The Southern India Mills' Association
Post Box No. 3783, 41 Race Course, Coimbatore - 641 018
Phone: 0422 4225333 | Fax: 0422 4225366
E-mail: info@simamills.org | Web: www.simamills.org

NEWS CLIPPINGS –31-12-2018

Reform the GST in 2019!	The Hans India https://www.thehansindia.com/posts/index/Editorial/2018-12-31/Reform-the-GST-in-2019/467110

The challenge for 2019 is to push up the growth rate from the present seven percent. Economic growth is basically driven by demand. There is demand for cloth and cement in the market if people have the money to buy garments and build houses. This demand leads to an increase in prices of garments and cement and makes it profitable for the businesses to invest in new textile mills and cement factories.

These factories create employment. Workers are paid wages with which they buy more garments and build more houses. In this way, a virtuous cycle of demand and investment is put into motion. This virtuous cycle is presently broken by GST in two ways.

One, the Medium, Small and Micro Enterprises (MSMEs) have come under stress and less employment is being created and there is less demand in the market. Two, the move towards a single rate of GST will increase the tax burden on the poor and lead to a reduction in demand.

According to the annual report of Ministry of MSME, the share of MSME in GDP was 29.6 percent in 2011-12. It declined to 28.8 percent in 2015-16. The MSMEs are creating bulk of the employment in the country.

According to the Ministry of MSME, the employment generated by MSMEs in 2015-16 was 11.2 crore. In comparison, according to the Economic Survey published by the Ministry of Finance, the employment generated by the (Large) Private Sector was only 1.2 crore in 2012-13.

Thus, MSMEs are generating ten times the employment created by large industries. The weakness of MSMEs, therefore, has translated into fewer jobs, lesser demand and broken the virtuous cycle of demand and investment.

The GST appears to have led to a further deterioration in the share of MSMEs in GDP —which was already sliding earlier as above data indicate. This is a global trend. A study by Victoria University found that MSMEs in Australia spent 3 percent of their total revenue in making compliance with the GST—that is about one-third of the profits earned by them.

Five out of six MSMEs said that their condition was worse than earlier. A study by the University of Wellington found that the distributional impact of the GST on MSMEs in New Zealand slightly regressive — meaning a higher tax burden on them.

A study by Monash University in Malaysia found that the some MSMEs "voiced their concerns over the closure of small or traditional businesses, mainly due to their inability to manage the GST requirements, coupled with anxiety and fear (psychological costs) over the costs of non-compliance." Similar studies are available from Norway, Singapore and the European Union.

Anecdotal evidence suggests that the situation in India is similar, if not worse. There is a need for the government to rescue the MSMEs from this decline otherwise the reduction in employment will become a social disaster in addition to an economic one.

The government must allow the MSMEs to obtain refund of the GST paid on inputs even if they pay only 1 percent GST on the sale under the Composition Scheme. Secondly, the government must allow MSMEs to pay GST when the customer makes the payment, not when the MSME raises the Bill.

The government proposes to merge the multiple GST rates into one single rate so that tax administration becomes simple, businesses have less difficulties in compliance, the economy becomes smooth and growth rate picks up.

A single rate of GST means that Mercedes car and milk will be charged at the same rate. Till now we have taxed the goods consumed by the rich such as Mercedes car at a higher rate, and goods consumed by the poor such as milk at a lower rate. Thinking was that the poor will have more cash left in their hands and their welfare will be protected.

There is also an economic dimension to the different rates of GST. Let us say Ratan Tata loses Rs 1,000 from his wallet. His consumption will hardly be affected. But, if a peanut seller loses Rs 1,000, he will immediately have to cut his consumption of shoes, cloth or milk.

A single rate of GST will lead to a reduction in the tax burden on the rich with no increase in consumption by them, and an increase in tax burden on the poor and a reduction of consumption by them. The total consumption will decline and, once again, break the virtuous cycle of increased demand and investment.

We are caught between two contrary impacts of the single rate of GST. On the one hand it will simplify the tax administration and lead to higher rate of growth. On the other hand, it will lead to increased tax burden on the poor and to lower rate of growth.

This problem has been confronted in many countries that have wanted to move to a single GST rate. A study by the Inland Revenue Department and the New Zealand Treasury says that lower rates of GST on goods consumed by the poor indeed leads to lower tax burden on them but "welfare transfers are generally considered a more targeted and simpler way of addressing distributional concerns."

A study for the United Kingdom done by Nobel Laureate James Mirrlees concluded that "the poor would be much better supported if the government were to remove the lower tiers of VAT on various items that the poor consumed, and instead help the poor more directly instead." A study for Bostwana done by Sheridan College, Australia and University of Canterbury, New Zealand suggested that Bostwana should adopt a single rate of GST and "consider introducing income supplements and welfare payments" in order to assist the poor for the increased burden of tax.

These, along with other studies from across the world, suggest that the way to reconcile single rate of GST with equity is to simultaneously introduce direct benefit transfers in cash to the poor. Such transfers would prevent a reduction in demand due to the increased burden of tax on the poor. The Finance Minister is on the right track in moving towards a single rate of GST, but the precondition of its success depends on simultaneously introducing direct cash transfers to the poor.

The challenge for 2019 is to bring the economy back on to a high growth rate. The government should immediately allow MSMEs to get cash refunds of GST paid by them on the inputs and to pay GST when they receive payments. This will revive the MSMEs, create employment and demand.

Two, the government must institute direct cash transfers to the poor and only then move to a single rate of GST. That too will maintain, if not revive, demand and unleash a virtuous cycle of demand and investment leading India to double digit growth rates. Author was formerly Professor of Economics at IIM Bengaluru

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
20526	42900	78.20
Domestic Futures (Ex-Gin) November		
Rs/Bale	Rs/Candy	USD Cent/lb
20990	43869	79.96
International Futures		
NY ICE USD Cents/lb. (Mar 2019)		72.19(+0.13)
ZCE Cotton: Yuan/MT (May 2019)		14830
ZCE Cotton: USD Cents/lb.		97.80
Basis Difference (Domestic spot – ICE March)		6.01
Cotlook A Index - Physical		80.55(-1.40)
WTI Crude :USD/Barrel		45.33
B. Currency		
USD/INR	Close	Previous Close
Spot	69.90	69.93
USD Index	96.39	

Cotton Guide

Another week has lapsed with a victory to the bears. The candlesticks emanate a week where more of huge red columns were seen with one or two small green columns. The ICE March contract settled at 72.19 cents/lb with a small trading range of 72.87 and 72.05. The amounted to a change of +13 points. The ICE May contract settled at 73.49 with an almost similar change of +17 basis points. Total Open Interest increased by 1,361 contracts to 212,845. There was an increase of open Interest of 315 and 689 contracts at 124,602 and 37,779 for March and May contracts respectively.

MCX contracts were also seen with few positive changes as compared to Thursday. MCX January contract settled with figures of +40 at 20990 Rs/Bale, MCX February contract settled with +60 at 21220 Rs/Bale and, MCX March settled with +40 Rs at 21460 Rs/Bale.

The prices of Shankar 6 has been similar with an average price available at 43,000 Rs/candy. Cotlook Index A has been adjusted lower to 80.55 i.e. a -1.40 decline.

Weekly export sales report were not released due to the US Government shutdown. Due to this unavailability of Data, the markets will have to trade on just news and no concrete numbers. For this week we have a bearish bias for the March contract as no Export Sales and Shipment data is available. On the other hand, Speculators like to offset their positions at the end of the year (for some speculators – every quarter). A minor short term turnaround to the bearish trend is hence expected as was seen with positive numbers on Friday.

US-China Trade talks are scheduled to begin in the second week of January. Recently, the US President conveyed about a positive progress on trade talks with China. Any positive news on this respect can spike the cotton market to even 90 cents/lb.

On the technical front, ICE March future is trading in a downward sloping channel as it failed to move above the 82.00 levels in the month of Dec. Meanwhile the strength index RSI in its weekly chart is near 33 level, suggesting weakness in strength which could weigh on cotton prices for the near term before any recovery. On the downside 70.90 is a crucial support (61.8% Fibonacci retracement) level, if held then it could rebound towards the resistance levels of 75.10. However only a close below 70.80 could bring further selling pressure towards 70 followed by 69.50 levels. So for the week price is expected to remain in a broad range of 70.80-75.10. In the domestic market trading range for Jan cotton futures will be 20,650-21,550 Rs/Bale.

Currency Guide

Indian rupee has opened stronger by 0.25% to trade near 69.78 levels against the US dollar. Rupee has benefitted from stability in global equity market amid signs of progress in US-China trade talks. As per reports, US President Donald Trump said he had a "long and very good call" with Chinese President Xi Jinping and that a possible trade deal was progressing well. The Wall Street Journal reported negotiators were starting to work out a deal that could boost US exports and loosen regulations that stifle US firms in China. Also supporting rupee is general weaker trend in crude oil price. WTI crude trades mixed near $45 per barrel as support from stability in equity market is countered by smaller than expected decline in US crude stocks and record high US crude production. The US dollar is also choppy amid partial government shutdown and uncertainty about Fed's monetary policy. The US 10-year bond yields has slumped to February lows amid safe haven buying and reduced expectations of aggressive rate hikes by Fed. Rupee

Govt seen going full throttle on labour reforms in 2019	**Live Mint** https://www.livemint.com/Politics/NvYmwNWyenABIkBqToKRyH/Govt-seen-going-full-throttle-on-labour-reforms-in-2019.html

The Centre will spare no effort to push through some key labour reforms in the new year and is expected to get Parliament's nod on at least two codes on wages as well as industrial relations before going to general elections. The labour ministry is already in the process of seeking the Union Cabinet's approval on amended wage code bill after its vetting by the parliamentary standing committee, so that it could be pushed for passage in Parliament.

The Code on Wages Bill 2017 was introduced in the Lok Sabha on August 10, 2017 and thereafter referred to the standing committee.

Similarly, the Ministry of Labour and Employment is keen to push the passage of Code on Industrial Relations, in the run-up to the 2019 polls. The ministry, however, has decided to remove certain provisions in the bill, drawing flak from trade unions. In line with the recommendations of the Second National Commission on Labour, the ministry has taken steps for formulating four labour codes on wages; industrial relations; social security and welfare; and occupational safety, health and working conditions by amalgamating, simplifying, and rationalising the relevant provisions of the existing central labour laws.

"Keeping the social security and welfare aspects of workmen better and intact, we are working in the direction of bringing reforms in various labour laws with objective of ease of doing business in new future," Labour Minister Santosh Gangwar told PTI.

The minister also said that the government has taken several new initiatives in the labour and employment sector this year.

The ministry is also working on Code on Social Security & Welfare. A preliminary draft of the code was placed on the website of the ministry on March 16, 2017, inviting comments of the stakeholders/public. After considering the comments of various stakeholders, the ministry sought comments on a revised draft Code on Social Security and Welfare, 2018 on March 1, 2018.

After tripartite consultations with unions and employers, the ministry has circulated draft labour code on Social Security & Welfare Bill, 2018 for inter-ministerial consultation recently.

The ministry had also sought comments on the Code on Occupational Safety Health and Working Conditions on March 23, 2018. After tripartite consultations, the draft Occupational Safety, Health and Working Conditions Bill, 2018 has been circulated for inter-ministerial consultation recently.

Apart from this, the ministry is also pushing for subsidising paid maternity leave under a new scheme to encourage employers to employ women. The ministry had noted that the employment of women affected after increase paid maternity leave benefit. Maternity Benefit (Amendment) Act, 2017 -- which came into force from April 1, 2017 -- increased paid maternity leave from 12 weeks to 26 weeks and benefited 18 lakh women employees. In one of the initiatives, the ministry has proposed to bear seven weeks of salary to motivate employers. This policy will be finalised after approval by the competent forum.

The labour ministry also got the Payment of Gratuity (Amendment) Bill, 2018 passed by Parliament this year which provides for hike in upper ceiling on tax free gratuity amount from Rs 10 lakh to Rs 20 lakh.

The government also approved a Memorandum of Understanding (MoU) among Brazil, Russian Federation, India, China, South Africa, regarding Cooperation in the Social and Labour Sphere. The MoU was signed on August 3, 2018 during BRICS Labour and Employment Ministers (LEM) Meeting.

The pact provides a mechanism for cooperation, collaboration and maximum synergy amongst BRICS member countries with the common objective of inclusive growth and shared prosperity in the new industrial revolution. This would facilitate member countries to share knowledge and also implement joint programmes on matter of labour and employment, social security and social dialogue.

Another Memorandum of Understanding (MoU) was signed between India and Italy for training and education in the fields of labour and employment.

The ministry also included the category of ‘Fixed Term Employment Workman’ for all sectors in the Industrial Employment (Standing Orders) Act, 1946 and rules made there this year. The objective of fixed term employment on one hand is to provide flexibility to the employers in order to meet the challenges of globalisation, new practices and methods of doing businesses while on the other, this would be beneficial for workers as it gives the ‘FTE Workman’ the same statutory benefits as that of regular workers in a proportionate manner. This would also substantially decrease exploitation of contract workers as the employer would directly hire the worker without any mediator in the form of contract for a fixed term.

Considering the change in employment pattern and the current scenario of employment in India which has transformed from a long-term employment to short-term engagement in form of contract and tempting, the ESI Corporation has approved a Scheme named “Atal Bimit Vyakti Kalyan Yojana” for insured persons covered under the ESI Act, 1948.

This scheme is a relief payable in cash directly to insured persons’ bank accounts in case of unemployment and while they search for new engagement.

CMAI welcomes clarification to e-commerce marketplace policy	India Retailing https://www.indiaretailing.com/2018/12/31/retail/cmai-welcomes-clarification-to-e-commerce-marketplace-policy/

The Clothing Manufacturers Association of India (CMA) heartily thanked the Indian Government, especially PMO, Commerce and Textiles Ministry for implementing the much-awaited marketplace policy, which will bring level players for all domestic retailers. The Government of India clarified the policy related to e-commerce marketplace, on 26 December 2018.

DIPP has reaffirmed its policy, restricting marketplace companies from using FDI flow for retail.

DIPP has further clarified, that marketplace operators cannot participate in pricing or inventory models through any permissible structures like B2B Wholesale, Group Company Structures etc. thus removing all ambiguities in the interpretation of the policy. Additional clarification, restricting 'exclusive' product deals including private labels etc., further reaffirms the policy's intent to not allow any FDI in inventory-based e-commerce.

Rahul Mehta, President, CMAI stated through a press release that with these clarifications, marketplaces will only act as facilitators of the transaction and not be responsible for the actual product. All product sales facilitated by marketplaces will be a contract between the customer and the actual seller.

The policy has further mandated filing of statements by marketplaces, to affirm compliance of rules.

Mehta also stated that this new clarification will bring much needed level playing field for sellers on marketplaces. With complete restriction on marketplaces to participate directly in retailing, the policy will give Indian companies the opportunity to build stronger retail models and avoid channel conflicts.

He further stated that Indian companies will get the opportunity similar to the ones Chinese companies received initially, which led to building of giants like Alibaba, Tencent and JD.

Mehta has requested the Government to appoint monitoring agencies to ensure compliance to norms and initiate action against marketplaces that flout the policy.

Microfactory can help recycle waste locally’	The Hindu https://www.thehindu.com/business/Industry/microfactory/article25866514.ece

Discussions underway to set up a demonstration unit in India, says Mumbai-born UNSW professor

The world’s first e-waste microfactory went live in April 2018 on the campus of University of New South Wales (UNSW), Sydney in Australia, heralding a new era in waste recycling. The factory can convert waste into quality finished products. The project was started 10 years ago by Mumbai-born Scientia Professor Veena Sahajwalla. *In an interview, she spoke about the project. Edited excerpts:*

The world’s first e-waste microfactory has gone live in Australia... How did it come about?

With this, we have actually shown that we can recycle waste plastics and make all kinds of innovative products. This looks pretty incredible. The journey began for me 10 years ago when I was thinking about different types of difficult plastics and how to recycle them. All plastics are not the same. The plastic that goes into printers is not easy to recycle.

The journey began when I started thinking about how to get these complex plastics back to life in some form or the other. I call it the fourth R (Reform). The other three are Reduce, Reuse and Recycle. Over the years, we have understood the science and what can be made. Our objective was to make products with a purpose. It does not have to be economy of scale because everything should not be big.

What about the funding?

When you start [work on] any new idea, the first step is that you have to make sure that there are people who also are convinced that this science is going to work. The scientific funding came from the Australian Research Council and our industry partner also funded the project. UNSW, Sydney provided the physical infrastructure and supported the whole idea of the microfactory because they could see that a microfactory will have huge impact on people’s lives. It can have a huge impact on our environment and change lives in India as well.

What has been the progress since April?

One of our industry partners, TES-AMM, which has supported us in research, and [is] a recycler itself, has acquired the first licence to manufacture products from waste. They saw that the plastic waste can be converted into more value-added products. We are working with them to set up the microfactory at their site in Sydney. It will be operational in early 2019. It will make products from 100% waste.

What types of products can be manufactured?

This particular company will be producing feedstock for manufacturing. It will make semi-finished products. That is a part of our microfactory vision. Whoever is involved in microfactory may not always make the finished products.

They can be part of the value chain. He will feed into the main manufacturer who will make the finished products for consumers.

How much would a microfactory cost?

As a rough figure, it would cost about A$1 million (₹4.9 crore). But it depends on what type of microfactory one would go for — plastic, glass, metals...

What kinds of products can be made at a microfactory?

A microfactory operates on a much smaller scale vi-as-vis large factories. So, your modules are very small. With a microfactory you can make it affordable. Why microfactory is economically viable is that it reduces the need for transport, and uses locally available waste material. Here, you can customise your operating parameters to change things very quickly and deliver different types of products depending upon the market need.

What materials are being recycled here?

We are using waste plastics, we are producing out of waste glass, waste furniture and waste textiles. We are [using] various combinations and manufacturing products that can be used for various applications.

How are waste textiles used?

Textile is very fascinating. We have used waste textile to make building panels, for example, acoustic panels to help reduce noise pollution. Instead of painting, you put acoustic panels on the wall, and you have your silent zone. These panels have got sound absorption qualities. So all your old garments that is no longer wearable can become acoustic panels in your home. You can go down to your neighbourhood micro factory and ask him to make it for you. Micro factory may be about recycling, but the social implications are enormous.

Who are the customers?

The waste collectors, recyclers and also, they can be manufacturers. They can manufacture spectacle frames, and replacement parts from waste plastic. They may not have seen this way of manufacturing but they can be customers and operators of microfactory. Localised economies can be created using microfactory. People can come in and get their things made. There is no limit to our imagination.

China has been a major importer of waste. Now, it has restricted imports of waste on environmental concerns. What is the opportunity here?

One should never waste a crisis. Since China has imposed this restriction, many countries now cannot send their waste to China and must think abut solutions in their own backward to recycle that waste. Microfactory is the solution.

What about the interest shown by India’s recycling industry in your invention?

I hope in a year or so we have the microfactory in India. We are having some serious discussions to initially set up a demonstration facility [for] researchers in India to collect data and customise the microfactory to process locally available waste. The facility will help us collaborate with Indian firms and understand the local landscape. That will be the step in the right direction and that will open up the door for businesses to come and see in India as to how it is being done. That will encourage more businesses to take up the concept.

Assam forest officer bags award for services to handicraft sector	**Neow.in** https://nenow.in/north-east-news/assam-forest-officer-bags-award-for-services-to-handicraft-sector.html

The special Principal Chief Conservator of Forest (Planning & CAMPA) Assam, Dr AM Singh has received a special commendation in recognition of his services to the handicraft sector.

The award was given by Export Promotion Council for Handicraft, Ministry of Commerce and Industry for outstanding services in developing the standards for Timber Legality Verification System in India.

Union Textiles Minister Smriti Zubin Irani presented the award during the 22nd Handicraft Export Award Function organised at India Expo Centre & Mart, Greater Noida recently, reports The Assam Tribune.

Singh, an expert in forest certification, has presented many papers on contemporary issues in Commonwealth Forestry Association, International Union of Forest Research Organisation, International Tropical Timber Organisation, World Forestry Congress, Global Bamboo Meet and also co-authored a book on forest certification. A total of 1,01919 LPG connections have been distributed under Pradhan Mantri Ujjwala Yojana (PMUY) Scheme in Manipur so far.

This was informed by the state level coordinator of Indian Oil Corporation (IOC), Imphal division, Sinam Ibungoton Singh on Saturday.

Under PMUY Scheme, LPG connections are given to women belonging to economically weaker sections at highly subsidized rate has been expanded thereby taking many more classes of people within its scope.

IOC official also appealed to the people to take the benefit of the PMUY scheme by submitting the required documents to the respective LPG distributors in the State.

The Imphal West district has a maximum of 15,570 LPG connections through its 15 distributors while Pherzawl the least with just 120 LPG connections through their lone distributor among all the 16 districts of the State which reportedly has around 5.20 lakh LPG connections.

Churachandpur district which has as many as 10 distributors has a record of 13,209 LPG connections under the scheme after Imphal West, as on December 26, 2018.

Another reliable source claimed that 73 per cent of the total households in Manipur reportedly have gas connections after the introduction of the PMUY scheme. There are 5,07,152 households in Manipur as per census 2011.

With the objective of providing women the right to clean energy, right to a life free from drudgery, free from smoke and ill health, PMUY was launched in May 2016 with the original target of covering five crores beneficiaries by end of financial year, 2017-2018, but in order to enhance the number of beneficiaries to eight crores, it is extended for another two years.

Earlier, the government had identified 573 villages in Manipur for widespread LPG gas connection under expanded PMUY which the Government provides budgetary support of Rs 1600 for every LPG connection given to eligible beneficiaries.

By 2020 that will cover 1,94,282 households to convert these villages as first smokeless villages of the State which would help to curb the issue of deforestation.

At first, only BPL families listed in the Socio Economic Caste Census (2011) were covered by PMUY. However, following complaints from different quarters that a large number of economically weaker sections have been denied benefits of PMUY on the ground that they are not listed in SECC 2011, expanded PMUY was launched in March this year.

Textile Industry To Come Up At Chamarajanagar	**Star of Mysore** https://starofmysore.com/textile-industry-to-come-up-at-chamarajanagar/

Chamarajanagar: Chamarajanagar MP R. Dhruvanarayan has said that Sutlej Textiles and Industries Ltd., has come forward to set up a textile industry in Chamarajanagar Industrial Park.

Chief Minister H.D. Kumaraswamy, who was in Delhi recently, held talks with the company promoters, during which the CM assured all help to the company for setting up a textile unit.

Maintaining that the Karnataka Industrial Area Development Board (KIADB) has developed an Industrial Park in Chamarajanagar district spread over 1,600 acres, the MP said that the efforts of the previous State Government to attract industrialist had not borne much fruit. But now Sutlej Industries has come forward to set-up a Textile Unit, Dhruvanarayan said.

During the meeting with the CM, the Sutlej Industries promoters have sought certain subsidies, which the Government has agreed to consider, the MP said and added that the setting up of the textile unit will initially create, 1,500 jobs and more jobs after expansion.

Over 2,300 MSMEs sign MoU with State Government	The Hindu https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/over-2300-msmes-sign-mou-with-state-govt/article25868655.ece

To invest Rs. 2,838 crore as part of the Global Investors' Meet

As many as 2,388 micro, small, and medium-scale enterprises in Coimbatore District have so far signed Memorandum of Understanding (MoU) with the State Government to invest Rs. 2,838 crore as part of the Global Investors' Meet (GIM) to be held in Chennai in January. Coimbatore District is expected to attract Rs. 3,000 crore investment from MSMEs at the GIM. The District Industries Centre organised a road show here on Sunday with focus on MSMEs for the GIM in which the Minister for Municipal Administration and Rural Development S.P. Velumani distributed the MoUs. He also disbursed Rs. 5.01 crore of loans with subsidy to entrepreneurs.

Addressing the meeting, the Minister said that the GIM conducted by the State Government in 2015 attracted huge investments. The second edition will be held in Chennai on January 23 and 24 next year. In the first edition, 98 MoUs were signed and it attracted investments for Rs. 2.42 lakh crore. Of these, 68 companies had commenced work and invested Rs. 62,738 crore.

Of the 15 lakh registered MSMEs in the State, nearly 75,000 are in Coimbatore District. The district is known for production of automobile components, textiles, pumpsets and coir products. The road show is organised to attract investments here in these different sectors. So far, 2,388 MSMEs have signed MoU for investment in the district. In the last eight years, 3,925 MSMEs here have received Rs. 88.95 crore as capital, back ended interest, power and VAT subsidies. Under the NEEDS, 391 beneficiaries have received Rs. 57.07 crore as subsidy. The State Government has introduced single window system to get approvals. The Government will provide all the support required for starting of new businesses in the State, he said.

The Minister added that he has appealed to the Central Government to extend the Mumbai-Bengaluru industrial corridor to Coimbatore and include the city under the list of World Class cities being prepared. He had also sought expedition of works to expand the Coimbatore International Airport.

Cotton auctioned	The Hindu https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/cotton-auctioned/article25868692.ece

At the weekly auction held at Konganapuram branch of the Tiruchengode Agricultural Producers Cooperative Marketing Society near Edappadi on Saturday, as many as 7,500 bags of cotton were marketed for Rs. 1.6 crore.

While PT variety fetched a price between Rs. 5,500 and Rs. 5,960 per quintal, DCH variety fetched a price between Rs. 6,500 and Rs. 7,339 per quintal, society sources said.

Robust GDP growth to continue: CII	The Hindu https://www.thehindu.com/todays-paper/tp-business/robust-gdp-growth-to-continue-cii/article25868271.ece

Says services sector, infrastructure activity and better demand conditions will drive economy in 2019

India will continue to be the fastest-growing major economy, with robust GDP growth expected to continue through 2019, the Confederation of Indian Industry said, based on strong drivers from the services sector, infrastructure activity and better demand conditions.

“Better demand conditions, settled GST implementation, capacity expansion resulting from growing investments in infrastructure and continuing positive effects of the reform policies undertaken and improved credit offtake especially in services sector at 24% will sustain the robust GDP growth in the range of 7.5% in 2019,” Chandrajit Banerjee, Director General of CII, said in a statement.CII has identified seven key drivers of growth that need to be encouraged in 2019, including lowering the number of GST rate slabs, bolstering the insolvency and bankruptcy framework, simplifying business procedures, and improving agricultural productivity, among others.

“CII had suggested lowering the number of tax slabs to — a standard rate, a higher rate for demerit goods and a lower rate for some mass consumption items.” “CII also hopes that the Council will also consider extending GST to excluded sectors such as fuels, real estate, electricity and alcohol.”

“While the process of resolution has taken shape..., the government should consider... additional benches of the National Company Law Tribunal to spread geographically... for easier and faster exit of distressed businesses,” it added.

Ease of doing business

On Ease of Doing Business, CII said the government should continue to place high priority on simplifying business procedures in 2019, especially in terms of working with the States for grassroots improvements.

“Going forward, CII suggests that it is important to persuade States to implement the Agriculture Produce and Livestock Marketing Model Act, which has been implemented in just four States, to strengthen agriculture produce marketing,” it said.

The CII also said to spur credit growth and improve liquidity, the RBI should look at revisiting lending restrictions of banks placed under Prompt Corrective Action, and the opening of a limited Special Liquidity Window to meet emergencies of financial institutions.

CII said India can guard against risks of higher oil prices by raising domestic production of oil, providing a special window for oil marketing firms to procure oil and stepping up diplomacy with the U.S. to continue to secure purchases from Iran.

GST: revenues stabilising, compliance increasing	The Hindu https://www.thehindu.com/todays-paper/tp-business/gst-revenues-stabilising-compliance-increasing/article25868285.ece

'Conflicting rulings by State ARAs remain a sore point'

The Goods and Services Tax (GST) system settled down reasonably well in 2018, with revenue collections stabilising, compliance increasing on account of various anti-evasion measures undertaken by the Centre, and rates being rationalised, according to tax specialists.

"We entered the year when GST was six months old and the initial euphoria had tapered down and the benefits that it offered were seemingly pale in the wake of initial compliance-related challenges," said Pratik Jain, partner and leader, indirect tax, PwC India. "As the year progressed, the GST Council continued [with] its frequent meetings and came up with several measures to simplify the system."

GST rates cut

Over the year, the GST Council had reduced rates on about 100 items. By the end of the year, only 30 items remained in the 28% tax slab and most of these were either sin goods such as cigarettes or luxury items such as automobiles. Only one common use item — cement — remained in the top bracket. "GST collections and compliance have improved," said Abhishek A Rastogi, partner, Khaitan & Co.

"The e-way bill system will further improve compliance. Now, with collections going up, the government has realised that it can go ahead with rate reductions and so, it has done that. More importantly, what it needs to do is to cut down the number of GST rate slabs."

GST collections have indeed improved this year compared with last year, but have still not consistently crossed the Rs. 1 lakh-crore mark. While the average monthly revenue in financial year 2017-18 was Rs. 89,885 crore, the average revenue in the current year, so far, has been Rs. 97,040 crore. Revenues crossed Rs. 1 lakh crore twice in the year, in April and October.

"Tax collections during the year, though a tad higher than the first six months, were not as buoyant which resulted in the tightening of administration and more frequent notices/investigations," Mr. Jain added.

Further, there are still pain points in the GST set-up, most notably the Advance Ruling Authority (ARA) framework, analysts say. The fact that these authorities have government officials as members has meant that an overwhelming number of decisions are in favour of the Revenue Department, So fewer companies are approaching ARAs.

Another issue is that various State-level ARAs often deliver contradictory judgments that confuse industry.

"The good thing... is that in the last GST Council meeting, they announced that they would set up a centralised ARA that would take a decision in situations where there are contradictory rulings by State ARAs," Mr. Rastogi said.

Solar industry demands uniform GST rate of 5 pc	The Hindu https://www.thehindu.com/todays-paper/tp-business/solar-industry-demands-uniform-gst-rate-of-5-pc/article25868275.ece

Solar industry demands uniform 5% GST rate

The Solar Power Developer Association has demanded the GST rate be kept uniform at 5% on solar power generating system (SPGS) and said the recent proposals of the GST Council were inconsistent with the Centre's policy of promoting clean energy. The total incidence of tax on the SPGS would increase to 8.9% with the implementation of the GST Council proposals finalised on December22.

Steps taken to achieve 15 million bales of cotton production: Minister	Pakistan Today https://profit.pakistantoday.com.pk/2018/12/31/steps-taken-to-achieve-15-million-bales-of-cotton-production-minister/

ISLAMABAD: Minister for National Food Security and Research, Sahibzada Mehboob Sultan had reiterated the government's resolve for mobilising all resources in collaboration with provinces to achieve the production of 15 million cotton bales targets set for the next sowing season.

In a statement, the minister said Pakistan Central Cotton Committee has developed good varieties of high-quality seeds and introduced production technology that best suits with changing the environment.

In addition, the provincial agriculture department has also partnered in cotton development and achieving the target production of 15 million bales, he added.

All the scientists and field staff of the agriculture department will be mobilized in capacity building of growers in various aspects of cotton production technology. The government will specially focus on contamination and quality improvement by properly implementing the Cotton Control Act and other regulation through respective forums, he added

"Cotton being the lifeline of Pakistan is of our prime focus and this ministry is in the process of developing a long-term strategy to meet the requirement of our textile industry", he added.

The minister explained that a committee of experts was formed which was devising the details of the plan in consultation with stakeholders to achieve the target.

The committee was assigned a task for ensuring availability of certified seed, pesticides and fertilizers, maintaining the plant population to the maximum level and determination of indicative price.

"We are also focusing on horizontal expansion in Khyber Pakhtunkhwa and Balochistan especially the value-added cotton. During the current year, cotton prices remained firm and farmers experienced good profit and that will drive in getting the extra area under this crop during the following season.

Previous government has put this important crop on the back burner and resultantly area and production declined which ultimately badly affected our exports and the textile industry.

Mehboob Sultan said that the Ministry of National Food Security and Research always safeguards the growers' interests to enhance their profitability by reducing the cost of cultivation. The recent reduction in electricity tariff to Rs5.35 per unit as the flat rate is one example of growers' friendly policies of this government, contrary to the previous government who did it for three months only for political gains.

CPEC – a win-win situation for Pakistan, China	**Daily Times** https://dailytimes.com.pk/339107/cpec-a-win-win-situation-for-pakistan-china/

The China-Pakistan Economic Corridor (CPEC) is a major and pilot project of the Belt and Road Initiative and one major platform for comprehensive and substantive cooperation between China and Pakistan.

CPEC is an important consensus reached by the two countries. The Chinese leaders attach great importance to the development of CPEC. In May 2013, Chinese Premier Li Keqiang proposed the initiative of CPEC during his visit to Pakistan. During President Xi Jinping's visit in April 2015, both sides agreed to promote a "1+4" pattern of economic cooperation, featuring a central role of the CPEC and four key areas including the Gwadar port, energy, transportation infrastructure and industrial cooperation, so as to achieve win-win results and common development. Both sides agreed on the principles of scientific planning, step-by-step implementation, consensus through consultation, mutual benefit and win-win results, as well as ensuring quality, safety, and environmental protection. During Prime Minister Imran Khan's visit to China, the two sides reaffirmed their complete consensus on the future trajectory of the CPEC, timely completion of its on-going projects and joint efforts for realization of its full potential with a focus on social-economic development, job creation and livelihoods and accelerating cooperation in industrial development, industrial parks and agriculture.

Over the past 5 years, under CPEC, 11 projects have been completed. 11 projects are under construction. The total investment of the above 22 projects is around $18.9 billion. There are 20 more projects in the pipeline.

Being the largest and most comprehensive project under BRI initiative, CPEC is of great political, economic and social significance to China and Pakistan. Politically, it is a demonstration of the political willingness of the two countries to promote Sino-Pakistan strategic partnership of cooperation; economically, it is a project that will bring joint development to the two countries; and socially, it is aimed at mobilizing the people to work together for the betterment of our two nations.

II. Mechanisms of cooperation

To implement CPEC cooperation, China and Pakistan have set up a ministerial-level Joint Cooperation Committee on

CPEC Long Term Planning (JCC). There are 7 joint working groups (JWG) under JCC, namely Planning, energy, transportation infrastructure, Gwadar port, industrial cooperation, social economic development and international cooperation. JCC is responsible for overall planning and coordination under CPEC, while the JWGs are responsible for the detailed planning and implementation of the projects.

The JCC secretariats are established in the National Development and Reform Commission (NDRC) of China and Ministry of Planning, Development and Reforms of Pakistan respectively. The two secretariats are responsible for communicating and coordinating with the line ministries related to the projects of CPEC. Until now, JCC has convened 8 meetings and since 2015 it is held on annual basis. The 8th meeting was held in Beijing on December 20, 2018. During the 8th JCC, both side reviewed the progress of the CPEC and reached new consensus. The two sides also decided to establish Joint Working Groups on social economic development and international cooperation

consultations and mutual accommodation. The list of the projects as well as the long-term plan for CPEC were discussed and finalized in the JCC meetings.

III. Four major areas of the CPEC:

A. Energy

Energy is the power engine for economic development and a key factor to ease load-shedding and improve the lives of millions of people.

Energy projects are highlighted as the priority sector under the CPEC framework. There are 15 energy projects planned as priority with a total generation capacity of 11,110MW, among which 7 are completed and in operation and 6 are under construction with a total capacity of 6,910MW. At present, Zonergy 300MW Solar Park, 50MW Dawood Wind Farm, Jhimpir UEP wind power project, Sachal 50MW Wind Farm, Sahiwal 2×660MW Coal-fired Power Plant, Port Qasim 2×660MW Coal-fired Power Plant and Three Gorges Second and Third Wind Power Projects have been completed. These projects have added 3240 MW to Pakistani national grid, amounting to more than 11% of the total installed capacity of 29,000 MW in Pakistan.

CPEC energy projects include hydro, solar, wind and coal-fired power plants. The major coal-powered plants use super-critical thermal technology, which is the most advanced environmental control technique for coal-fired plants currently. Each project has got the approval of environmental impact assessment by the Pakistani government before the construction.

CPEC Energy projects are providing affordable energy to Pakistani consumers in a diversified way. The tariff of power plants have been sharply decreased from 16-18 Rs to around 8 Rs per unit. With the introduction of CPEC energy projects, Pakistan also reduced its heavy dependence on gas and LNG power plants, which account for 50% of total installed capacity. Pakistan’s foreign exchange has been saved in this regard.

CPEC energy projects are foreign direct investment based on commercial contracts, which are in accordance with the standard clauses provided by the Pakistani government. The CPEC energy projects are executed in accordance with

BO(O)T mode. The financing of the energy projects are mainly provided by the equity of Chinese companies and commercial loans which borrowed from China Development Bank and other commercial banks in the rates of around 5%. In another word, any debt arising from CPEC energy project would be borne by the Chinese investors instead of the Pakistani government.

B. Infrastructure

Efficient transportation network is key to economic development. Currently, KKH Phase-II (Havelian-Thakot section), Karachi-Lahore Motorway (Sukkur-Multan section) and Lahore Orange Line are 3 projects under construction. The information highway for Laying of optical fiber cable (OFC) from Rawapindi to Khunjrab is in operation. These ongoing projects are funded by preferential loans from the Chinese government at around 2% interest rate with a total amount of 5.874 billion USD. The up-gradation of ML1 railway and the KCR are under discussion.

KKH Phase-II (Havelian-Thakot) project is located in Khyber Pakhtunkhawa with a total length of 118km, of which 39km is expressway with subgrade width of 24.7m, and 79km is Class-II highway with subgrade width of 12.3m. After the completion of KKH-II, the travel time from Havelian to Thakot will be reduced from 4 to 1.5 hours.

Peshawar-Karachi Motorway, also known as PKM project, starts from Karachi,passing through Lahore, and ends at Peshawar. The PKM (Sukkur-Multan section) is 392km long and 31.25m wide. It is a 6-lane access controlled Intelligent Transportation System (ITS) motorway funded by China's EXIM Bank. It is the largest project under the CPEC framework.

ML1 is another mega project agreed at the JCC meeting. In May 2015, the National Railway Administration of China and Ministry of Railways of Pakistan signed a Framework Agreement on joint feasibility study of upgrading ML-1 and establishment of Havelian dry port. The feasibility study was funded by the Pakistani government. Until now, preliminary design of phase I has been completed. In May 2017, the framework agreement on up gradation of ML-1 and establishment of Havelian dry port was signed between the NDRC and Ministry of Planning. Both sides are engaged in negotiations of technical and financial terms of the project. The completion of this project will provide convenient and low-cost transportation for cargo and passengers benefiting 70% of the population of Pakistan along the ML-1.

China-Pakistan cross-border optical fiber cable project is an early harvest project under CPEC, with a total amount of USD 44 million. It runs from Rawalpindi to Khunjrab. It includes 820 km cable laying, 9 sites civil work, equipment installation and commissioning in the equipment room, as well as the backup of microwave links. The working environment is harsh, in particular that there is an altitude of 4500m near Chinese-Pakistan boarder.

C. Gwadar Port

According to an agreement between China Overseas Ports Holding Company (COPHC), Gwadar Port Authority (GPA) and Singapore Port Authority in 2013, the development and operation of Gwadar Free Zone was handed over to the COPHC. Up to now, COPHC has invested 250 million USD in the port renovation. 5 new quay cranes, a 100,000 M2 storage yard, a seawater desalination plant with capacity of 220,000-gallon pure water/day, 2 sets of sewage disposal systems and cargo handling equipment have been installed and 80,000 M2 green space has been added to the port area. 400,000 tons of cargoes have been handled by Gwadar Port in 2017.

The Gwadar Free Zone is located in the northern part of Gwadar, about 7km away from the port. The planned development period is from 2015 to 2030, and is divided into four phases. The 923-hectare Free Zone includes an initial area (25 hectares) and the northern area (898 hectares). The initial area is located in the west of the existing port. Its main purpose is to play a pilot role in setting up industries, and to increase cargo capacity for the port. The construction of the initial area includes a few projects: infrastructure, business center, trade exhibition hall, cold storage, warehouse. By January of 2018, all those constructions have been completed. The Gwadar Free Zone was inaugurated and the first International Expo was held in January, 2018.

Around 30 companies have invested in the Free Zone, with direct investment of about $474 million. With the construction of the free zone, the city of Gwadar will become a commercial hub of the region in the near future.

The project of Gwadar East Bay Expressway was agreed by China and Pakistan during President Xi Jinping's visit to Pakistan in 2015. The EPC contract of the project was signed in September and the construction was started in November 2017. The construction period of the project is 36 months with the designed speed of 100 kilometers per hour, which is implemented by the China Communications and Construction Company (CCCC). After inauguration, the project will become the main channel for the cargo distribution of Gwadar Port and a vital communication line to connect the Free Zone in southern and northern areas of Gwadar.

D. Industry cooperation

The federal government of Pakistan and each province have attached paramount importance to industrial development and the construction of SEZs. The work has been in progress with the joint efforts of both sides.

In November 2015, Pakistan proposed to set up industrial cooperation working group under JCC, claiming that Pakistan has advantages such as adequate labour force and huge market potential to develop manufacturing. China agreed to strengthen cooperation in the following industries: steel, cement, automobile, construction materials, home appliances, textile, light industry and apparel, etc.

In March and April 2016, Pakistan had sent two delegations to China for studying China's best practice in SEZ development. In November 2016, the two side established the joint working group and held the 1st meeting on industrial cooperation, during which the two sides agreed to work out the mechanism, key areas of cooperation and key projects. Later on, in the 6th JCC Meeting in the same month, Pakistan had submitted a list of 9 SEZs to China.

From 2017 to 2018, China's expert panel had 3 successive on-site visits to 9 proposed SEZs, trying to make a comprehensive analysis and proposal on the strategy of industrial development for Pakistan. Through interactions with provincial governments, business associations and enterprises, the expert panel understood their demands in local development. The Chinese experts group suggested that the development strategy of each industrial park under

CPEC project must be combined with the economic foundation and actual conditions in the locality, with distinctive features and differentiated approaches. The Chinese expert panel had also sent BOI its appraisals of the feasibility studies of 6 SEZs, while the rest 3 are to be submitted.In early 2018, Pakistani Government had instructed BOI to formulate more accurately-targeted and more favorable policies on top of current preferential policies for two to three SEZs that were to be listed as key projects under CPEC. The two sides are negotiating details on the implementation of the Rashakai SEZ, which will be inaugurated as early as the first quarter of 2019. During the 8th JCC meeting in Beijing, the NDRC and BOI signed the MOU on industry cooperation, which will facilitate the cooperation in this regard.

Formulating and implementing preferential policies are a complex and systematic process which involves multiple ministries and institutions both at national and regional level. Chinese side suggests that Pakistani side should review relevant policies in a systematic manner to put forward trial or temporary institutional documents that will ensure immediate implementation of the policies. During the implementation, timely revision is required in the event of new situations to ensure the coherence, sustainability and feasibility of each preferential policy.IV. Job creation and social responsibilityLocalization is the principle that China adheres to in CPEC. According to the preliminary statistics, CPEC projects have created more than 75,000 direct job opportunities for Pakistani people. In order to promote economic development and employment of Pakistan, Chinese companies also subcontract a large number of projects to local Pakistani companies. This also develops relevant upstream and downstream industries, such as raw material processing, catering industry which also provide more employment opportunities for local people.

According to a report by Deloitte in 2017, CPEC will create 700,000 jobs for Pakistan from 2015 to 2030. A recent study by CPEC Centre of Excellence, Ministry of Planning, Development and Reform of Pakistan showed that CPEC could help create 1.2 million jobs under its presently agreed project.

Chinese companies have engaged themselves in three areas to fulfill their social responsibilities in collaboration with the Chinese Government. First is vocational training and education. During the 8th JCC, both side held the first social economic joint working group meeting. The Chinese side has proposed to conduct social cooperation on agriculture, education, medical care, poverty alleviation, water supply, vocational training.

The Chinese companies shared advanced techniques and successful experience to help Pakistan transform its human resources into advantages. The Chinese companies have sponsored thousands Pakistani students to study in China with scholarships and sent hundreds of Pakistani engineers and professionals to China for training. Chinese universities have set up two vocational training centers with local universities in Lahore and Quetta.

China Fund for Peace and Development (CFPD) has built the Faqeer primary school in Gwadar, which is known as “Chinese Pakistan Friendship school”. The School was completed and put into use in September 2016, accommodating 500 students, more than double of its designed capacity. Since the operation of the school, the Chinese company has donated books, bags, stationery, uniforms and 3 school buses for the students. The Chinese Embassy has also made donations to the school.

Second is medical care. A 500m²CPEC emergency medical center was set up in Gwadar port in May, 2017. It was donated and run by the Chinese Red Cross Foundation with a top class Chinese medical team working there, providing local residents with necessary first aid treatment and free medical examinations for local primary school students. Many Chinese companies have also donated medicine to residents near the project, and provided free medical examinations to the local people.

Third is mini projects for uplifting the living standards of poor people across different parts of Pakistan. Chinese companies are actively exerting their own advantages to build bridges and drill wells for residents to help them solve water and travel problems.

V. CPEC Long-Term Plan

In line with the consensus reached between leaders, relevant ministries and departments of both countries have set up a cooperation mechanism to coordinate the development of CPEC and jointly formulated the Long-Term Plan for China-Pakistan Economic Corridor (2017-2030).

China and Pakistan signed the Long-Term Plan at the 7th JCC after obtaining consent of both federal government and all the Pakistani provincial government. The plan provided the macro guidance for implementation of CPEC in the next phase, and could be adjusted based on the real situation as well as the consensus between the two parties during its implementation in the future. The Long-term Plan has made planning and design for CPEC’s next step in the areas of connectivity, energy, trade and industrial parks, agricultural, poverty alleviation, tourism, people’s livelihood and finance. This plan is effective till 2030, the short-term projects included will be considered up to 2020; medium-term projects up to 2025; and long-term projects up to 2030. It was made public by the two governments after it was signed.

Bangladesh RMG: Gains and pains in 2018	**The Daily Star** https://www.thedailystar.net/opinion/perspective/news/bangladesh-rmg-gains-and-pains-2018-1680832

In the ready-made garment (RMG) sector, 2018 will in many ways be viewed as the end of an era. The Alliance for Bangladesh Worker Safety, the North American-led initiative which has done so much to improve worker safety in garment export factories, will shortly end operations in Bangladesh. Ninety-three percent of the remediation work is now complete in Alliance-affiliated factories, and there is no doubt that Bangladesh's RMG industry has a much safer working environment now than when the Alliance arrived.

A similar story is to be told about the Bangladesh Accord for Fire and Building Safety. We cannot at this stage speak with an air of finality about the Accord, as it is unclear whether the Supreme Court in Bangladesh will allow the safety body to extend its tenure. The Accord, like the Alliance, has undoubtedly been a force for good in the RMG industry, making it safer, more sustainable, and significantly more competitive in the international markets.

It is hoped that whatever the Supreme Court verdict is, the government of Bangladesh and the Accord steering committee can work together to devise a way forward which will be beneficial to our industry and its people.

The year 2018 has seen other strides taken by the RMG industry. Earlier this year, we saw the announcement of a new minimum wage of Tk 8,000 (USD 97) for the garment workers. This is a notable step forward for the RMG industry and, although some international NGOs and unions were calling for a larger increase, it has to be borne in mind that this was an over 50 percent increase on the previous minimum wage, which was set five years ago.

More general, recent amendments to national labour laws will also help to bring Bangladesh further into line with internationally accepted standards, including those of the International Labour Organization (ILO). In October, new Bangladesh Labour Laws were passed in parliament. Under the new laws, workers' participation required to form trade unions was reduced to 20 percent from the existing 30 percent. In addition, union quashing will be generally more difficult under the new regulations.

While in many ways this has been a good year for Bangladesh, the mood has not all been positive. The terrorist attack at the Holey Artisan Bakery in July 2016 placed the authorities in Bangladesh on high alert. This led to the issuing of travel alerts by many countries on foreign nationals visiting Bangladesh, and this undoubtedly impacts the ease of doing business. Thankfully, in the two and a half years since then, we have had plenty of evidence to suggest that the government has successfully secured full security. It foiled a number of planned attacks, making several arrests in 2018, and has taken a position of zero tolerance and committed to uprooting terrorism from the country.

Similarly, temporary direct bans on air cargo from Bangladesh were implemented by some countries in the wake of the terrorism concerns. However, many such bans have now been lifted since the government has taken a number of steps to comply with international security standards. The removal of bans will provide a relief to forwarders and exporters that have been compelled to pay extra surcharges to have their cargos screened in a third country before being transported to the target markets.

Against the backdrop, garment exports from Bangladesh were sluggish in the early months of the year but steadily picked up. The latest figures from the Export Promotion Bureau show that for the last fiscal year, the apparel sector contributed USD 30.61 billion, or 83.49 percent, to Bangladesh's total exports of USD 36.66 billion. And during July-November of the current fiscal year 2018-19, the growth stood at 20 percent.

The challenge for the garment export industry is to maintain and even exceed these excellent figures in 2019. This will be a tough task at a time when wage levels have risen sharply and with uncertainty around the sector due to deliberations regarding the Bangladesh Accord which have been ongoing since September.

Can garment exporters rise to the challenge? Of course—but the industry, despite many successes, is still not completely fulfilling its potential. The way to exploit the potential is investing in people, technology and innovation. Well-trained people using cutting-edge industry technology are vital ingredients which drive productivity. Higher productivity in turn leads to increased national income per head and increased wages.

Such a path is well trodden by the world's most successful economies—China is the most obvious in terms of textile and garment orientated exporters. There is no reason why Bangladesh should not follow this route. Indeed, there is already evidence among more successful and progressive exporters that a greater focus is now being placed on quality, service, and sustainability when dealing with international apparel brands. Sustainability, particularly, will become an increasingly important point of differentiation for exporters moving forwards.

Factory safety will also be an important source of competitive advantage. In this area, Bangladesh's garment export industry now leads the world. For this reason and many others, the world will be watching Bangladesh as we head into 2019. We expect that our apparel industry will be placed to a further elevated position in the coming days.

Zambia, India trade exceeds 2018 target	**Lusaka Times.com** https://www.lusakatimes.com/2018/12/30/zambia-india-trade-exceeds-2018-target/

Trade between Zambia and India has exceeded the targeted US$1 billion in the year 2018.

According to a statement released to ZANIS by First Secretary for Press and Tourism at the Zambian High Commission in India, Bangwe Naviley, trade between the two countries has improved from US$650 million in the year 2016 to US$980 million in 2017 and it has now exceeded the US$1 billion target for the year 2018.

Zambia’s High Commissioner to India Judith Kapijimpanga disclosed that the business visas issued to Indian traders and investors also increased from 520 in the year 2017 to 602 in the year 2018, which represents an increase of 82.

Ms. Kapijimpanga said more Indians were interested in investing in Zambia following the first ever visit in 30 years by an Indian President, Shri Ram Nath Kovind, who had a 3- day state visit to Zambia in April 2018.

“The mission was engaged in various activities that promote investment, trade and economic cooperation between Zambia and India and countries of extra-accreditation, namely; Singapore, Sri Lanka, Bangladesh, Nepal, Myanmar and the Maldives,” Mrs. Kapijimpanga said.

She said the mission also attended several meetings and hosted several others to ensure that the objectives of attracting foreign direct investment (FDI) and enhancing Zambia’s international trade were realized.

“I wish to appeal to all stakeholders to move with speed in ensuring that prospective investments are actualized as the mission’s mandate ends at marketing the country,” she added.

Mrs. Kapijimpanga further said the mission wooed one of India’s biggest seed processing companies, PRASAD Seeds, which is setting up a multi-million dollar processing facility in Zambia. The company has already been registered in Zambia.

“We further initiated talks with PME Power Solutions India Limited, one of the leading Indian transformer manufacturers which offered to set base in Zambia to service the country and the region, with a planned investment of USD$100 million target to create over 600 jobs," she explained.

She expressed happiness to have witnessed the launch of works to decongest Lusaka roads at a cost of US$289 million, which she said was on one of the biggest government to government cooperation projects.

"We were also in Bangladesh for talks with Bangladesh Export Import Company (BEXIMCO), the largest company in Bangladesh in textiles, garments manufacturing, pharmaceuticals and ceramics among others, which showed interest in setting up operations in Zambia. It has US$1.4 billion group total investment in Bangladesh with 70 000 workers," she said.