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# NEWS CLIPPINGS –01-01-2019

| Textiles, clothing eye revival in 2019 | The Hindu<br>https://www.thehindu.com/business/textiles-clothing-eye-revival-in-2019/article25874641.ece |
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Industry has been impacted by muted demand, both global and domestic

The textile and clothing industry will end the year 2018 on a mixed note in both exports and the domestic markets, while expecting a revival in 2019.

"The year 2018 has been better than 2017, but not so good," said Sanjay K. Jain, chairman, Confederation of Indian Textile Industry. International demand was largely muted because of the threat of U.S.-China trade war and uncertainties. The domestic market did not pick up as expected.

Stagnation in exports

After almost four years of exports stagnating at about ₹37 billion, textile and clothing sector is looking forward to growth this financial year. Exports between April and November this fiscal grew 7% in rupee terms compared with the year-earlier period though the growth was almost nil in dollar terms.

"This financial year, maybe, we will cross it marginally. But, we need a push," he said.

India's share in the global textile and clothing trade remains at 4%-5 %. It is all a matter of competitiveness. India's competitiveness should improve, he added.

Apparel exports so far this financial year is down 12%. Annual apparel exports from India is nearly ₹17 billion, said A. Sakthivel, vice-chairman, Apparel Export Promotion Council.

It is ₹34 billion from Bangladesh, ₹21 billion from Vietnam, and ₹11 billion from Cambodia.

"These countries have duty-free access to many markets. "We (apparel) are not able to give competitive prices in the international market. We have a price disadvantage. We are yet to come out of the GST effect. The rupee value fluctuation is also high. The government should consider increasing the ROSL (Rebate of State Levies) rate," he says.

The overall growth could be about 5% for the year ending March 2019, said Siddhartha Rajagopal, executive director, Cotton Textiles Export Promotion Council.

Cotton textile exports are expected to be up 8% to 10%. Usually, shipments during January-March are high. Export demand was good in patches this year. Indications are that international demand will pick up next year and this will have a positive impact on exports, he said.

Rising imports

What is a matter of concern is increasing imports. Import of yarn, fabric and made-ups rose 13% in April-November this year, compared with the same period last year, Mr. Jain added. Imports are mainly in the man-made fibre segment and these come from countries such as China, Indonesia, and Korea.

Production of textiles and apparel in the country rose between April and October this year as against the same period last year according to IIP data. There was negative growth in 2017 because of GST and demonetisation. The domestic demand picked up in the first six months in 2018 but slowed down after that, Mr. Jain added.

With liquidity issues and stricter norms under Amended Technology Upgradation Fund Scheme (ATUFS), investments have been slow. Margins are under stress and bank finance is difficult to come. The ATUFS norms should be relaxed and liquidity should improve for investments to revive in the sector, say industry sources.

| **Cotton and Currency Markets** | **Kotak Commodities Research Desk**<br>**For more details contact :** Research@kotakcommodities.com & 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 |
| 20813 | 43500 | 79.50 |
| Domestic Futures (Ex-Gin) November | | |
| Rs/Bale | Rs/Candy | USD Cent/lb |
| 21090 | 44078 | 80.55 |
| **International Futures** | | |
| NY ICE USD Cents/lb. ( Mar 2019) | | 72.20(+1) |
| ZCE Cotton: Yuan/MT (May 2019) | | 14830 |
| ZCE Cotton: USD Cents/lb. | | 97.79 |
| Basis Difference (Domestic spot – ICE March) | | 7.30 |
| Cotlook A Index - Physical | | 80.80(+0.25) |
| WTI Crude :USD/Barrel | | 45.33 |
| B. Currency | | |
| USD/INR | Close | Previous Close |
| Spot | 69.72 | 69.77 |
| USD Index | 95.97 | |

## Cotton Guide

2018 has been a year of uncertainties for markets not excluding cotton. In January 2018 cotton was available at around 82 cents/lb. Fundamental and Technical factors played in till the month of May after which US President – Mr. Donald Trump initiated a Whirlwind in the market. The Prices of Cotton were around 96 cents/lb in May 2018 and declined rapidly with the news of trade tensions between the US and China. These Geopolitical situations have changed the market movements. Speculators are now speculating by not just utilizing Fundamental and Technical indicators but also on the tweets of Mr. Trump, as was seen in case of Crude oil. One tweet from Donald Trump, expecting a decline in oil prices made the prices to plummet to new lows. From here on, if we see the trade tensions easing, it will be a complete trend reversal for cotton and other agri-commodities along with other asset classes; if not, we could see a possible recession looming in as is already predicted by many renowned economists.

Yesterday, due to the last day of the year, the market was showed decency with ICE March trading range of 72.86 and 72.10 therefore settling at 72.20 (+1) which is almost similar to the previous settlement prices of 72.19. The ICE May contract also showed no significant changes with settlement figures of 73.50 (+1). The total open interest increased by 473 contracts, to 213,318 contracts. March 2019 open interest increased by 125,063 while May 2019 open interest decreased by 32 contracts to 37,747 contract. ICE US No. 2 Cotton futures will be closed today due to New Year's Holiday. The intercontinental Exchange will resume tomorrow.

MCX contracts have also followed a similar trend as was the case with international cotton prices. Yesterday MCX January contract settled with positive figures of +100 at 21090 with a volume of 2197 lots and an open interest of 8083 lots. A positive change of +110 and +100 was registered at 21330 and 21560 for February and March prices respectively.

Domestic prices of Indian cotton have been rising from a couple of days. Average price of Shankar 6 is around 43,500 Rs/Candy as compared to last week's figure of 43,000 Rs/Candy. Cotlook Index A also has been slight adjusted to the positive side with a figure of 80.80 cents/lb with a change of +25 CFR main Far Eastern Ports.

On the technical Front ICE MAR futures failed to sustain above the 74 level and slipped towards the supports at 72.00 level during last week. As shown in the charts , the next support levels exists at 71.90 zone (76.4% Fibonacci level), only decline below could bring further selling towards 70.80 followed by 70 levels, else it looks price to retrace towards 74.00 zone as oversold RSI restricts the downside for the near term . From the above it is expected that price could trade in the range of 74.50 to 71.90 with sideways to negative bias. On the higher side above 74.00, 75.50 is the crucial resistance zone followed by 76.20. In the domestic markets trading range for Jan future will be 20,900-21,220 Rs/Bale.

## Currency Guide

Indian rupee has opened firmer by 0.15% to trade near 69.66 levels against the US dollar. Rupee is supported by general stability in 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. Also supporting rupee is weakness in crude oil on back of oversupply concerns. Brent crude rose 1% yesterday but ended the year 2018 with a near 20% drop on higher production and demand uncertainty. The general weaker outlook for US dollar amid reduced Fed's rate hike expectations has also supported rupee. The US 10-year bond yield has dropped to the lowest level since Feb. amid mixed economic data, concerns about government shutdown and expectations of slower rate hikes next year. Rupee may remain choppy but positive unless we see sizeable recovery in crude oil price. USDINR may trade in a range of 69.45-69.9 and bias may be on the downside.

| Govt sets up export promotion cell for MSMEs | Live Mint<br>https://www.livemint.com/Industry/hL1oJedUIXKozd9OV2yUtJ/Govt-sets-up-export-promotion-cell-for-MSMEs.html |
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The MSME ministry has established an export promotion cell to create a sustainable ecosystem for micro, small and medium enterprises (MSMEs), Parliament was informed Monday.

The benefits likely to accrue from the setting up of the cell include integration MSMEs into global value chain, evaluation of readiness of MSMEs to export their products and services, and recognition of areas where improvements are required in order to be able to export effectively and efficiently.

The current status of exports from the MSME sector as per the information received from the Directorate General of Commercial Intelligence and Statistics (DGCIS), the value of MSME-related products is USD 147,390.08 million and share of MSME-related products in the country's exports was 48.56 per cent during 2017-18, Minister of State (Independent Charge) for MSME Giriraj Singh said in a written reply in Lok Sabha.

The ministry has also proposed to formulate a governing council that will be chaired by secretary of the MSME ministry and co-chaired by the development commissioner, MSME. The council will comprise senior officials and members from ministries of MSME and commerce, MSME Export Promotion Council, Export Development Authority, Commodity Boards, and other bodies.

| Maharashtra woos textile investors | The Hindu<br>https://www.thehindu.com/business/maharashtra-woos-textile-investors/article25874667.ece |
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Seeks to wean firms away from south

Maharashtra has stepped up efforts to woo investment in the textiles sector from Tamil Nadu and Karnataka where integrated textile chains are grappling with several problems, including power shortage and niggles from the pollution control boards.

Textiles Minister Subhash Deskmukh has urged investors to invest in Maharashtra, which is planning to make Solapur the uniform and textiles hub of India.

To showcase the potential, the State government, along with Solapur Garment Manufacturing Association, is organising a three-day uniform, garment and fabric manufacturers' fair in Bengaluru from January 8.

In the last three years, since Solapur was projected as uniform and textiles hub, about 400 textiles units have been set up in Solapur and the State government plans to raise this number to 2,000 by 2022.

"Our move is to give an equal opportunity to all stakeholders from the textiles industry to become a part of it," Mr. Deshmukh said in a statement.

Satish Pawar, director, Solapur garments manufacturers association, said the city was gaining significance for garments trade and the uniform & garment exhibition would help it further.

The uniform manufacturing industry in India has an aggregate revenue of ₹18,000 crore, out of which ₹10,000 crore is generated from the manufacturing Industry.

The rest ₹8,000 crore is through supplies to schools in the form of direct sales by local retailers.

"Solapur is witnessing higher demand for school uniforms, kids garments, gents and ladies dresses because of easy availability of transportation, labour and raw materials," Mr. Deshmukh noted.

The government, in its new textiles policy in February last, announced a power tariff of ₹3 per unit for co-operative cotton mills and ₹2 per unit for power looms, cloth processing garment and hosiery units. The State had earmarked ₹150 crore for this purpose.

The State government to promote processing of cotton, silk and other raw materials used for traditional and man-made purposes, also announced to invest ₹4,649 crore in various schemes to be implemented under the 'Fibre to Fashion' mission from 2018-23.

All these measures are to woo investment in the textiles sector.

| **With volumes on the mend, will 2019 mark a turnaround for textiles exporters?** | **Live Mint**<br>https://www.livemint.com/Money/exP8N7MGyd2fFCKKYTugaO/With-volumes-on-the-mend-will-2019-mark-a-turnaround-for-te.html |
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The year is ending on a positive note for home textile exporters. Retail sales in the US are the strongest in years this holiday season, reports The Wall Street Journal. And the latest data shows a continued recovery in India's exports to the US.

India's market share in home textile exports to the US in October, the latest month for which the data is available, increased one percentage point from the year ago to 33%, data compiled by JM Financial Institutional Securities Ltd show. This is the second consecutive month of market share gains. The gains come after a period of business disruption.

Transition to the online marketplace and the resultant reorganisation at the traditional retailers had led to inventory destocking. This impacted the sales of the Indian textile exporters, weighing on earnings and shares of the companies. The impact was accentuated by the reduction in the duty drawback rates (lowered concessions) for most textile product categories under the goods and service tax.

But heading into 2019, some of these headwinds are already easing. One is the recovery in export volumes. "After a weak start in 2018, India's exports to the US (in the US dollar terms) in terry towels/cotton sheets have witnessed strong recovery with YoY growth of 24.2%/7.2% (in the past three months)," analysts at JM Financial said.

Second is the revision of the duty drawback rates which will help exporters claim more incentives, strengthening their competitive advantage.

"The recent revisions in duty drawback rates are expected to be marginally positive for the profitability and competitiveness of most segments of the Indian textile exporters," ratings agency Icra Ltd said in a note.

"This is more so, given that export incentives are seen to have a meaningful contribution in the operating profits of textile exporters."

Third and another key important variable is cotton prices which began easing, tracking the arrival of new crop. The softening of headwinds should aid the companies' earnings in the New Year.

"a) Extension of merchandise exports from India scheme (4% export benefit), b) Increase of duty drawback up to 0.6 percentage points across home textile products, c) Rupee depreciation and d) settling of market place disruption in the US are a welcome relief to the textile space," analysts at JM Financial add.

Even so, much depends on the earnings trajectory. Here there is a question mark. According to an analyst with a domestic broking firm most companies have hedged their currency positions for the current fiscal, limiting the benefits from the rupee depreciation. So any meaningful impact of the above mentioned factors will only be visible from next fiscal, i.e. from the April-June 2019 quarter onwards. Also, the recent uptick in exports may have been helped by inventory stocking ahead of the holiday season. How sales trend and currency movement will be crucial for the stocks and earnings.

| **Exporters raise concern over China's hike in VAT refund** | **Economic Times**<br>https://economictimes.indiatimes.com/news/economy/foreign-trade/exporters-raise-concern-over-chinas-hike-in-vat-refund/articleshow/67329420.cms |
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NEW DELHI: Exporters of steel, wooden items and machinery products have raised concern over China increasing the refund on value-added tax (VAT) on these products without raising the actual tax. Beijing has increased the export tax rebate on around 400 "electromechanical and cultural" products, including steel bars, nuts, bolts, safety pins, rivets, photo frames and wooden products to "improve the export tax rebate policy" in the last few months.

India competes with China on certain items and domestic exporters will feel the pinch, people in the know of the development said.

"This is a cash support which China is using to protect itself from any tariff increase by the US," said an official. Beijing has increased the export tax rebate rate for multi-component integrated circuits, non-electromagnetic interference filters, books, newspapers and other products to 16% from the earlier rate of 13% or 15%. On bamboo carvings and wood fans, the benefit has been raised to 13% from zero earlier. The export tax rebate rate on safety pins has been raised to 9% compared with 5% earlier.

Ajay Sahai, CEO of Federation of Indian Export Organisations expects Indian exports of these products to be worth $30 billion across Asia, Africa and Latin America, which could get affected in the next few months.

| Year 2018 and MSMEs-All that was | Knn India.com<br>https://knnindia.co.in/news/newsdetails/msme/year-2018-and-msmes-all-that-was |
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The year 2018 was a year full of surprises for the Micro, Small and Medium Enterprises (MSME) sector as the sector received big thrust throughout the year be it is related to access to market or ease of doing business or loans in 59 minutes.

Keeping the importance of MSME sector in mind and the growing role and contribution of MSME sector in boosting employment and economic growth, the Finance Minister presented the Union Budget during the start of the year i.e. on February 1, 2018 and enhanced the budgetary allocation from Rs. 6481.96 crore in 2017-18 to Rs.6552.61 crore in 2018-19.

The Cabinet Committee on Economic Affairs on February 28, 2018 approved the Prime Minister's Employment Generation Programme (PMEGP-credit-linked subsidy programme) beyond 12th Plan for three years from 2017-18 to 2019-20 with a total outlay of Rs.5,500 crore.

The Scheme is aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth in rural as well as urban areas.

On the occasion of International Women's Day on March 8th 2018, the Ministry of MSME launched the portal for women entrepreneurs of India: www.udyamsakhi.org.

The portal is a network for nurturing entrepreneurship and creating business models for low cost products and services in order to empower women and make them self-reliant and self-sufficient.

It provides assistance through its platform for entrepreneurship learning tools, incubation facility, training programs for fund raising, providing mentors, one-on-one investor meet, provide market survey facility and technical assistance.

With regard to building international connections, the Ministry of MSMEs, organized the first ever International SME Convention in New Delhi from 22nd to 24thApril 2018.

During the convention, 23 agreements were signed between SMEs of India and SMEs of UK, Russia, Uzbekistan, Poland, Bhutan, Austria, Czech Republic, Cameroon and Sri Lanka. These agreements are in 12 sectors of food processing, agriculture, textiles, defence, ammunition, waste management, dairy products, coal, jewellery, health care and Education.

To mark the UN SME Day on 27th June, 2018, the Ministry of MSME organized the Convention- Udyam Sangam for the MSME sector in the country, which was inaugurated by President of India, Ram Nath Kovind, in New Delhi.

On the occasion, President Ram Nath Kovind launched the Solar Charkha Mission which cover 50 clusters across the country with a budget of Rs.550 crore for the year 2018-19 and 2019-20. The aim of the scheme is to generate direct employment to nearly one lakh persons in rural areas.

The scheme of Solar Charkha Mission was proposed in the Union Budget 2018-19 to harness non-conventional solar energy to further employment generation.

On the same day, a portal of the Ministry of MSME called "Sampark" was also unveiled by the President of India. The portal acts as a bridge between the talent pool and those enterprises seeking trained man power.

To create a platform for MSMEs of India and Korea, MSME Minister, Giriraj Singh and Minister of SMEs and Start-ups of Republic of Korea, Hong Jong-hak inaugurated India-Korea Technology Exchange Centre on 10th July, 2018 in New Delhi.

The purpose of the technology centre is to work towards building reliable alliances in space, solar energy, nano technologies and other developing technologies.

On July 23, the MSME Development (Amendment) Bill, 2018 was introduced in Lok Sabha by the MSME Minister of State Giriraj Singh. The Bill amends the MSME Development Act, 2006. The Act classifies micro, small and medium enterprises (MSMEs) on the basis of investment in plant and machinery, for enterprises engaged in the manufacturing or production of goods, and equipment, for enterprises providing services.

However, the bill was opposed by majority of the stakeholders as they believe that the proposed definition will likely crowd out a large number of small units from the benefits.

On September 19, MSME Ministry launched a monthly e-newsletter called 'MSME Insider', which gives information about the activities undertaken by the Ministry and also connects the Ministry with the millions of MSME units spread out across the country.

Besides, to promote cooperation between the Small & Medium Enterprises (SMEs) of India and Russia, a MoU was signed between National Small Industries Corporation Ltd. (NSIC) and JSC-Russian Small & Medium Business

Corporation (RSMB Corporation) in the month of October.

And last but not the least, on November 2, 2018, Prime Minister Narendra Modi launched a support and outreach programme for MSME sector. The Prime Minister unveiled 12 key initiatives which will help in the growth, expansion and facilitation of MSMEs across the country:

--- Loans upto 1 crore within 59 minutes through an online portal.

--- Interest subvention of 2% for all GST registered MSMEs on fresh or incremental loans.

--- All companies with a turnover of more than 500 crores to be mandatorily on TReDS platform to enable entrepreneurs to access credit from banks, based on their upcoming receivables, thus, solving the problems of cash cycle.

--- All PSUs to compulsorily procure 25 percent from MSMEs instead of 20 percent of their total purchases.

--- Out of the 25 percent procurement mandated from MSMEs, 3 percent reserved for women entrepreneurs.

--- All CPSUs to compulsorily procure through GeM portal.

--- 100 Technology Centres to be established at the cost of Rs 6000 crore.

--- Govt. of India to bear 70 percent of the cost for establishing Pharma clusters. --- Returns under 8 labour laws and 10 Union regulations to be filed once in a year.

--- Establishments to be visited by an Inspector will be decided through a computerised random allotment.

--- Single consent under air and water pollution laws. Returns will be accepted through self-certification and only 10 percent MSME units to be inspected.

--- For minor violations under the Companies Act, entrepreneurs no longer have to approach court but can correct them through simple procedures. While launching the program, Modi emphasized on 5 key aspects for facilitating the MSME sector, that includes access to credit, access to market, technology up-gradation, ease of doing business and sense of security for employees. With the rising involvement of MSME retailers in e-commerce, the Department of Industrial Policy and Promotion (DIPP) on 26 December amended the Foreign Direct Investment (FDI) policy in e-commerce to create a level-playing field between offline and online retailers. Moving forward in 2019, the Reserve Bank of India (RBI) has decided to constitute an expert committee to identify causes and propose long term solutions for the economic and financial sustainability of the MSME sector.

The composition of the committee and its terms of reference will be finalized soon and the report will be submitted by the end of June 2019.

| Traditional weaves, handicrafts to be showcased at 33rd edition of Dastkari Haat Crafts Bazaar | Outlook India.com<br>https://www.outlookindia.com/newsscroll/traditional-weaves-handicrafts-to-be-showcased-at-33rd-edition-of-dastkari-haat-crafts-bazaar/1449572 |
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Indian handicrafts, traditional art and textiles will come to the fore amid cultural performances and workshops, in a two-week crafts bazaar, set to kick off at Dilli Haat here on Tuesday.

The 33rd edition of Dastkari Haat Crafts Bazaar, organised annually by non-profit organisation Dastkari Haat Samiti since 1986, will feature over 180 artisans and master craftsmen from all parts of the country, a statement from the organisers said.

On sale will be vankar shawls and bandhani from Gujarat, Banarasi textiles from Uttar Pradesh, handloom fabrics from West Bengal, handwoven chanderi, pashminas, carpets, and durries, along with ajrakh block printing, kantha embroidery, pattachitra paintings, inlay furniture, papier mache, home decor accessories, regional cuisines and organic products, it added.

While, over past decades, Indian handicrafts seem to have been sold under brand names, the bazaar aims to break the barriers between the craftspeople and the community, and bring together traditional weaves, sustainable home decor items and crafts.

"The idea behind our annual crafts bazaars all over India is to help the artisans in keeping their craft alive and connect directly with the consumer.

"It's intriguing to keep the traditional techniques and authenticity of the craft alive and yet contemporarise it to make it relevant for today's time," Jaya Jaitly, textile revivalist, author and former Samata Party president, who has conceptualised the event, told .

"Design innovation is the focal point of the 15-day crafts bazaar," the long-standing activist for handicraft artisans and craftspeople, added.

In a special appeal to the haat visitors, Jaitly pointed to the "regular traders who have managed to occupy Dilli Haat for long periods and sell cheap goods made in small factories", and requested visitors to buy from "true craftspeople, who seldom get an opportunity to come to Dilli Haat".

The event will also feature workshops and performances by flute makers from Varanasi, Sufi folk singers from Gujarat -- who will sing the poetry of Kabir, Mirabai, and Ravidas -- and tribal martial Chhau dancers from Bengal, the statement added.

The line-up includes a craft and skill exchange programme with Indonesia, supported by the Ministry of Textiles. Workshops by an Indonesian artisan, along with several Indian ones will form part of the bazaar.

As per the organisers, there will also be a classic Balinese dance performance.

The Bazaar's entry fee is Rs 20. It will run from January 1-15 from 11 am to 9 pm.

| **AP should be ahead in industrial and service sectors: CM** | **KNN India.com** https://knnindia.co.in/news/newsdetails/sectors/ap-should-be-ahead-in-industrial-and-service-sectors-cm |
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Chief Minister N Chandrababu Naidu said Industries and service sectors play key role in creation of wealth and development of economy. He stressed the need for rapid growth in industry and sectors in the state. Stating that 55 per cent employment rate is in agricultural sector and the same should be achieved in industrial and service sectors to increase per capita income.

Releasing a white paper on Industry, employment and skill development here today, the Chief Minister said agro industries should be increased for good growth rate.

The Chief Minister said that the central govt failed to accord special category status to AP depriving scope for industry development. It failed to release grant for Visakhapatnam-Chennai industrial corridor.The central govt failed to fulfil the bifurcation promises of green field petro chemical complex and steel plant in Kadapa.

To encourage industrialisation the state govt enacted public service delivery guarantee Act -2017 and single desk portal to provide 69 services from 19 departments. The state govt released Rs 3675 cr including Rs 1816 cr for MSME sector towards incentives for industrial growth since June 2014. As many as 30349 MSME units were set up from 2014 fetching a revenue of Rs 14,292 cr and 3.3 lakh employment. A decision was taken to set up MSME parks in all the 175 constituencies and 31 MSME parks were set up in 1317.97 acres at a cost of Rs 270.43 cr. A separate corporation was set up for MSME sector and extended a loan of Rs 82,097 cr during 2014-18.

The Chief Minister said partnership summits were conducted in Visakhapatnam thrice to attract investments. As a result several industries came forward to set up their units in AP including in food processing sector Sumeru, Capricorn, Lavajju, Avanti seeds, Podaran and Avergen, Patanjali, Jain Irriation, Parley, Jersey, Indus coffee, Future group, continental coffee, international flavours and progrances, Godrej, SH group, Tata food, ITC, Con agro and Manpasad came forward to set up their units in the state. In textiles sector Boroi, Text port, Mohan spintek, Indian design, Shahi exports, Govindaraja textiles, SAR denim, hage industries, Aavind group, Nisha designs. Guntur textile park, Tarakeswara textiles park came forward to set up their units.

In Automobile sector Isuzu, Kia motors, Appollo tyres, Ashok Ley land and Bharat Forge and Hero group set up units. In IT sector, Foxcon, Plextronix, Dixon, Relieane, TCL and Voltas came forward to set up units. In pharmaceutical sector Spyra health care, Dr Reddy labs, Lupin, larus labs, Arabindo phama Divis labs, Natko pharmaceuticals came forward. In tourism sector Novotel hotel in Vijayawada, Holiday in and Taj in Tirupati, My fortune in Guntur, Jw Mariot, Sun Ray resort in Visakhapatnam were set up.

The Chief Minister said the state govt has been developing three industrial nodes including at Krishnapatnam, Orwakal and Hindupuram in Rayalaseema region. He said industriall corridors will be developed at Visakhapatnam, Srikalahasti, Machilipatnam and Donakonda. He said mega food parks will be developed in Vizianagaram, kadapa, Chittoor. He said 650 acres allotted for mega seed park in Kurnool dist and Rs 6553 acres for Mega industrial park in Kadapa and finteck valley in Viskhapatnam.

The Chief Minister said that the state govt has been providing uninterrupted power supply to industries. The industrial power usage reached 3321 units during 2017-18. Praising the tourism sector for good growth, the Chief Minister said the trial run of Kurnool airport carried out successfully with the landing of first flight today. He said flight services will be introduced from Dagadarthi and Kuppam soon. He said pharma sector would be developed in Orwakal and texiles in Nagari. He said foundation would be laid for Ramayapatnam airport and paper mill on January 9.

| **Cotton Association re-elects Atul S Ganatra as president** | **India.com** https://www.india.com/news/agencies/cotton-association-re-elects-atul-s-ganatra-as-president-3504723/ |
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Cotton Association of India Monday said it has reelected Atul S Ganatra as president and Bhupendrasingh Rajpal as vice president.

The decision was taken in a CAI board meeting last week, a release said here.

Vinay N Kotak was elected as the additional vice president, it added.

CAI represents all segments of the cotton trade and textile industry of the country including mill buyers, growers and growers co-operatives, ginners, brokers, merchants, importers and exporters.

Maha achieves 100% household electrification * Maharashtra power utility Mahavitaran Monday said it has completed household electrification under the Saubhagya scheme.

Under the scheme, the state utility has electrified 10.93 lakh households across Maharashtra achieving 100 per cent household electrification, Mahavitaran said in a statement issued here.

Among the 10.93 lakh households, 10.67 lakh are given electricity connection through the traditional method and the remaining beneficiaries were given electricity connection through the Maharashtra Energy Development Authority (MEDA).

| **What new FDI guidelines mean for the e-commerce ecosystem** | **Live Mint** https://www.livemint.com/Companies/5t08JnDkEBZw9mXU1Pwd3I/What-new-FDI-guidelines-mean-for-the-ecommerce-ecosystem.html |
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Last week saw the government launching stricter guidelines that govern foreign direct investment (FDI) in e-commerce firms. The DIPP updated Press Note 3 that provides guidelines on the functioning of an e-commerce marketplace. The guidelines that will come to effect from February are stricter in nature, causing companies such as Amazon India and Flipkart to go back to the drawing board. Mint takes a look at how the ecosystem may get impacted with the updated guidelines.

1. What are the changes to the FDI norms covering e-commerce?

The revised FDI policy issued last week explains certain principles laid down in a 2017 circular on the operations of online market places, wherein 100% foreign direct investment, or full foreign ownership is allowed.

The new norms bar exclusive tie-ups between e-commerce firms that follow the 'marketplace model' and vendors using their platform. In a marketplace model, the e-commerce firm is not allowed to directly or indirectly influence the sale price of goods or services, and is required to offer a level playing field to all vendors.

To emphasise this point, the new norms said cashback or services, such as quick delivery, offered by e-tailers have to be applicable to all vendors on their platforms. It also said that if a vendor sells more than 25% of its wares through an e-commerce marketplace, the latter will be deemed to have an inventory model, in which FDI is not allowed. The 25% cap was there earlier, but the onus of ensuring it, is now firmly on the e-commerce platform, so that it does not find itself on the wrong side of the law. It further said that e-commerce firms will be barred from selling wares of related parties on the inventory, of which it has a say.

2. Why are these changes significant?

Offline traders have been complaining that e-commerce platforms with access to FDI are able to give deep discounts and other incentives through related-party vendors, which they cannot match.

The changes are significant as its enforcement will affect the flexibility that e-commerce platforms had in doing business, and force them to be neutral to all vendors. The move appeases the trading community, a big constituency of the ruling BJP, ahead of the national polls early next year.

3. What does the government say about the revision?

Government officials insist that the changes in e-commerce FDI norms are clarificatory in nature and are not new restrictions.

4. How does this impact e-commerce firms?

E-commerce companies, such as Amazon and Flipkart, have been luring customers with deep discounts and exclusive offerings. The bar on such firms 'influencing' pricing and mandating vendors to sell exclusively on their platforms may have a major impact on customer behaviour. Most customers shop online for deep discounts and exclusive offerings, which may not be available on other online platforms, or in offline stores. This will, in turn, have an impact on the revenue and growth of e-commerce companies in India.

This clause will also have an impact on private labels being sold by e-commerce companies. Over the last few years, companies such as Flipkart, Myntra and Amazon India, among others, have been introducing private label/in-house brands to garner more customers through exclusive offerings at lower costs and higher margins, so that their path to profitability is shorter and smoother.

The profitability target of these companies may now take a big hit. Also, the bar on e-commerce companies from selling products from entities they have a stake in, could affect Amazon because it has a stake in its two major seller entities, Cloudtail and Appario.

5. How will e-commerce firms cope with it?

E-commerce companies claim they have not been consulted before the policy was updated. Some expect Amazon to offload its equity in Cloudtail and Appario to continue using those seller entities.

| **EU-Japan FTA clears hurdles for early 2019 start** | **Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/eu-japan-fta-clears-hurdles-for-early-2019-start-246520-newsdetails.htm |
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Around 70 per cent of European Parliament lawmakers recently backed the European Union (EU)-Japan agreement that binds two economies accounting for about a third of global gross domestic product and signals their rejection of protectionism by launching the world's largest free trade zone early next year. Japan's parliament also approved it recently.

EU trade commissioner Cecilia Malmstrom said the deal would bring clear benefits to EU companies and farmers.

The EU-Japan agreement will remove EU tariffs of 10 per cent on Japanese cars and 3 per cent for most car parts. It will scrap Japanese duties of around 30 per cent on EU cheese and 15 per cent on wines as well as open access to public tenders in Japan. It will also open up services markets, such as financial services, telecoms, e-commerce and transport.

Critics, however, say the agreement will give too much power to multinationals and could undermine environmental and labour standards, according to a news agency report.

Both Brussels and Tokyo reportedly want it in place before Britain leaves the EU at the end of March

| **Silver nanowires may lead to comfortable smart textiles** | **Business Standard** https://www.business-standard.com/article/pti-stories/silver-nanowires-may-lead-to-comfortable-smart-textiles-118123100563_1.html |
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Scientists have developed thin, flexible wires with silver that could be used to weave comfortable smart fabrics and other wearable electronics.

Researchers from Nanjing University of Posts and Telecommunications in China have developed a simple, scalable and low-cost method to prepare conductive fibres with uniform morphology, high conductivity and good mechanical strength.

Taking advantage of the capillary action of fibres, such as cotton, nylon and polyester yarns, the solution containing silver nanowires is spontaneously absorbed into the capillary tunnels.

Then silver nanowires are evenly coated onto the fibres through evaporation-induced flow and capillary-driven self-assembly process to form conductive fibres, which is in situ observed by the optical microscopic measurement.

The fabricated flexible and stretchable conductor exhibits uniform morphology, high conductivity and good mechanical strength, which is promising for the application in wearable electronics and smart fabrics.

Conventional conductive fibres are metal wires such as stainless steel and copper wires, as well as the metal film coated yarn. These conductive fibres are stiff and brittle, not meeting the demand of flexibility and comfortability for smart textiles.

Smart textiles with electronic devices such as sensor, light emitting diode, transistor, battery and supercapacitors integrated into fabrics have drawn considerable attention.

Conductive fibres and yarns, with the function of connecting various electronic devices, play a key role in smart textiles system.

Recently, conductive nanomaterials such as metal nanomaterials, carbon nanotubes and graphene with high conductivity, good mechanical properties, feasibility of large-scale production and solution-process, have become a new type of fundamental materials for conductive fibres.

Great efforts have been made to engineer conductive nanomaterials into conductive fibres by various technologies such as vapour deposition, electrospinning and spray coating methods.

Despite these promising progresses, the cost-effective fabrication of conductive fibres with high flexibility and good electrical conductivity is still a challenge, researchers said.

| Toray to integrate textile manufacturing subsidiaries | Fibre 2 Fashion<br>https://www.fibre2fashion.com/news/textile-news/toray-to-integrate-textile-manufacturing-subsidiaries-246526-newsdetails.htm |
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Toray Industries, Inc, has announced a policy to integrate the management of its two textile manufacturing subsidiaries in Thailand –Thai Toray Textile Mills Public Company Limited (TTTM) and Luckytex Public Company Limited (LTX) –at the respective board of directors meetings and approved to convene general shareholders' meetings for the integration.

Going forward, TTTM and LTX will drive forward the prescribed procedures for management integration including approval by the general shareholders' meetings and aim to start operations as a new company in July 2019. Toray will announce the name of the new company and the scheduled date of starting operations immediately after the formal procedures are complete, according to a press release by Toray.

The management integration agreed upon by the two companies is aimed at enhancing material lineups in both apparel and industrial applications and strengthening product development capability. The companies also aspire for dramatic growth as a new comprehensive textile manufacturer by strongly driving forward the integrated materials and garments business by further reinforcing the cooperation within the Toray Group.

At the same time, the business environment surrounding the T/R (polyester/rayon) and T/C (polyester/cotton) blended yarns requires strengthening of product development ability and competitiveness due to the intensifying competition.

Established in 1963, TTTM is engaged in spinning, weaving and dyeing of T/R blended fabrics as well as manufacturing of polyester filament and spun knitted fabrics. LTX was established in 1960 and is engaged in spinning, weaving and dyeing of T/C blended fabrics as well as manufacturing of polyester filament fabrics and air-bag fabrics.

The Toray Group entered Southeast Asia ahead of other Japanese companies and built the foundation to expand the business of high-quality T/C and other textiles throughout the world. Among these Southeast Asian countries, Thailand is the first business base of the Group and it boasts a long history of growing its business concurrently the economic development of the Kingdom of Thailand.

| APTMA demands low cost of inputs for Pak cotton farmers | **Fibre 2 Fashion** https://www.fibre2fashion.com/news/textiles-policy-news/aptma-demands-low-cost-of-inputs-for-pak-cotton-farmers-246519-newsdetails.htm |
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The All Pakistan Textile Mills Association (APTMA) has urged the government to ensure low cost of inputs to cotton farmers, implement a law relating to zoning system to regain cotton are and quickly provide quality cotton seed and extension services to farmers. It also demanded a regulatory regime for quality seed production and elimination of pest adulteration.

Association chairman Syed Ali Ahsan and patron-in-chief Gohar Ejaz have also appreciated Prime Minister Imran Khan for his initiative to achieve 15 million cotton bales by next year.

Ahsan said cotton production, which has declined by 27 per cent, has witnessed by 17 per cent drop in area under cultivation and 12 per cent decrease in per acre yield since 2014-15.

Therefore, the industry had no other option but to import cotton, which pushed the cotton import to 3.59 million bales, worth $1.22 billion, last year, he said.

Gohar said the achieving of $26 billion textile exports, 15 million bales of cotton production, revival of $4 billion closed potential, job creation and further investment in textile sector are all subject to a successful and fast track implementation of prime minister's initiatives