmugha, said in a press statement here.

In the half-yearly period of this financial year, the exports recorded Rs 260.6 billion against Rs 292.1 billion during the corresponding period last year, a decline of 10.8 per cent, the statement said.

The exports from Tirupur for the same six-month period saw a decline from Rs 136 billion to Rs 121 billion, an 11 per cent fall, it said.

After implementation of goods and services tax (GST) in the garments sector in October 2018, the exports have clocked a positive figure compared to the previous year, the statement said.

Modi government to change customs duty architecture to boost trade, ease of doing business	Economic Times https://economictimes.indiatimes.com/news/economy/policy/modi-government-to-change-customs-duty-architecture-to-boost-trade-ease-of-doing-business/articleshow/66911579.cms

After rolling out the most comprehensive indirect tax reform – the goods and services tax – the Narendra Modi-led NDA government is set to unleash the next generation of changes to the customs duty architecture to speed up India's trade and improve the ease of doing business.

The proposed changes seek to do away with face-to-face contact with tax officials, automate the release of goods and ensure e-traceability of shipments, measures that can substantially reduce corruption and allow faster movement of merchandise.

"We want to go in for something which will be radically different from what we have been doing. We are going to venture into a new territory called faceless assessment... We could start a pilot in a month's time," Central Board of Indirect Taxes and Customs chairman S Ramesh told ET in an exclusive interview.

Ramesh, who took over as chairman in June, said the idea is to work towards getting into the top 50 ranking of the World Bank's Ease of Doing Business. In the 'trading across borders' category, India leapt to 80th rank from 146th.

FACELESS INTERFACE

Elaborating on the proposed 'faceless' assessment, Ramesh said the board will soon initiate discussions with the trade and examine if any legal or statutory changes would be required. He said the ideal situation would be that goods landing in Nhava Sheva (Mumbai) can be assessed in Chennai and shipments in one category, say motorcars, can be assessed at one location, allowing development of specialisation and expertise.

"This is where the world is going. This is one of the best practices of the World Customs Organisation… Scope for rent seeking will absolutely vanish and speed of clearance will go up manifold," he said.

Once this is rolled out, an importer in New Delhi would be able to get cargo assessed in Chennai without needing to physically get in touch with the local customs. The faceless interface would also be used for automated release of cargo, which will allow an importer or an agent to receive an email or an SMS alert that the goods are ready for collection, without having to interact with any customs officer at the port. This would be done for low-risk and trusted traders and low-risk commodities.

EASE OF DOING BUSINESS

Ramesh said internal brainstorming is going on to see how India can take the next quantum leap in the Doing Business ranking. "Virtual groups have been formed… We feel we need to build upon what has been done," he said, adding that the customs proposes to expand the E-Sanchit facility, which allows importers to upload all documents online, to exporters.

It plans to bring export promotion councils and the Directorate General of Foreign Trade on board the customs portal to make the whole experience seamless and paperless for exporters in the next two to three months. Ramesh said that as part of the national trade facilitation programme, the cabinet secretary has written to ports to streamline their infrastructure for smooth and speedier cargo movement. Port IT systems are being integrated with the customs portal.

TAX TARGET AND REFUNDS

Ramesh said the board is making all efforts to meet the indirect tax target for the year and revenue collection in many states had improved. Efforts are being made to intensively use data analytics to check for systemic attempts to evade GST and the Directorate General of Analytics and Risk Management has been set up for this. On the pendency in GST refunds, he said 95% of the integrated GST refunds amounting to Rs 47,161 crore had been disposed of. In the case of input tax credit refunds, more than 96% of the amount has been cleared. Of the Rs 24,788 crore amount claimed in applications, he said Rs 24,012 crore had been disposed of. Besides, he said, a solution is being devised for refund applications with documents to be filed online, obviating the need to visit the tax office.

He said the format of the new simplified GST form has been finalised after extensive consultations with trade and industry but the changes have not been made effective as states are yet to pass it in their GST legislation. To a question on whether the tenure of the National Anti-Profiteering Authority would be extended beyond two years, Ramesh said it would be the GST Council's call.

It is a call for the GST Council to make. However, many instances of anti-profiteering are still being investigated and the provisions of the GST rules allow this extension, if need be," he said.

US, China finally agree to halt levy of new tariffs for 90 days	**Live Mint** https://www.livemint.com/Politics/zdRij2UXKFIxxZLsv3Rr7I/G20-summit-USChina-agree-to-trade-truce-no-new-tariff-af.html

The standstill agreement reached between US President Donald Trump and Chinese President Xi Jinping on the margins of the G20 leaders' meeting in Buenos Aires on Saturday will defer the imposition of tit-for-tat tariffs by the two countries for the next 90 days.

During this period ending 1 March 2019, negotiators from the US and China will hold intense discussions to resolve their differences over a range of issues covering technology to trade-related barriers, which have a direct bearing on the proposed reforms of the World Trade Organization (WTO), said sherpas,speaking under condition of anonymity.

"It is a very basic agreement between China and the US to try and find common ground on some of the most difficult issues concerning forced transfer of technology, doing away with industrial subsidies as well as state-owned enterprises, enhanced intellectual property provisions for stopping the alleged theft of technologies and so on," said one of the sherpas cited above who took part in the G20 meeting in Buenos Aires.

The trade war between the two countries is not over yet as President Trump merely agreed not to impose the proposed 25% tariffs on imports of $200 billion Chinese goods from 1 January, the sherpa said on condition of anonymity. It is a 50-50 deal that can still unravel in the next three months, the sherpa added.

According to a White House statement issued after the Trump-Xi dinner at Park Hyatt hotel, the two nations will discuss several contentious issues centering Chinese trade and economic policies within the next three months. Following those meetings, the US will decide whether to drop the proposed additional tariffs of 25% on $200 billion Chinese goods or slap them from 1 March 2019. As an immediate relief for President Trump, China has indicated its intention to purchase a "very substantial" amount of agricultural and industrial goods, including energy items.

However, China also indicated that the two sides will only focus on removing all US tariffs and Chinese retaliatory tariffs. China, however, did not mention any impending deadline that would end on 1 March, said Chinese foreign minister Wang Yi and vice minister for commerce Wang Shouwen, according to a Wall Street Journal report.

Despite differences of interpretation about the agreement, the temporary reprieve has received mixed response. Linda Dempsey of the US National Association of Manufacturers welcomed the temporary truce for deferring immediate duties of 25% on Chinese goods. She told BBC on Sunday that differences ought to be resolved through negotiations instead of imposing tariffs on each other.

The US negotiating team—which includes China hawks such as US Trade Representative Ambassador Robert Lighthizer and David Navarro—is expected to hold the first round of meeting in mid-December. The US has already prepared a catalogue of issues including mandatory transfer of technology from some American semi-conductor firms, enhanced intellectual property protection, cyber intrusions and cyber theft.

China has its task cut out to ensure that the US doesn't resort to another round of tariff hikes on 1 March, for which Beijing has to make substantial compromises. China has already said that it will agree to only those incremental issues for advancing global trade but not scrap its "developmental" policies.

Hours before the dinner meeting, the US and China had agreed on common language on "international trade and investment" in the "G20 leaders declaration: Building consensus for fair and sustainable development". The declaration includes language on the "necessary reform of the WTO to improve its functioning."

The US, which fiercely opposed any mention of keeping the markets open or fighting unilateral and protectionist measures in the declaration, had agreed to remove its cancelling language on "unfair" trade practices. During the meeting of the sherpas on Friday night, there was a long standoff over the mention of WTO reforms. South Africa and India had sought the deletion of the word "reforms" because of controversial implications, said another sherpa who attended the meeting. But India had agreed to drop its opposition to the mention of reforms, said the sherpa, who asked not to be identified.

At the insistence of the US, the G20 leaders had acknowledged in paragraph 27 of the Leaders' statement that "the [multilateral trading] system is currently falling short of its objectives and there is room for improvement." "We [the G20 Leaders] therefore support the necessary reform of the WTO to improve its functioning [and] we will review progress at out next Summit[in Tokyo, 2019]."

China rejects India's proposal to trade in rupee-renminbi	**Live Mint** https://www.livemint.com/Politics/rzUNnCvQTudjQRaWaGz8DM/China-rejects-Indias-proposal-to-trade-in-RupeeRenminbi.html

China has not accepted India's proposal to carry out bilateral trade in local currencies which was aimed at bridging the ballooning trade deficit with the neighbouring country, an official said. India's exports to China stood at only $13.4 billion, imports aggregated to $76.4 billion in 2017-18, leaving a trade deficit of $63 billion. It was $51.11 billion in 2016-17.

India had suggested to China trade in local currency in order to boost its exports and tackle the widening trade deficit concern

"They have not accepted the proposal," the official said.

The issue was discussed in an inter-ministerial meeting in October. In the meeting, it was suggested to the Reserve Bank of India and the Department of Economic Affairs would look at the possibility of exploring renminbi-rupee trade with China.

India has also proposed trade in national currencies with some other countries, including Russia, Iran and Venezuela. New Delhi has trade deficit with these three countries, too.

The Federation of Indian Export Organisations (FIEO) President Ganesh Kumar Gupta said that the government should promote exports from India in the domestic currency.

"This will help in bridging trade deficit with countries like China," Gupta said.

Trade experts have stated that bilateral trade in domestic currencies will help India only in the case of those countries with which it has a trade balance.

"Trade imbalance should not be there with the country with which we want to do trade in rupee. It will not help in bridging the deficit. The partner country should have an opportunity to invest in India to use the rupee," said Biswajit Dhar, professor at Jawaharlal Nehru University.

The Indian industry and exporters have time and again raised the issue of increasing trade deficit with China and have asked the government to seek greater market access for domestic goods in the Chinese market.

Recently, China has permitted exports of rice and sugar. But India wants to increase exports of several other items, including pharmaceuticals, engineering and services.

70 lakh jobs were created in 2017-18’	**The Hindu** https://www.thehindu.com/news/national/70-lakh-jobs-were-created-in-2017-18/article25649227.ece

Niti’s Rajiv Kumar defends NDA govt.

Terming the criticism of jobless growth during the National Democratic Alliance (NDA) government as “spurious”, Niti Aayog Vice-Chairman Rajiv Kumar has said that 70 lakh jobs were created in the financial year 2017-18 alone.

Mr. Kumar further said that growth in sales of transport vehicles, huge disbursement of Mudra loans and Employees’ Provident Fund Organisation (EPFO) data show that enough opportunities for employment and self-employment were created over the past four years of the National Democratic Alliance (NDA) government.

Recently, former Prime Minister Manmohan Singh had said the Bharatiya Janata Party-led (BJP) government’s promise to generate two crore jobs annually had turned out to be a “gimmick”.

“With all due respect, former Prime Minister Manmohan Singh does not put forward the data [on employment generation]. I think this is a spurious charge and I think the debate should be much more on further improving the quality of the jobs,” Mr. Kumar said. Noting that the production of trucks, three-wheelers and auto rickshaws is rising significantly, Mr. Kumar said: “According to EPFO data, 70 lakhs jobs were created in 2017-18.”

He further said if unemployment was rising in the country, then real wages in both rural and urban regions should decline, but that was not happening. “So, what is the basis for this [criticism of jobless growth during the NDA regime]? I think, the purpose is negative discourse for political aims and does not reflect economic reality,” he said.

Replying to a question on protests by farmers in some parts of the country, he said: “We have increased minimum support price (MSP) for farmers by huge amounts. The rural economy is in good shape, farmers’ income is rising.”

'Availability of credit is a biggest challenge'	**Deccan Herald** https://www.deccanherald.com/business/economy-business/availability-credit-biggest-706104.html

As India’s exports continue to lag, making the govt look for new markets and products to perk it up, Ganesh Kumar Gupta, President, Federation of Indian Export Organisations (FIEO) explains the reasons to Annapurna Singh of DH. Excerpts:

Are GST refund issues still haunting exporters?

What are your expectations from the government? The problem of IGST refund is more or less solved except for cases which are stuck up with GSTN. The bigger challenge lies in ITC refund as the same is not completely electronic. The manual system of taking a physical copy of application along with a host of documents to tax authorities add to the transaction time and cost. The fact that over 40% of the applications have not yet been submitted manually shows that the small exporters are facing the

brunt. We expect the Government to bring ITC refund on a complete electronic module as has been done for IGST refund.

Exports, in general, are lagging behind. What are the problem areas that need to be addressed on a priority basis?

The biggest challenge faced by the export sector is the availability of credit. The RBI data shows a sharp decline in credit by over 50% in August 2018 as compared to the corresponding period in 2017. The lack of support for marketing is another challenge, particularly for the MSME sector. The government should create an Export Development Fund with a corpus of 0.5% of previous year exports to provide for showcasing of Indian products/services abroad

Which sectors demand special treatment?

Generally speaking, the labour intensive sectors require special treatment as growth in such sectors helps in the creation of additional jobs. Apparel, Textiles, Handicras, Carpets, Agro & Processed Food, Marine Products, Sports Goods, Footwear & Leather, Gems & Jewellery are some of the sectors which may be considered for such treatment.

Is the current liquidity problem with banks also acting exports?

Technically speaking, exports are under Priority Sector Lending, yet down by over 50%. We, therefore, request the government to keep exports under 40% lending norms so that flow of credit to the export sector may be augmented. Moreover, banks are taking enormous time and asking for voluminous days and should not raise objections in a piecemeal manner so as to delay the process.

Union Cabinet is expected to take up agriculture export policy this week. What is your suggestion for that?

We want an Agri Export Policy which should provide a stable framework for Agri exports as against switch on and switch o policy in the past. India should be considered as a reliable supplier for Agri products and for that to happen we should have detailed account of our buer stock, scientific forecasting of crop and demand so that we keep surplus for exports.

In case, we do not have a surplus, we should import rather than restrict exports as market once lost is very diicult to gain since importing country would not treat you as a reliable supplier. Agri exports should be given freight subsidy so that hinterland exporters who incur huge inland freight are compensated. The government is providing high MEIS support to many agri commodities which should continue and the benefit may also be given for seeds exports as seed cultivation has become commercial and it creates huge employment in villages.

Are exporters facing problems in trading with Iran? What is the way out?

There is a lack of clarity on exports to Iran. However, we hope that since India has been granted a waiver on imports of oil from Iran, we soon will have detailed guidelines on exports to Iran. We have been given to understand that the work is in progress on the reintroduction of Rupee Payment Mechanism so that the payment for the oil may be used for paying the Indian exporters in respect of supplies made to Iran

The government has stopped giving yearly merchandise export targets. Any estimate on India's exports at the end of this fiscal? We expect Indian merchandise exports to reach close to $350 billion in this fiscal. The services exports should grow to $210-220 billion. Therefore, an overall export of $550 billion-plus should be achieved during the current financial year.