



## The Southern India Mills' Association

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### NEWS CLIPPINGS –23-02-2019

**India-US trade deal may be wrapped up soon**

**Business Line**

<https://www.thehindubusinessline.com/economy/india-us-trade-deal-may-be-wrapped-up-soon/article26343849.ece>

New Delhi wants penal tariffs on steel to go; Washington eyes market access in farm, dairy items

India and the US may announce a trade deal shortly that could address the issue of penal duties on steel and aluminium imposed by Washington on Indian exports.

“A trade deal is in the works between the Commerce Ministry and the US Trade Representative's (USTR) office. It is likely to be finalised shortly,” a government official told *BusinessLine*.

The deal could include greater market access for certain agriculture and dairy products in both countries brought about by removing non-tariff barriers, including lowering standards, the official added.

India's timeline of March 2 for imposing retaliatory duties on US items in response to American duties on its steel and aluminium is now likely to be postponed by a few days. “There are talks of postponing the imposition of retaliatory duties by another 15 days as a deal seems very likely,” the official said. The Donald Trump regime, which has been pressing India to increase imports from the US to bridge the trade imbalance between the two countries, wants India to provide greater market access in a number of areas such as dairy, agriculture, energy and health equipment.

India has already responded by buying oil and gas from the US in 2008 worth an estimated \$3 billion. “The oil purchase from the US will be increased further in 2019 bringing down the trade deficit further,” the official said.

The trade deficit between India and the US bridged by almost six per cent in 2017 to \$22.9 billion, according to the ‘Trade Estimate 2018’ released by the USTR earlier this year.

In March last year, the US imposed stiff penal tariffs of 25 per cent on steel and 10 per cent on aluminium imported from India, China, the EU, Mexico, Russia and Canada, citing security threats.

New Delhi announced retaliatory tariffs on 29 items from the US in June 2018 but has been delaying implementation hoping for a deal with Washington.

**GST Council may take up exporters' plea to switch to better duty refund option**

**Business Line**

<https://www.thehindubusinessline.com/economy/gst-council-may-take-up-exporters-plea-to-switch-to-better-duty-refund-option/article26343595.ece>

Recommendation made by committee of CBIC, DGFT officials to be examined

The GST Council may take up a plea by exporters to be allowed to switch over from duty drawback scheme to I-GST refund for the three-month transition period to the new Goods & Services Tax (GST) regime last fiscal, when they were allowed to choose between the two.

Exporters say many were not aware that refund of input duties under I-GST would be much higher. "Following the request made by exporters to be allowed to repay the duty drawback already collected for the three-month period and claim I-GST refund instead, the Commerce Minister had set up a committee comprising officials from the Central Board of Indirect Taxes and Customs and the Directorate-General of Foreign Trade to sort out the matter. The GST Council, in its meeting on Sunday, may examine the suggestions made by the committee and take a decision," a government official told *BusinessLine*.

After the new GST regime was put in place in July 2017, exporters were given the option of continuing with the popular duty drawback scheme (at a higher rate for some items) for three months (July-September) for refund of the input duties paid by them if they agreed to forego refund of IGST.

A large number of exporters availed of the option and claimed their duty drawback refund only to realise later that if they had opted for refund under IGST, the amount they would have received would have been much higher.

"Many exporters at that time did not understand the details of the GST regime. Their decision to opt for duty drawback was a mistake which they realised. Exporters are willing to give back the drawback received with the interest due if they are allowed to claim IGST," explained Ajay Sahai, Director General, FIEO.

The GST Council, on Sunday, is also expected to examine and decide on a new scheme for compensation of taxes paid by exporters as under the GST regime exporters are compensated only for the basic customs duty paid on inputs.

**Indian exporters wary of US stance**

**Telegraphi India**

<https://www.telegraphindia.com/business/indian-exporters-wary-of-us-stance/cid/1685158>

Exporters have asked the government to formulate an incentive scheme for labour-intensive sectors such as leather and textiles to prevent job losses amid concerns the US could withdraw the generalised system of preferences (GSP), which provides zero tariffs on \$5.6-billion worth of the country's exports.

The need for an alternative incentive mechanism figured prominently during a Board of Trade meeting, a top advisory body on external trade, last week.

The exporters expressed the need to convince the US to continue with the GSP and urged the government to look at

an alternative to the US incentive scheme, sources said.

“The government should consider additional MEIS benefit to offset GSP loss to enable exporters to reduce their prices, so that the landed price is more or less at the same level as prevalent when the GSP benefit was available,” Fieo director-general Ajay Sahai said.

Under the Merchandise Exports from India Scheme, duty credit scrips are issued to exporters and these scrips are freely transferable and can be used to pay customs duty.

“We are recasting our export incentive schemes. In the new FTP, they would be in compliance with the global trade rules. The new incentives could focus on R&D activities, production parameters and product specific clusters. Rebate can also be given on state levies,” officials said.

The zero tariff shipments have been largely benefiting the exporters of textiles, leather, engineering, gems and jewellery and chemical products.

Benefits offered by the US to the developing countries under the GSP scheme are non-reciprocal. However, the US can withhold GSP benefits to a trading partner if it finds that its own exports are facing market access hurdles.

Fieo president G. K. Gupa said, “The withdrawal of GSP will impact severely SME exporters, in particular the handloom and agriculture sectors. To compensate the SME exporters and labour-intensive goods, there is a need to provide additional benefit to all such exports to the US.”

The Trump administration had been demanding for a more open market for US agriculture products, automobiles and capping of prices for medical devices. In April, the US announced eligibility review of India for the GSP to gain more market access.

**Priority to promoting exports: Suresh Prabhu**

**The Hindu**

<https://www.thehindu.com/news/cities/Mangalore/priority-to-promoting-exports-suresh-prabhu/article26344592.ece>

Suresh Prabhu, Union Minister for Commerce and Industry and Civil Aviation, said on Friday that the Union government was giving priority to promoting exports.

He was speaking after inaugurating the Indian Institute of Gems and Jewellery (IIGJ) through a video conference here.

Mr. Prabhu said that through constant efforts, the country had diversified its export basket to bring in new commodities. Exports from the country had hit an all time high this year. “Our service and merchandise exports will certainly be more than \$500 billion this year,” he said.

In order to give a further push to exports, the government would be starting trade promotion offices in different countries. Promotion of exports would also help small and medium enterprises in the country, he said.

The Centre was implementing a ₹2,600 crore package to rejuvenate the leather sector of the country. This package

gives priority to upgrading technology and improving market access to the exporters, he said.

The youth should also gain expertise in designing through the various courses offered at the Indian Institute of Gems and Jewellery here.

“Udupi will, henceforth, not only be known as a temple town and not just for its food and Udupi restaurants, but also for jewellery designing,” Mr. Prabhu said.

### Huge investment opportunities for ASEAN companies in India: Chaudhary

### Business Standard

[https://www.business-standard.com/article/pti-stories/huge-investment-opportunities-for-asean-companies-in-india-chaudhary-119022200300\\_1.html](https://www.business-standard.com/article/pti-stories/huge-investment-opportunities-for-asean-companies-in-india-chaudhary-119022200300_1.html)

There are huge opportunities for south east Asian companies to increase investments in India in areas such as medical devices, fishing and ship-building, Minister of State for Commerce and Industry C R Chaudhary said Friday.

To enhance economic cooperation between the two regions, companies from India and Association of south east Asian nations (ASEAN) can also form joint ventures and set up entities to start manufacturing here, he said, adding that increasing trade and investment is critical for both regions as each side hold huge potential

India has relaxed several laws and regulations under its Make in India initiative to attract investments, he said here at the fourth India-ASEAN Expo and Summit 2019.

"I would like to request the ASEAN companies to enhance increasing cooperation in MSME sector. We can increase investments in various sectors like airlines, fishing and ship building. We need medical devices and apparatus, and ASEAN companies can get an opportunity in this area," he said.

Further, the minister said that both the sides need to think and discuss areas where trade can be enhanced.

Although the bilateral trade between the regions have increased to USD 82.33 billion in 2017-18 from USD 21 billion in 2005-06, "the pace of growth is not up to the mark," he added.

### India, the EU and the Hard Realities of a Post-Brexit World

### The Wire World

<https://thewire.in/world/india-the-eu-and-the-hard-realities-of-a-post-brexit-world>

At the core of many ardent Brexiteers' vision of a post-EU future is a glorious renaissance of its former colonial trade links, powered by a curiously nostalgic view of the British Empire.

“Global Britain” is the buzz term that Brexit supporters, and indeed the UK government, have given to this reverie. The governing idea is that once the UK manages to finally cast off the EU’s yoke, it will be able to strike its own trade deals with countries around the world.

Such a vision inevitably places India high up the wish list. Its population is 1.3 billion and its rapidly growing economy is, by IMF and UN estimates, the seventh-largest in the world.

If “Global Britain” is to be realised, the future India-UK relationship, one would imagine, is critical. That’s why it was the first country outside of Europe that Theresa May visited as UK prime minister, back in November 2016.

### **The jewel in the post-Brexit crown?**

Yet, in trade terms, the India-UK trade relationship does not look particularly special.

In 2016, the UK was the fifth-largest export destination for Indian exports, behind the US, the UAE, Hong Kong and China (see graph). It accounted for 3.3 percent of Indian exports, valued at \$8.66 billion (€7.6 billion) – not insubstantial.

Yet it is small in comparison with the almost 16% of Indian goods which were exported to other EU countries in that time. In terms of imports, the UK is not a significant exporter for the Indian market and overall, it barely scrapes into India’s top 20 trade partners.

Yet this is not the full picture of the economic relationship between the countries, says Kevin McCole, chief operating officer of the UK India Business Council, based in London.

He told DW that while the India-UK trade relationship “is not as strong as it could be,” the key to the overall relationship is the bilateral ties which include the level of investment from both countries into each other, and the level of shared innovation and research projects companies and institutions from the countries work on.

“Despite the vast distance in geography between them, India and the UK have a lot of investment going in either direction, which could be argued as the reason why the trade isn’t so high because people aren’t selling into each other’s markets, they are setting up and producing domestically,” he said, highlighting the example of British machine builder JCB, which has such a big market in India that it produces its machines there directly, in Faridabad (Haryana), Jaipur and Pune.

### **Get in line**

So what are the prospects of developing these links into something stronger after Brexit? McCole believes that growth in trade and investment between Britain and India will be driven by the tech sector and he highlighted the ambitious UK-India technology partnership, agreed by the countries when Indian Prime Minister Narendra Modi visited Britain in April 2018.

But what are the prospects of a future trade deal between India and the UK?

A key factor is that the EU has been in negotiations with India over a trade deal since 2007. While little progress appears to have been made since the Brexit vote, the EU is still eager for a deal to be done, European Commission sources told DW.

“As highlighted in the new EU Strategy for India adopted in November 2018, the EU remains committed to a balanced, comprehensive and ambitious trade agreement with India which results in benefits for both sides,” a

source within the EU Commission for Trade told DW.

“Trade negotiators continue their talks in order to bridge current gaps between the different levels of ambitions, in particular on market access for goods, public procurement and services, and on sustainable development. Meanwhile, the EU believes there is plenty of room to expand our trade and investment relations and make them more fruitful.”

### **Currying favour**

Ultimately, the future of the UK-India trade relationship will depend on both the future India-EU relationship, and arguably most importantly, the future EU-UK relationship. For example, if Indian goods don't meet EU standards in certain cases, then depending on the nature of the future EU-UK relationship, India-UK trade could be affected.

To take one example: in a joint working paper drawn up by New Delhi and London last year, India identified EU rules on safety standards around food and drink as a major barrier to exporting more to the UK after Brexit, assuming UK rules are aligned with EU ones.

Such cases will not be specific to India in Britain's post-Brexit trading future. In another food safety example, the issue of things such as chlorine-rinsed chicken, banned by the EU, may affect future UK-US trade relations.

Yet overall, business sentiment within India is not as anti-Brexit as might be thought. Shortly after the 2016 Brexit vote, the Federation of Indian Chambers of Commerce & Industry (FICCI) conducted a survey of 45 Indian companies that do business in the UK.

While 28% said Brexit would have a negative impact on their business within the UK, 41% said it would be either good for business or would make no difference. Similarly, 48% said their primary reason for being in the UK was the UK market, rather than access to the EU market as a whole.

This is a view that certainly can be found within some of India's major export areas. Clothes and textiles are one such area, accounting for a whopping 13% of all Indian exports. The EU is the largest apparel market for India, with the UK taking in the biggest share of that and accounting for more than 10 percent of all Indian exports in apparel.

A. Sakthivel, vice chairman of the Apparel Export Promotion Council in Indian (AEPC), told DW that the industry body welcomed Brexit.

“We welcome the UK's decision to leave the EU as we see that it would give India better chances for forging preferential access into the UK,” he said, suggesting the industry would pivot away from the EU and towards the UK after Brexit.

### **Different priorities, different memories**

Yet as appealing as the advancement of UK-India business ties are to Brexit-supporting politicians or to those businesses with a particularly strong India-UK basis, they can hardly be seen in isolation from the central question

currently gripping the entire Brexit debate — the future EU-UK relationship.

Although the Indian government did not respond to requests for comment for this article, the future EU-India relationship may well be one that takes priority for the Modi government, given the far greater volume in trade between the EU 27 and India.

Another important point to consider is the Hindu nationalist origins of the current Indian government — a political philosophy that is unlikely to be in step with the pseudoimperialistic rhetoric that has been evident throughout the Brexit debate. A messy UK exit from the EU may not necessarily chime with such realities.

## Towards a circular economy

## State Times

<http://news.statetimes.in/towards-a-circular-economy/>

National Productivity Council (NCP) has celebrated circular economy day on 12th Feb, 2019 and the theme of the celebration was circular economy for sustainable productivity.

Today is the era of circular economy and the conventional linear economy should be changed and circular economy is the new catch word for the developed economies and for developing economies like India, circular economy should be the goal for the increase and use of the maximum productivity with efficiency with emphasis on sustainability. It should result in minimum waste of resources and essential ingredients which are scarce and are needed for production of goods and services. Thus circular economy aims at the recycling of the production and the objective is to reuse the scrap and residual of the products for economic use. Thus the waste of resources should be minimum and production should be maximum and the waste of any kind should be recycled into further production to ensure to fullest use of waste products and scrap. The tradition linear economy doctrine and practice is to make the product, use the product and throw the waste and this practice should be shunned for the overall benefit of the end users and the economy as well. Circular economy involves the production process which result into eco-friendly finished products and minimum of wastes and scraps in the best interests of the economy.

In Japan and European countries circular economy is in full swing and in India even at present only 30 percent of the economy is circular and the rest 70 percent is still following conventional linear production processes under which make, use and throw is the guiding criteria. However, our developing economy is on the march of going circular and NPC and NITI Ayog is playing a significant role in this behalf and ensuring circular production processes which are eco friendly and result in less pollution of various kinds.

For ensuing the circular economy government, NCP, NITI Ayog, industrial associations, Chamber of Commerce and Industry, NGOs and the general public can play their role so that circular economy experiments will be a success in India. But one thing is clear that the products as a result of circular economy being eco friendly but somewhat costly and then it depends upon consumers who will have to decide whether to buy traditional products of linear economy or the eco friendly products produced by circular economy.

In this regard awareness and information campaigns about the benefits of using eco friendly products should be imparted to the consumers and they should also be made aware of the advantages of using and recycling the waste material and of converting the waste material and residues into production channels so that new useful products are

given shape and there is minimum of wastage.

In this regard, there is utmost need to segregate the industrial and domestic waste and also to segregate dry and liquid waste so that these are again channelized into process of conversion through production so that useful products are given shape for the benefit of society. The purpose of circular economy is also to ensure that there is very less waste of the materials and even no waste at all. In Japan, there is a city which follows and adheres to the principles and practice of circular economy and there is no waste at all in the production process and this city has become famous for having no waste. It has become a tourist destination and people from far and wide come to this city.

Taking a cue from this experience the Indian industrialists and producers should see to it as how such a circular economy is made possible which leads to no waste and scrap. But this is far from reality for so many years from hence as we have not converted our linear economy into circular economy totally but efforts in this direction are on. It will take many-many years from today to see the full introduction and growth of the circular economic process which led to sustainable productivity with minimum of waste and maximum of efficiency and optimal use of all the scarce resources.

A circular economy is an alternative to a traditional linear economy. Linear economy rests on the outdated principle of make, use and dispose. In circular economy we keep resources in use for as long as possible, extract the maximum value from them while in use, then recover and regenerate products and materials at the end of service life. It is an economic system where products and services are traded in closed loops or cycles. A circular economy is characterized as an economy which is regenerative by design with the purpose to retain as much value as possible of products, parts and materials. A circular economy is an economic system aimed at minimizing waste and making the most of the resources. This regenerative approach is in contrast to the traditional linear economy which has a make use and dispose model of production.

According to Ellen Macathur Foundation, "It is looking beyond the current take, make, and waste extractive industrial model. A circular economy aims to redefine growth focusing on positive society – wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system. Under pinned by a traditional to renewable energy sources, the circular model builds economic natural and social capital. Circular economy is based on three principles: 1. Design out waste and pollution 2. Keep products and materials in use 3. Regenerate natural systems. Circular economy model synthesizes several major schools of thought. In a circular economic activity builds and rebuilds overall system health.

The concept recognizes the importance of the economy needing to work effectively at all scales for large and small businesses for organizations and individuals globally and locally. Denmark, Netherlands, Scotland, Sweden, Japan follow circular economic model. In Denmark, resource strategy is passed which treats all waste as a resource that should either be recycled or reused. Those materials are used which do not contain toxic material. The commission estimates that circular economy can save EU businesses dollar 600 billion. Countries across the world are developing strategies for moving to a circular economy. Circular economy requires waste material strategies. A circular economy aims to maintain the value of the products, materials, resources for as long as possible. To sum up it is crystal clear that economies of the world are moving towards direction of circular economy and India is exception but in India it requires concerted efforts of the government, NITI Ayog, NCP, Industrial organizations, trade and business houses, NGOs and public as the consumers and final users of the products.



**Indo-Canada Chamber of Commerce and TPCI to work closely to develop bilateral trade**

**Business Standard**

[https://www.business-standard.com/article/news-cm/indo-canada-chamber-of-commerce-and-tpci-to-work-closely-to-develop-bilateral-trade-119022200577\\_1.html](https://www.business-standard.com/article/news-cm/indo-canada-chamber-of-commerce-and-tpci-to-work-closely-to-develop-bilateral-trade-119022200577_1.html)

TPCI assures visiting delegation to facilitate technology transfer and trade promotion

A high level delegation of Indo-Canada Chamber of Commerce was on a 10-day visit to India to develop bilateral trade relations between Canada and India and to discuss joint investment opportunities in Canada and also create business and professional opportunities for the Canadian small businesses in India. The delegation visited Chandigarh, Chennai, Panaji and Hyderabad and concluded its visit in Delhi.

President of the Indo-Canada Chamber of Commerce, Pramod Goyal, said that the focus of the delegation was on sectors like infrastructure development, information and communication technology, advanced manufacturing, financial services, tourism, business immigration, education and skills development. All these sectors continue to show tremendous potential and are expected to become the pivots for enhancing the bilateral trade between the two countries. He further said that growing trade tensions between USA and China and its emphasis on adding dollar value in US economy through manufacturing will also compel Canada to look East and specially to a growing market like India to promote trade to ensure growth and employment opportunities for its small entrepreneurs.

Trade Promotion Council of India (TPCI) assured the visiting delegation to facilitate technology transfer and trade promotion. A proposal to bring 'Innovation Canada' approved expertise in sewage treatment, waste management and recycling was also discussed. Some other proposals discussed included promoting Indian food and value-added products in Canada, investments in JVs by Indian businessmen in Canada, bringing high-end flooring and sanitary products to India, importing cheap but quality bitumen and lubricants to India and trade in canola oil and maple syrup with India.

A group of 33 leading buyers from Canada visited Indus Food 2019, a tradeshow on food and beverages, which saw business worth US\$ 1.2 billion being conducted. A delegation from India will participate in the annual Canada-India Business Forum Meet, to be held in June 2019.

**US, China extend trade talks into the weekend**

**Business Standard**

[https://www.business-standard.com/article/news-ians/us-china-extend-trade-talks-into-the-weekend-119022300084\\_1.html](https://www.business-standard.com/article/news-ians/us-china-extend-trade-talks-into-the-weekend-119022300084_1.html)

Negotiators representing the US and China agreed on Friday to extend trade talks into the weekend, media reported.

The extension was announced at the White House, where US President Donald Trump received the leader of the Chinese delegation, Deputy Premier Liu He.

The top US negotiators, Trade Representative Robert Lighthizer, Treasury Secretary Steve Mnuchin and Commerce Secretary Wilbur Ross, were also present for the meeting in the Oval Office, reports Efe.

Trump said that the two sides had reached a "final agreement" on the issue of currency manipulation, though he did not provide any specifics.

US politicians have long accused China of manipulating the value of its currency to make its exports more competitive.

Negotiators are working to meet Trump's March 1 deadline for an agreement to avert an increase, from 10 per cent to 25 per cent, in the tariffs the US imposed last year on \$200 billion in Chinese products.

Trump and Chinese President Xi Jinping agreed during a December 1 meeting in Buenos Aires to observe a 90-day truce in the trade battle between the world's two largest economies.

"Ultimately, I think the biggest decisions and some even smaller decisions will be made by President Xi and myself. And we expect to have a meeting some point in the not too distant future and I can only say talks are going along well, but we're going to have to see what happens," Trump said on Friday.

This week's round of talks in Washington was originally scheduled to last two days.

Trump said he is willing to delay the deadline, originally set for March 1, for increasing tariffs on imported Chinese goods.

The trade war between the world's two largest economies, triggered by the US president's aggressive protectionism, has sparked anxiety and volatility in global financial markets.

Both the International Monetary Fund and the World Bank have lowered their forecasts of global economic growth as a consequence of the tensions over trade between Washington and Beijing.

In pursuit of an accord, China has already adopted several goodwill measures, such as lowering tariffs on imported vehicles from the US, resuming soy purchases from the US and introducing an initiative that would prohibit forced technology transfer from American countries doing business in the Asian nation.

<b>Indonesia formally grants immediate market access for 20 Pakistani products</b>	<b>Profit Pakistan Today</b> <a href="https://profit.pakistantoday.com.pk/2019/02/22/indonesia-formally-grants-immediate-market-access-for-20-pakistani-products/">https://profit.pakistantoday.com.pk/2019/02/22/indonesia-formally-grants-immediate-market-access-for-20-pakistani-products/</a>
Indonesia has issued a formal notification for the correction of Indonesia-Pakistan Preferential Trade Agreement (IP-PTA) by offering immediate market access for 20 products of Pakistan's prime interest.	
The priority products included mangoes, broken rice, ethanol, tobacco, yarn and fabric, home textile, terry towel, apparel and knitwear.	
A memorandum of understanding to amend the Preferential Trade Agreement between the two countries was signed during the visit of the Indonesian president in January 2018. Following this, a meeting was held between the Indonesian trade minister and Commerce Secretary Younas Dagher on the sidelines of Shanghai Expo in 2018 wherein	

the latter underlined the need for correction in PTA and requested for early resolution of this issue.

The secretary also took up the issue of non-tariff barriers imposed on Pakistani agriculture products by Indonesia. Owing to the sustained efforts of the Ministry of Commerce, Indonesia has finally offered unilateral market access for Pakistani products.

IP-PTA was signed in 2012; however, it failed to help Pakistan's exports grow in the Indonesian market. Despite the PTA, Pakistan's exports to Indonesia showed a negative growth during the post-PTA period; the figures came down to \$141 million (2016-17) from \$236 million (2011-12). However, 2017-18 proved a good year for Pakistan's exports, which jumped to \$296 million.

The balance of trade was highly tilted in favour of Indonesia. At the time of the signing of the PTA, the total volume of bilateral trade was \$1.6 billion, which reached \$2.8 billion in 2017-18. All the growth in bilateral trade was due to an increase in Indonesia's exports to Pakistan, which were recorded at \$1,720 million in 2013-14 and increased to \$2,530 million in 2017-18.

The Ministry of Commerce took up this matter with the Ministry of Trade Indonesia during review meetings of IP-PTA. Subsequently, three review meetings were held and Indonesia acknowledged concerns expressed by Pakistan regarding adverse effects of IP-PTA on Pakistan's exports and finally agreed to unilaterally grant zero duty on 20 products of Pakistan export interest.

Formal notification of inclusion of additional tariff lines in the IP-PTA has now been issued after the approval of the president and effective from 1st March 2019.

During the previous year, Pakistan exported 200,000MT of white rice and 200,000MT of wheat to Indonesia. Recently, the Ministry of Commerce has managed to get special permission from Indonesia to export mango for the upcoming season as well.

Traditionally, Indonesia has been one of the leading export destinations for Pakistani kinnow. In wake of these new tariff concessions, exporters of denim fabric, ethanol, towel, leather and home textile products are very excited and eager to exploit the potential of the Indonesian market.

Advisor to Prime Minister on Commerce Abdul Razak Dawood thanked the Indonesian government for understanding the negative impact of the PTA on Pakistan's trade and for addressing the issue accordingly. The advisor stated that Pakistan would review other FTAs/PTAs as well to make them more beneficial for the country.

<b>President announces stimulus package for textile industry</b>	<b>Business Ghana</b> <a href="https://www.businessghana.com/site/news/business/182430/President-announces-stimulus-package-for-textile-industry">https://www.businessghana.com/site/news/business/182430/President-announces-stimulus-package-for-textile-industry</a>
President Nana Addo Dankwa Akufo-Addo on Thursday announced a stimulus package to revamp Ghana's struggling textile industry.	

“Our local textile industry has been struggling for years, and many textile companies have, indeed, gone under. We have decided to give it a major stimulus to help put it on a strong footing,” President Akufo-Addo stated in his 2019 State of the Nation Address (SONA) to Parliament.

“The local textile industry has, therefore, been granted a zero-rated VAT (Value Added Tax) on the supply of locally-made textiles for a period of three years,” he said.

“We have put in place a tax stamp regime for both locally manufactured and imported textiles to address the challenge of pirated designs and logos in the textile trade.”

President Akufo-Addo said the Tema Port had been designated as a Single-Entry Corridor for the importation of textile prints, with a textile taskforce in place to ensure effective compliance, and reduce, if not eliminate, smuggling of imported textiles.

He said a new textile import management system had been instituted, to also control imports of textiles.

He said the “One-District-One-Factory” policy had taken off, and 79 factories under the scheme were at various stages of operation or construction; adding that, another 35 were going through credit appraisal.

“All told, there is a lot of activity going on under the scheme, and it has awoken the interest of young people to go into manufacturing business,” he said.

President Akufo-Addo said under the Rural Enterprises Programme, funded by the African Development Bank and the International Fund for Agricultural Development, 50 small-scale processing factories would be established by the end of the year in 50 districts across the country, particularly in areas where there was evidence of significant post-harvest losses.

He said these would be owned and managed by organised youth groups, with technical support from the Ministry of Trade and Industry.

**First update on 2025 Sustainable Cotton Challenge**

**Innovation Textiles.com**

<https://www.innovationintextiles.com/testing-standards/first-update-on-2025-sustainable-cotton-challenge/>

Textile Exchange has released the first annual report on the 2025 Sustainable Cotton Challenge. The challenge serves as a cornerstone for change in the apparel and textiles industry by encouraging brands and retailers to commit to source 100% of their cotton from the most sustainable sources by the year 2025. The Challenge was formed in 2017 when His Royal Highness The Prince of Wales convened a group of CEOs through the work of his International Sustainability Unit that existed to address critical challenges facing the world.

Those original 13 CEOs committed to work together to accelerate the use of sustainable cotton, which paved the way for other industry leaders to follow – resulting in 39 companies now committed to sourcing 100% sustainable cotton by 2025.

At the time of its inception, the 2025 Sustainable Cotton Challenge was known as the *Sustainable Cotton*

*Communiqué* and its purpose was, and still is, to increase the uptake of organic and preferred cotton, therefore increasing the income of smallholder farmers, eliminating highly hazardous pesticides, eliminating or reducing the amount of pesticides and synthetic fertilizer used, reducing water use and improving water quality and soil health, which includes positive carbon impacts as a result of more sustainable practices.

“There is growing recognition of the enormous social and environmental impact of the global fashion industry. The 2025 Sustainable Cotton Challenge shows how by working collaboratively the sector can scale rapidly solutions that are good for farmers, the environment and consumers alike,” said Mike Barry, Director of Sustainable Business at M&S.

Today, 19% of the world’s cotton is more sustainable. By 2025, it is the vision of this Challenge that more than 50% of the world’s cotton is converted to more sustainable growing methods.

### Key findings

Of the 39,2025 Sustainable Cotton Challenge signatories, 30 participated in the 2018 Preferred Fibre and Materials Benchmark program to report on their progress towards their goal of 100% cotton being sourced from the approved initiatives by 2025:

10% of 2025 Sustainable Cotton Challenge signatories have achieved their 2025 target of 100% preferred cotton usage, all of which are organic

37% have achieved a preferred cotton share of between 75-99%

23% have achieved a preferred cotton share of between 50-74%

7% have achieved a preferred cotton share of between 25-49%

17% have achieved a preferred cotton share of less than 24%

6% of cotton is not tracked yet

From the niche to a market share of 19%, preferred cotton is gaining ground

“The tide is turning on traditional supply chains, with demands for greater transparency generating a change from transactional relationships to transformational partnerships,” said Alison Ward, CEO for CottonConnect.

In order for sustainable cotton to become standard business practice, the amount of sustainable cotton grown and bought must increase significantly. The 2025 Sustainable Cotton Challenge pledge sends a signal to millions of producers that there is a real demand for a more sustainable approach to cotton production that reduces the environmental and social costs.

“Greater transparency across the supply chain and stronger, more strategic relationships between supply chain partners will be critical to the muchneeded widespread adoption of sustainable farming practices around the world,”

said Liza Schillo, Manager of Global Product Sustainability at Levi Strauss & Co.

## Initiatives

Brands and retailers joining the challenge and committing to source more sustainable cotton, can choose from sources that are included on Textile Exchange's list of recognised organic and sustainable cotton initiatives.

These initiatives include: ABRAPA; BASF e3; Better Cotton Initiative (BCI); Cleaner Cotton; Cotton made in Africa (CmiA); Fairtrade; Fairtrade Organic; Field to Market; ISCC; myBMP; Organic; Recycled cotton (that is certified to an independently verifiable standard such as the Global Recycled Standard (GRS) or the Recycled Claim Standard (RCS)); REEL Cotton; Regenerative Cotton; and Transitional Cotton.

### Mexico mulls measures to support steel, textile industries

Reuters

<https://www.reuters.com/article/mexico-steel/mexico-mulls-measures-to-support-steel-textile-industries-idUSL1N20I00A>

Mexico's government on Friday signaled it could adopt measures to protect its steel and textile industries as President Andres Manuel Lopez Obrador said producers had been left "defenseless" by previous administrations.

At the end of January, the government opted not to renew a 15 percent tariff on steel imports from 2015 that protected Mexico's steel industry from rising Asian imports, especially from China. The government also allowed tariffs to come down for imports of textile and footwear products from countries with which Mexico has no trade agreements.

However, Lopez Obrador hinted at a U-turn on those moves.

"It's being reviewed," Lopez Obrador told a regular news conference when asked if he would take any protective measures or support fiscal incentives for the industries following the expiration of the previous safeguards.

"We don't agree with what was done in the neo-liberal period, which saw an indiscriminate opening without limits and left domestic producers defenseless," he said. "We'll review this case, always thinking about protecting national industry." Lopez Obrador characterizes the administrations that ruled Mexico from the early 1980s onwards as "neo-liberal."

Mexico's steel industry has been pushing for government support since the administration of U.S. President Donald Trump slapped tariffs on imports at the end of May. Representatives from industry drew encouragement from the president's words on Friday.

"We greatly welcome what Mr. Lopez Obrador says because it gives us hope that tariffs could return to previous levels," Alejandro Gomez, executive chairman of the national footwear industry association, told reporters in the state of Guanajuato. Separately, the Mexican economy ministry said in a statement on Twitter the government was reviewing "alternative measures" to support the industries following meetings with representatives from the steel, textile and footwear sectors. (Reporting by Sharay Angulo; Editing by Leslie Adler)