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# NEWS CLIPPINGS –06-12-2018

| Four-day textile fair begins | The Hindu<br>https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/four-day-textile-fair-begins-at-texvalley/article25676128.ece |
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Buyer-seller meet expected to generate over Rs. 800 crore revenue

To facilitate the partnership between Indian and foreign buyers with manufacturers and traders, a four-day premier textile fair 'Weaves', with the theme "Global Connect for Weaving" was inaugurated at Texvalley here on Wednesday.

Organised jointly by the Confederation of India Industry (CII) and Texvalley, an integrated textile market, over 250 exhibitors representing the textile industry ranging from fabrics to weaving machines are taking part in the fair. Apart from this, buyer-seller meet is expected to attract about 1,000 business people to generate revenue of over Rs. 800 crore.

Speaking at the inauguration, A. Sakthivel, Vice-Chairman, Apparel Export Promotion Council and Regional Chairman, Federation of Indian Export Organisations, said that the State accounts for 60% of yarn and fabric exports while it accounts for 85% of knitwear exports.

He said that after 35 years, export from Tirupur has shown minus 15% and the industry is doing everything to come back. The textile industry in the State provides 40 lakh jobs of which 60% of the work force are women. "Reports were submitted to the Ministry of Textiles. If they don't do it, knitwear exports may go out of India," he cautioned. He wanted the Central and State governments to absorb the project cost that were implemented by the private parties.

C. Devarajan, Past Chairman, CII Erode Zone and Vice Chairman, Erode Textile Mall Private Limited said that that the situation in fabric manufacturing is not so encouraging as weaving units are large in numbers, but small in size as they were not able to promote and succeed. Hence, the fair will bring holistic improvement to the textile industry as a whole and to the fabric segment.

He said that the value of fabric sector is Rs. 35,000 crore per annum which can very well touch Rs. 1 lakh crore by 2025 with careful value-addition and technology upgradation. He called upon the traders and others to accommodate the change in the industry by aligning with growth partners, learning and attaining right knowledge and improving their visibility.

Sanjay Jayavarthanavelu, Deputy Chairman, CII Southern Region and Chairman and Managing Director, Lakshmi Machine Works Limited said that fashion keeps changing every two weeks and called upon the textile industry to respond quickly to the changes.

B. Krishnaraj Vanavarayar, Chairman of Bharatiya Vidya Bhavan and past Chairman, CII, said that successful entrepreneurs never gave excuses as they relied on their strength and succeeded. He said that the textile industry contributes to the country's economy immensely and wanted political will to take decisions, which are essential.

M. Duraisamy, Immediate Past Chairman, Powerloom Development and Export Promotion Council, Nahid Rashid, Counsellor (Commercial), Bangladesh High Commission, V. Krishnamoorthy, Deputy High Commissioner, Sri Lanka, and D.P. Kumar, Executive Director, Erode Textile Mall Private Limited also spoke. P. Periyasamy, Chairman, Texvalley, buyers and sellers were present. A coffee table book titled "Titans of Textiles" featuring 28 successful entrepreneurs in the textile sector was also released on the occasion.

| **Cotton and Currency Markets** | **Kotak Commodities Research Desk**<br>**For more details contact :** Research@kotakcommodities.com **&**<br>aurobinda.gayan@kotakcommodities.com |
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| | | |
|---|---|---|
| A. Cotton | | |
| Spot price (Ex-Gin) 28.5 to29 mm | | |
| Rs/Bale | Rs/Candy | USD Cent/lb |
| 20963 | 43850 | 79.38 |
| Domestic Futures (Ex-Gin) November | | |
| Rs/Bale | Rs/Candy | USD Cent/lb |
| 21900 | 45810 | 82.93 |
| International Futures | | |
| NY ICE USD Cents/lb. ( Dec 2018) | | 81.15 |
| ZCE Cotton: Yuan/MT (Jan 2019) | | 14620 |
| ZCE Cotton: USD Cents/lb. | | 81.89 |
| Cotlook A Index - Physical | | 85.55 |
| B. Currency | | |
| USD/INR | Close | Previous Close |
| Spot | 70.459 | 69.584 |

**Cotton Guide:**

COTTON FUTURES DAILY PRICE LIMIT EXPANDS TO 4 CENTS PER POUND: Effective with the start of trading for Thursday, December 6, 2018, the Daily Trading Limit for all Cotton No. 2 futures contract delivery months will expand to 4 cents per pound (400 points) above and below the prior day Settlement Price. The text of Cotton No. 2 Rule 10.09 can be found at: Link

Cotton market was up on Wednesday in the US despite most other markets were closed. The March contract settled at 8115 cents up 134 points from the previous close. This is the highest settlement since October 22nd (8145). The other months settled from 33 to 134 points higher. The trading volume was 19,654 contracts while cleared yesterday were 23,342 contracts. March open interests were at 133,390 contracts, down 1,407 contracts previous day. It was up 1,370 contracts after Monday's rally, so it looks like Monday's new contracts might have been liquidated on Tuesday. Maybe Wednesday's rally increased open interest again. March first notice day is February 22nd, leaving 52 sessions until then.

Technically, the bulls got the daily honors as they pushed prices to near the top of the 12-week trading range of 7650 to 8200. Much of the daily modern work is now 'up,' which isn't particularly helpful when the trend is sideways. Short term traders could trade the range, using the 8150-to-8200 area to gauge entry and risk/reward for possible selling. Longer term traders should be alert for resolution of the trading range, which could produce a decent move. Support is 8000+/–, 7900+/–, 7700 and 7650.

On the domestic front there has been slight improvement in the futures contract. The active December future on Wednesday traded at Rs. 21970 per bale. However, the chart structure suggests market might remain advanced and recommend buying on lower level. The trading range for the day would be Rs. 21900 to Rs. 22100 per bale. On the spot front the Shankar-6 variety traded at Rs. 44500 per candy slightly lower than the previous day but has been ranging between Rs. 44300 to Rs. 44800 per candy for the past 15 days or so. On the supply front estimate of arrivals is around 162,500 lint equivalent bales (170 kgs), including 41,000 in Gujarat, 40,000 in Maharashtra and 25,500 in the Northern Zone. A state election in Rajasthan on December 7 is likely to interrupt deliveries until Monday.

Note the spot price in India is around Rs. 44400 -44500 per candy ex-gin whereas the December future is trading at Rs. 21970 per bale (Rs. 45920 per candy). There is a difference of Rs. 1500 per candy between spot and near month future. This imply that going forward the Cotton price might remain higher hence one should start procuring physical cotton at the prevailing price to meet its requirement and the same can be hedged by selling the future contract at higher level.

**FX Guide:**

Indian rupee has opened 0.5% lower to trade near 70.82 levels against the US dollar. Rupee is pressurized by weaker risk sentiment amid uncertainty about US-China trade deal. Asian equity markets trade lower while DJIA futures are down over 300 points. Risk sentiment has weakened also amid signs of inversion of US yield curve as 3-year bond yield has moved to a premium to 5-year bond yield for the first time since 2007. Also weighing on rupee is uncertainty about outcome of OPEC meeting on crude oil price. Brent crude is range bound near $61 per barrel as OPEC and allies have largely agreed on production cuts but lack consensus over quantum of the same. Domestic market players were also disappointed by RBI's decision to maintain 'calibrated tightening' policy stance despite lower inflation. RBI kept interest rate unchanged yesterday at 6.5% in line with expectations and also lowered inflation outlook amid lower crude oil price but maintained its 'calibrated tightening' stance keeping room open for future rate hikes. Rupee may remain under pressure on weakness in equity market and uncertainty ahead of OPEC meeting. USDINR may trade in a range of 70.5-71 and bias may be on the upside.

| Economy on track? Nov Composite PMI sees quickest growth since note ban | Business Standard<br>https://www.business-standard.com/article/economy-policy/economy-on-track-nov-composite-pmi-sees-quickest-growth-since-note-ban-118120501066_1.html |
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After subdued gross domestic product (GDP) growth in the second quarter (Q2) of the current financial year (2018-19), widely tracked Nikkei purchasing managers' index (PMI) provided a ray of hope for the economy.

The country's services and manufacturing activities grew at the highest rate since demonetisation (November 8, 2016), showed the data released by the PMI survey. This prompted the finance ministry and the Reserve Bank of India (RBI) to emphasise that the economic growth is on track.

Manufacturing and services (both private and public sectors) account for almost 74 per cent of the country's GDP.

At 54.5 points, Nikkei India Composite PMI Output Index pointed to the fastest expansion in private sector activity since October 2016, which was a month before demonetisation was announced by Prime Minister Narendra Modi. The index stood at 53 points in October.

The RBI in its policy statement pointed out that the Composite PMI Output Index touched a two-year high of 54.5 in November. That, along with other factors, has prompted it to retain its GDP growth projection at 7.4 per cent for 2018-19, despite a muted 7.1 per cent GDP growth in Q2.

The Composite Index rose as services PMI rose to a four-month high of 53.7 in November, from 52.2 in October due to new orders.

The PMI data released on Monday had shown that the index for manufacturing was up at 54 points in November, the highest so far in this calendar year.

The survey noted that exports rose to a four-year high in November, even as there was decline in new orders for services from overseas.

Economic Affairs Secretary Subhash Garg said the Composite PMI augurs well for third quarter (Q3) GDP growth.

"Fastest expansion in Composite PMI Output Index in November since October 2016... PMI notes quickest pace of growth in exports in November in the last four years. Overall strong increase in business activity and in demand. Should augur well for 3rd quarter GDP growth," Garg tweeted.

Pollyanna De Lima, principal economist at IHS Markit, and author of the report, also said that the data shows the private sector will provide impetus to GDP numbers in Q3.

"The welcoming news... so far suggests that the private sector economy will provide impetus to Q3 2018-19 GDP results," the economist said.

On employment, the survey said additions to the workforce were maintained for the 16th month running. “So far, 2018 proved to be the strongest year for employment growth for a decade,” Lima added.

The data showed that the picture for prices was mixed, as input cost inflation moderated to a seven-month low, but firmer demand enabled firms to hike their charges to a greater extent.

| **Knitting units in Tirupur go on strike demanding wage hike** | **Nyooz.com**<br>https://www.nyoooz.com/news/coimbatore/1272293/knitting-units-in-tirupur-go-on-strike-demanding-wage-hike/ |
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Tirupur: Textile knitting units on Wednesday went on a two-day strike, demanding wage hike. They said many knitwear units were not ready to increase the wage, forcing them to go on strike, which is expected to affect Rs 100 crore business.There are about 700 knitting and 350 collar making units in the dollar city. Pointing out that building rent, labour charges and other overheads have been doubled, he said they had been asking knitwear units to increase the knitting job work charges, but in vain.“So, the two associations decided to increase the job work charges by 20%-25% per kg. However, many of them are not ready to provide the revised charges, citing GST implementation and inflation as reasons,” Rathinasamy said. We also conveyed this to knitwear unit associations eight months ago.

| **Cotton exports likely to cross 65 lakh bales** | **Financial Express**<br>https://www.financialexpress.com/market/cotton-exports-likely-to-cross-65-lakh-bales/1404849/ |
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The country has exported close to 10 lakh bales of cotton so far to Bangladesh, Vietnam and Indonesia this kharif season, according to industry experts.

The total exports are likely to touch 65 lakh bales even as cotton purchases made by the Cotton Corporation of India remain tepid on weak arrivals. The cotton prices are hovering around minimum support prices (MSP) of Rs 5,150 per quintal for medium staple variety and `5,450 per quintal for long staple variety. The MSP for this season is Rs 1,130 per quintal higher as compared to last year.

In the international cotton market, cotton prices have dropped from 84 to 79 cents on New York futures in last 15 days. The candy rates (356 kg) for the commodity have come down to `44,000 from `47,500. However, the prices of the commodity in Maharashtra, Telangana, Madhya Pradesh are stable on poor arrivals.

According to the ginning community, the sentiment has been weak from October this year from the start of the season and the situation is likely to continue till mid-January.

So far this season, the total arrival in India has been to the tune of 65 lakh bales against 70 lakh bales during the corresponding period last year. Though the Cotton Advisory Board has pegged this year’s crop at 361 lakh bales, down 2.4% on year, most stakeholders believe the number could be much lower, and prices would start rising once arrivals from the first picking are completed by the end of December. Mills also have been stocking up on cotton, anticipating a fall in supply in the not too distant future.

Because of the low arrivals, more than 70% of the ginning units in Khandesh in Maharashtra are yet to commence operations.

According to Pradeep Jain, founder president, Khandesh Gin/Press Owners Association, the ginning industry continues to face shortage on weak arrivals. The daily requirement is around 4 lakh bales and barely 2 lakh bales are available on a daily basis. First pickings in Maharashtra, Madhya Pradesh, Gujarat and Telangana are in the final stages. Jain added that ginners are facing problems because there is no parity and there are payments issues in addition to fears about quality of cotton from next month. Khandesh has some 150 ginning units. Jain expects prices to pick up after December when arrivals peak.

Jain felt that the quality parameters set by CCI could also bring down prices once arrivals peak. As per CCI FAQ parameters, cotton with more than 12% moisture is not eligible for purchase. In the north, there have been reports of farmers selling to commission agents because they do not wish to spoil their relationship with them. Farmers started to sell cotton as they had no expectation of a further rise.

Cotton Association of India has pegged the country's production in 2018-19 at 348 lakh bales (one bale= 170 kg), down nearly 5% from a year ago. The US agriculture department has also lowered its estimate for India's ending stock of cotton for the current season to 89.8 lakh bales ( One bale= 218 kg) from 118.8 lakh bales projected in September.

| **Cotton exports revive as US-China trade truce props up global prices** | **Cogencis.com**<br>http://www.cogencis.com/newssection/cotton-exports-revive-as-us-china-trade-truce-props-up-global-prices/ |
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India's cotton exports, which had slowed in November due to adverse currency movements and volatile prices, are showing signs of a revival this month due to a rise in global prices post a truce in the trade rift between the US and China, traders said.

"In the last couple of days there have been some enquiries as domestic prices have now become viable," said Vinay Kotak, director of Kotak Commodities.

Since October, deals for the export of over 2.5 mln bales (1 bale = 170 kg) of cotton have been signed, trade officials said. Of the total quantity, around 1.5 mln bales have already been shipped, while the rest will be exported in Dec-Jan. The deals, struck at 84-86 cents per pound, are for exports to Bangladesh, Vietnam, Indonesia, Pakistan, and China. The current season started October began with a bang, as traders sealed export deals for 500,000 bales in the very first week. However, changing dynamics due to crop uncertainties and US-China trade tensions changed the equation and slowed the momentum.

Through most of November, cotton exports were negligible as elevated prices in domestic markets negated the positive impact of the rupee's fall to a record low against the US dollar in the past few weeks.

"We did not have a single enquiry in most of November," said Nayan Mirani, partner of Mumbai-based KhimjiVisram & Sons.

Ahmedabad-based exporter Dharmendra Jain agreed, saying export enquiries in November were negligible, at 100,000-200,000 bales.

In Mid-October, the rupee had hit a record against the dollar, a major positive for exporters. However, domestic prices continued to trade much higher than benchmark cotton prices on Intercontinental Exchange. Though the rupee strengthened in late November, domestic cotton prices fell. A simultaneous rise in global prices of the fibre made exports viable. Recently, prices of cotton on Multi Commodity Exchange of India hit a six-month low of 21,200 rupees a bale, while the benchmark contract on Intercontinental Exchange hit a three-month high of 81.85 cents a pound. In 2018-19, cotton exports from India are likely to be at 5.1 mln bales, lower than 6.9 mln bales last year, according to Cotton Association of India.

| **Industry urged to capitalise on the 'demographic bulge' in Jharkhand; Here's how** | **Abplive.com**<br>https://www.abplive.in/india-news/industry-urged-to-capitalise-on-the-demographic-bulge-in-jharkhand-heres-how-787808 |
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Agrawal said that investors need to view skill development from the standpoint of productivity gains from skilling instead of focusing on the perceived benefits of employing low-cost labour.

Jharkhand Skill Development Mission Society and FICCI jointly organised a day long Industry Engagement Programme in New Delhi today. Titled the 'Employers Network for Generating Aspirational and Gainful Employment', ENGAGE, the programme aims to build a sustainable linkage between Jharkhand government and Industry players. Rajesh Agrawal, Joint Secretary & CVO, Ministry of Skill Development and Entrepreneurship invited industry to capitalise on the 'demographic bulge' that is more pronounced in Jharkhand by investing in skilling and training the required workforce. Jharkhand has 70% of the population under 35 years with the average age being 27 years. Agrawal said that investors need to view skill development from the standpoint of productivity gains from skilling instead of focusing on the perceived benefits of employing low-cost labour.

Industry, he said, had a leading role to play in skill development as the experience of the last 10 years had shown that sustainable skill development growth models are being built by initiatives that as industry-led. Agrawal said that there was a need to evangelise apprenticeships of six months to a year for building a short-term skilling ecosystem. In this context, he commended the Vocational Education & Training (VET) systems adopted by Korea for reaping the benefits of productivity increases.

Rajesh Kumar Sharma, Secretary, Higher Technical Education & Skill Development Department, Government of Jharkhand, enumerated the steps taken by the state government for creating a skills ecosystem. The state aims to train and skill 20 lakh people by 2022, thus touching the lives of 20% of its youth. He said that the state government had framed industry-oriented policies for industrial development and investment promotion. The Jharkhand Industrial and Investment Promotion Policy of 2016 aims at converting the state into a favoured destination for investors. Likewise, the Jharkhand Textile, Apparel and Footwear Policy and the Film Policy have created the right kind of environment for sustainable growth of industries.

Devendra Kumar Tiwari, Development Commissioner, Government of Jharkhand, said that skilling the workforce for Industry 4.0 was imperative not just for growth but for making Indian industry competitive. This was important as export growth in the future will be led by export of manpower, he added. He said that Jharkhand today boasts of an industrial culture that is evidenced by the absence of industrial strikes and loss of man-days. This climate was being improved by a decisive government through its policies.

Ravi Ranjan, Mission Director, Jharkhand Skill Development Mission Society, Government of Jharkhand, said that the state government had fashioned its skilling policy to give primacy to placements. It had devised a package with a sharp focus on developing soft skills for making the workforce future-ready.

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| **Cabinet likely to clear policy to boost exports of agriculture commodities** | **Financial express**<br>https://www.financialexpress.com/market/commodities/cabinet-likely-to-clear-policy-to-boost-exports-of-agriculture-commodities/1404724/ |

The Union Cabinet is expected to approve Thursday a policy to boost exports of agriculture commodities such as tea, coffee and rice and increase the country's share in global agri trade, an official said.

The Union Cabinet is expected to approve Thursday a policy to boost exports of agriculture commodities such as tea, coffee and rice and increase the country's share in global agri trade, an official said. The Commerce Ministry has sent the final agri export policy to the Cabinet. The proposed policy would focus on all aspects of agricultural exports including modernising infrastructure, standardisation of products, streamlining regulations, curtailing knee-jerk decisions, and focusing on research and development activities.

"The government will aim at a stable export policy for agricultural products. There will be an assurance that processed agri items and organic products will not be brought under the ambit of any kind of export restrictions such as imposition of minimum import price, export duty, export bans and quota restrictions," the official said. The official added that the implementation of the policy will have an estimated financial implication of over Rs 1400 crore.

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The states would be urged to reform their APMC (Agriculture Produce Market Committee) Acts and remove mandi taxes applicable on export-oriented goods. On the infrastructure front, the government would identify ports that are handling agri exports and perishable berths, agri jetties, railways wagons would be provided. Round-the-clock single window clearance would be extended for perishable exports and imports at Mumbai, Delhi and Kochi airports.

As part of the policy, the government is likely to undertake a detailed analysis to identify focus products based on five parameters — global trade, five-year impact potential, India's current competitiveness, scope for value addition and future market potential. To promote value added products, the government would take certain steps including promotion of R&D and marketing of biscuits and confectionary, dehydrated onion, frozen vegetables, medicinal plants and essential oils.

The policy also aims at doubling agricultural shipments to over USD 60 billion by 2022. Agricultural products constitute over 10 per cent of the country's total merchandise exports. The main commodities exported by India include tea, coffee, rice, cereals, tobacco, spices, cashew, oil meals, fruits and vegetables, marine products, meat, dairy and poultry products. Exports of value-added items are significantly low. India's exports in 2017 were about USD 31 billion, which is over 2 per cent of the world agriculture trade.

Federation of Indian Export Organisations (FIEO) President Ganesh Kumar Gupta said a stable policy is fundamental to boost agri exports. "Switch on and off policy in the past has deprived India to be considered at a reliable supplier," Gupta added.

| **India revives WTO talks on domestic regulation** | **Economic Times**<br>https://economictimes.indiatimes.com/news/economy/policy/india-revives-wto-talks-on-domestic-regulation/articleshow/66962886.cms |
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New Delhi: India sought to revive discussions at the World Trade Organization (WTO) on recognition of educational qualifications and licences for professionals to provide services in other countries, called domestic regulation in trade parlance. New Delhi wants countries to ensure that their competent authorities take account of qualifications and licences acquired by other WTO members on the basis of equivalency of education, experience and examination requirements.

It has sought discussions and disciplines on licensing requirements and procedures, technical standards and qualification requirements so that they do not constitute unnecessary barriers to trade in services. "This is an effort by India to rejuvenate and reenergise (the topic) which has not seen discussions in 2018," India said as it listed qualification requirements, licensing requirements and technical standards as barriers to Mode 4 service suppliers.

A group of 35 WTO members including China, the European Union, Australia, Japan and Russia had last year formed a plurilateral on services domestic regulation at the ministerial conference in Buenos Aires. Mode 4 or movement of natural persons is one of the four ways through which services can be supplied internationally. It includes movement of natural persons such as independent professionals, and is of key interest of India. "This issue has moved to the plurilaterals but developed countries do not engage on Mode 4," said an official in the know of the details.

India said that Mode 4 is the most important mode of export interest for most developing countries including least developed countries

“Unfortunately, it is most neglected and therefore needs facilitation through domestic regulation disciplines,” it told the organisation.

India had set the ball rolling for discussions through its submission two weeks ago in which it detailed the transparency requirements for all such barriers.

It has recommended procedures relating to appeals or reviews of applications, ways to amend or renew authorisation and licences to supply a service, the indicative timeframe for processing

| **RBI keeps repo rate unchanged at 6.5%** | **Fibre 2 Fashion**<br>https://www.fibre2fashion.com/news/textile-news/rbi-keeps-repo-rate-unchanged-at-6-5--246081-newsdetails.htm |
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On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.5 per cent. Consequently, the reverse repo rate under the LAF remains at 6.25 per cent, RBI said in a statement.

The marginal standing facility (MSF) rate and the Bank Rate would also remain unchanged at 6.75 per cent, the central bank said in its fifth Bi-monthly Monetary Policy Statement of 2018-19.

“The decision of the MPC is consistent with the stance of calibrated tightening of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth,” the MPC resolution said.

The MPC noted that the benign outlook for headline inflation is driven mainly by the unexpected softening of food inflation and collapse in oil prices in a relatively short period of time. Excluding food items, inflation has remained sticky and elevated, and the output gap remains virtually closed.

The MPC also noted that even as escalating trade tensions, tightening of global financial conditions and slowing down of global demand pose some downside risks to the domestic economy, the decline in oil prices in recent weeks, if sustained, will provide tailwinds.

The acceleration in investment activity also bodes well for the medium-term growth potential of the economy. The time is apposite to further strengthen domestic macroeconomic fundamentals. In this context, fiscal discipline is critical to create space for and crowd in private investment activity.

| RBI to set up panel to look into problems of MSMEs | Live Mint<br>https://www.livemint.com/Politics/worEqZg359mNPbYt9yT3NN/RBI-to-set-up-panel-to-look-into-problems-of-MSMEs.html |
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The Reserve Bank of India Wednesday said an expert committee will be constituted to propose long-term solutions for the economic and financial sustainability of the MSME sector. The panel's composition and its terms of reference will be finalised by the end of December, the RBI said in 'Statement on Developmental and Regulatory Policies'.

The report of the panel will be submitted by the end of June 2019. Micro, Small and Medium Enterprises (MSMEs) contribute significantly to employment, entrepreneurship and growth in the economy.

MSMEs remain, by their predominantly informal nature, vulnerable to structural and cyclical shocks, at times with persistent effects, the central bank said while announcing setting up the committee. "It is important to understand the economic forces and transactions costs affecting the performance of the MSMEs, while often the rehabilitation approach to the MSMEs stress has focused on deploying favourable credit terms and regulatory forbearances," it said.

Earlier, the RBI's Central Board had advised that it should consider a scheme for restructuring of stressed standard assets of MSME borrowers with aggregate credit facilities of up to Rs 250 million, subject to such conditions as are necessary for ensuring financial stability.

| Currency swap pact between India, UAE to help boost trade, investments, says official | Financial Express<br>https://www.financialexpress.com/economy/currency-swap-pact-between-india-uae-to-help-boost-trade-investments-says-official/1404519/ |
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Signing of currency swap agreement between India and the UAE will help in boosting trade and investments between the two countries, a commerce and industry ministry official said Wednesday. With this arrangement, the two countries allow trading in their own currency and payments to import and export trade at pre-determined exchange rate without bringing in a third benchmark currency like the US dollar, the official added.

The idea for the agreement was first mooted by Commerce and Industry Minister Suresh Prabhu and it was discussed at length in the sixth meeting of the UAE – India High Level Joint Task Force on Investments held in Mumbai in October. The commerce ministry was continuously pursuing the matter with the UAE authorities.

The ministry has also established a special UAE desk to facilitate investments and resolve issues relating to UAE Investments in India. The pact will further boost bilateral trade and investments between the countries, the official added. The bilateral trade stood at USD 50 billion in 2017-18. India has attracted USD one billion in FDI (foreign direct investment) during that fiscal.

| **'India and EU must work towards a free trade pact'** | **Business Line** [https://www.thehindubusinessline.com/news/world/india-and-eu-must-work-towards-a-free-trade-pact/article25671670.ece](https://www.thehindubusinessline.com/news/world/india-and-eu-must-work-towards-a-free-trade-pact/article25671670.ece) |
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India and the European Union does not have a free trade pact, but that hasn't stopped one of its member nations from going all out to facilitate trade with India.

Kristian Vanderwaeren, Director-general Administration Customs & Excise, Federal Ministry of Finance for Customs and Excise, Belgium, was in Mumbai on Tuesday to address a workshop on cold chain logistics organised by the Port of Antwerp, underlining the importance Belgium attaches to the smooth flow of trade between the two nations. This the excerpts from the conversation.

Are you pitching for a free trade pact between India and EU?

I regret that until now there is no free trade agreement between the EU and India. And, in a world which is uncertain, with a lot of tension, and given the historical relationship what we as Europe and Great Britain have with India, I found it rather strange why we don't have a free-trade agreement. So, I've been talking to people here and I think it is important that we bring over the message to our politicians that they really should make an effort on a European and Indian level to get to a free-trade agreement. Free trade agreement is important because it creates the framework for a better cooperation.

There is a third reason why I came here. Given the fact there is no free trade agreement, how can we foster and ameliorate cooperation between our countries.

And there, we are looking at India and the Port of Antwerp, how can we foster cooperation between Customs and trade. How we can promote smooth exchange of goods with lesser number of inspections taking place. We already offer a lot of facilitation for export into Antwerp. I would like to look and see companies exporting from here to Belgium and companies exporting from Belgium to India, how together with the Indian Customs we can exchange best practices and move forward together. For that reason, I had discussions with the New Delhi headquarters of the Customs and they were willing to start a discussion and dialogue .

What other areas of cooperation are you looking at with Indian Customs and trade?

Another area where we cooperate with the Indian Customs is the IT platform. Indian Customs is pushing very hard on digitalisation and is investing a lot in scanning infrastructure. There, we are looking to set up a cooperation for exchange of best practices between the Customs authorities of the two countries.

In Europe, free trade or negotiations on free trade are done on a European level, the regulations are European, however the implementation and inspections are done on a national level.

Belgium is trying to proactively come out to help understand the problems Indian exporters are facing, to try and see how best you can resolve them without bending the law. This shows our willingness to facilitate compliant trade to help and to be open and transparent.

How will Brexit impact trade between India and Europe?

Brexit is going to have a huge impact. Now, Britain is part of the Customs Union. There are no Customs formalities for goods coming/going between the United Kingdom and Belgium on the Continent.

| Industry urged to capitalise on industry-friendly policies | SME Times<br>http://www.smetimes.in/smetimes/news/top-stories/2018/Dec/05/industry-policies41750.html |
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Rajesh Kumar Sharma, Secretary, Higher Technical Education & Skill Development Department, Government of Jharkhand, Wednesday invited industry to capitalise on the industry-oriented policies for industrial development and investment promotion framed by the state government.

The Jharkhand Industrial and Investment Promotion Policy of 2016 aims at converting the state into a favoured destination for investors.

Likewise, the Jharkhand Textile, Apparel and Footwear Policy and the Film Policy have created the right kind of environment for sustainable growth of industries.

Speaking at 'ENGAGE - Employers Network for Generating Aspirational & Gainful Employment: Skill in Jharkhand: Skilling for Future', organised by FICCI and Jharkhand Government, Sharma enumerated the steps taken by the state government for creating a skills ecosystem and said that the state aims to train and skill 20 lakh people by 2022, thus touching the lives of 20% of its youth.

Rajesh Agrawal, Joint Secretary & CVO, Ministry of Skill Development and Entrepreneurship, GoI urged industry to take advantage of the 'demographic bulge' that is more pronounced in Jharkhand by investing in skilling and training the required workforce. Jharkhand has 70% of the population under 35 years with the average age being 27 years.

He said that investors need to view skill development from the standpoint of productivity gains from skilling instead of focusing on the perceived benefits of employing low-cost labour.

He added that there was a need to evangelise apprenticeships of six months to a year for building a short-term skilling ecosystem.

In this context, he commended the Vocational Education & Training (VET) systems adopted by Korea for reaping the benefits of productivity increases.

Devendra Kumar Tiwari, Development Commissioner, Government of Jharkhand, said that skilling the workforce for Industry 4.0 was imperative not just for growth but for making Indian industry competitive. This was important as export growth in the future will be led by export of manpower, he added.

He said that Jharkhand today boasts of an industrial culture that is evidenced by the absence of industrial strikes and loss of man-days. This climate was being improved by a decisive government through its policies.

| **Two state jute mills to be made textile units** | **The Daily Star** [https://www.thedailystar.net/business/news/two-state-jute-mills-be-made-textile-units-1669882](https://www.thedailystar.net/business/news/two-state-jute-mills-be-made-textile-units-1669882) |
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The government has decided to convert two state-run jute mills into textile factories under public private partnership.

The cabinet committee on economic affairs yesterday in a meeting approved the proposal of the textiles and jute ministry.

Ahmed Bawani Jute Mills in Demra and Kaderia Jute Mills in Tongi will be developed under the PPP initiative, said Nasima Begum, additional secretary to the cabinet division, after the meeting.

She said the committee has given the final approval to the PPP contract document.

Private sector operators will run the mills under design-build-operate-maintain-transfer method for 30 years. The mill in Demra has been awarded to a consortium of Tanzia Fashions Ltd, which will pay a contract fee of Tk 2.5 crore annually.

The mill in Tongi has been given to a consortium of Orion Ltd, which will give the government Tk 5.20 crore annually as contract fee.

The cabinet committee also approved a proposal for signing a contract with Belgium-based JAN-DNUAL for dredging of the Payra port. It will be implemented through a PPP initiative.

After the economic affairs committee meeting, another meeting of the cabinet committee on purchase was held where 22 proposals were approved.

After the meeting, Finance Minister AMA Muhith told reporters that there would be no meeting of the committees before the next national elections, scheduled to be held on December 30.

Muhith said if there was any emergency proposal for purchases, the ministry concerned would send it to him and it would be okayed later on getting the prime minister's approval.

The purchase committee also approved a proposal for the import of 7 lakh tonnes of fertilisers.

Of the amount, Singapore-based M/S Wilsons Trading Private Ltd will supply 25,000 tonnes of urea at a rate of $379.87 per tonne while another 25,000 tonnes will be supplied by Abu Dhabi-based Zen Trade at a rate of $378.70 per tonne.

Proton Traders Ltd will supply 25,000 tonnes of urea at $362.21 per tonne and another 25,000 tonnes at $361.91 per tonne.

One lakh tonnes of diammonium phosphate fertiliser will be imported from Morocco at a rate of $545.75 per tonne alongside 2.5 lakh tonnes of triple super phosphate (TSP) fertiliser at a cost of $452.25 per tonne.

Besides, 2.5 lakh tonnes of TSP fertiliser will be imported from Tunisia at $458.25 per tonne.

The committee approved a proposal making Saif Powertech Ltd a terminal operator for container and cargo handing in the Chittagong port for six years. The port authority would give it Tk 310.30 crore.

The committee also approved the Bangladesh University of Engineering and Technology (Buet) into becoming a consultant for preparing a detailed master plan of Payra sea port at a cost of Tk 124 crore. The university will carry out the task with the assistance of Royal Tuscany of Netherlands.

The committee gave a nod to a proposal to buy 40 diesel locomotives for Bangladesh Railway. M/S Progress Rail of the USA will supply the locomotives at a cost of Tk 1,123 crore.

Besides, the committee approved a proposal for increasing the contract value for Larsen & Toubro to set up a rail line from Khulna to Mongla port with Indian finance.

Initially the contract value was Tk 1,076.44 crore. Now it has been increased to Tk 1,367.66 crore.

| **Clean textile campaign gains momentum** | **The Daily Star** https://www.thedailystar.net/business/news/clean-textile-campaign-gains-momentum-1669840 |
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The second edition of the Partnership for Clean Textile (PaCT II) has concluded its first year with seven organisations joining the campaign along with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The PaCT II, the International Finance Corporation's multi-stakeholder partnership to drive sustainability in Bangladesh's textile sector, aims to work with more than 200 factories to adopt state-of-the-art efficiency and cleaner production practices to reduce water, energy, and chemical use across the textile value chain.

Five textile brands, namely VF Corp, PUMA, Levi Strauss & Co, TESCO and GAP Inc and two technology providers Jeanologia and Omera Solar have joined the campaign, the IFC said in a statement yesterday. Started in January 2018, with support from the governments of Denmark, Australia and the Netherlands, the PaCT II seeks to save 10.9 billion litres of water and 1.3 million megawatt hours of energy every year.

In the process, there will be 241,160 tonnes of green-house gases and 10,000 tonnes of chemical use avoided every year.

The successful first edition of the PaCT, which ran from 2013 to 2017, helped save 21.6 billion litres of water every year, which is the average annual water use for 840,000 people in Bangladesh.

The participating factories also saved 2.5 million megawatt hours of energy each year, equivalent to 5.4 percent of total national grid output in 2015-16.

“In Bangladesh, the textile manufacturing sector remains a strategic area of focus for the IFC,” Rana Karadsheh, IFC director for manufacturing, agribusiness and services for Asia, said at an event at the Radisson hotel in Dhaka.

“Our advisory programme, PaCT, has made a significant impact on changing the landscape of the sector through greater awareness of resource efficiency and better adoption of efficient technologies and manufacturing processes.”

Bangladesh is the second largest apparel exporter in the world, next only to China. Apparel exports account for 80 percent of the country's exports and 12 percent of its gross domestic product.

“The BGMEA is happy to be a partner of the IFC. We are proud to say that Bangladesh not only has the most transparent garment industry, it is also one of the most sustainable garment industries in the world,” said Miran Ali, a director of the BGMEA.

The event consisted of panel discussions on emerging concepts in the industry such as circular economy and rooftop solar PV opportunities.

Speakers included Wendy Werner, country manager of the IFC for Bangladesh, Bhutan and Nepal; Winnie Estrup Petersen, Danish ambassador; Harry Verweij, Dutch ambassador; and Jane Hardy, second secretary of the Australian high commission.

They said the second phase would significantly increase the scope of the programme by working with the entire textile value chain.