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NEWS CLIPPINGS –25-02-2019

PM rolls out Rs. 75,000-cr income support scheme for farmers	Business Line https://www.thehindubusinessline.com/todays-paper/article26360797.ece

Prime Minister Narendra Modi on Sunday launched the ambitious Rs. 75,000-crore Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) in Gorakhpur, Uttar Pradesh, digitally transferring the first instalment of Rs. 2,000 each to the accounts of over one crore small and marginal farmers.

“I am told that a total of Rs. 2,021 crore has been transferred to the accounts of farmers across the country. The money has already been transferred to as many as 1.01 crore accounts already,” Modi said at a public meeting attended by a large number of farmers in Gorakhapur.

As many as 12 crore farmers who have less than 2 hectares of land each will be the beneficiaries. The scheme was announced in the Interim Budget on February 1.

Over 1 crore farmers get first instalment under PM-Kisa	Business Line https://www.thehindubusinessline.com/todays-paper/tp-news/article26360809.ece

Modi rolls out the support scheme from UP to give small farmers Rs. 6,000/year

Prime Minister Narendra Modi on Sunday launched the ambitious Rs. 75,000-crore PM Kisan Samman Nidhi Yojana (PM-Kisan) in Gorakhpur in Uttar Pradesh by digitally transferring the first instalment of Rs. 2,000 to the accounts of over 1 crore small and marginal farmers.

“I am told that a total of Rs. 2,021 crore has been transferred to the accounts of farmers from different parts of the country. The money has already been transferred to as many as 1.01 crore accounts already,” Modi said while addressing a public meeting attended by a large number of farmers in Gorakhpur.

Those farmers who haven’t received the first instalment of Rs. 2,000 already will receive it over the next few weeks, he said in the presence of a number of dignitaries, including Uttar Pradesh Chief Minister Yogi Adityanath. Farmers from 21 States and Union territories will benefit from the PM-Kisan scheme. As many as 12 crore farmers who have less than 2 hectares of land will get the support..

“This is just a beginning. The government from now on will transfer a total of Rs. 75,000 crore to their accounts every year under the PM Kisan scheme,” the Prime Minister said.

The scheme was announced in the interim budget presented by stand-in Finance Minister Piyush Goyal on February 1. Beginning with December 2018, farmers would receive a total of Rs. 6,000 in three equal instalments, annually. It is expected to supplement the financial needs of the farmers in procuring various inputs to ensure proper crop health and appropriate yields.

The Prime Minister also launched of a number of development projects in health, road, rail and employment with a total budget of Rs. 10,000 crore for eastern Uttar Pradesh region, where Gorakhpur is located.

Ready to allow 50% MSP for farmers: govt	**The Hindu** https://www.thehindu.com/todays-paper/tp-national/tp-newdelhi/ready-to-allow-50-msp-for-farmers-govt/article26360294.ece

The Delhi government on Sunday said it has conceptualised the implementation of recommendations of Swaminathan Committee on farmers and was ready to allow 50% higher minimum support price (MSP) for farmers.

The government said it has proposed a scheme — Mukhya Mantri Kisan Mitra Yojna — for the benefit of farmers of Delhi according to the recommendation of the report that reads: "MSP should be at least 50% more than the weighted average cost of production."

The government said Development Minister Gopal Rai has discussed the modalities of Delhi MSP implementation with the farmers, tenant farmers as well as wheat and paddy traders. After taking suggestions, the MSP for Delhi in respect of wheat and paddy have been decided in view of the higher production cost here as compared to other States.

Mr. Rai has directed the Development Department to prepare a note to be put up before the Cabinet so that the new scheme for the welfare of farmers can be implemented, the government said.

De-stress India's thermal projects would need supply of 125 million tonne of coal, a challenge in today's scenario	**Financial Express** https://www.financialexpress.com/economy/de-stress-indias-thermal-projects-would-need-supply-of-125-million-tonne-of-coal-a-challenge-in-todays-scenario/1497324/

Amidst moves to revive stressed thermal assets of 45,000-MW capacity, what has slipped under the radar is the need for coal linkages if the projects are to be made viable. For, it is estimated that, operating at 70% PLF, these plants would annually require in excess of 125 million tonne of coal, with a possible reliance on imports increasing costs and threatening project viability.

The original plan mandated such producers developing captive greenfield mines to meet their coal needs. However, it would now be difficult for the stressed assets to mobilise capital to restart projects and develop coal mines at the same time. "If a resolution for the sector has to be achieved, then a collective solution for fuel supply is needed. This could entail tasking an independent coal company to finance, develop and supply coal at notified rates to all stressed thermal assets," says Kameswara Rao, Partner, GRID at PwC India.

With more than Rs 1 lakh crore of debt stuck in stressed thermal plants, their lenders have been trying to protect the value of the assets through resolution outside the bankruptcy courts. In the wake of an RBI order which had threatened to push all stressed power companies to the National Company Law Tribunal (NCLT), 34 power producers with a cumulative 40,000-MW capacity moved in November the Supreme Court, which offered them relief.

A Crisil report has said that “a 40-60% haircut, along with financial safeguards, can resolve as much as Rs 1 lakh crore of debt stuck in coal-based power projects.” Jaiprakash Associates’ Prayagraj Power plant became the first of the nearly dozen stressed projects to be resolved outside the bankruptcy law after Resurgent Power acquired a 75% stake in the company. In October, the apex court allowed three power projects run by Adani Power, Tata Power and Essar Power to renegotiate their power purchase agreements (PPAs) to reflect the higher cost of imported coal.

Somesh Kumar, Partner and Leader-Power & Utilities at E&Y, says, “the existence of guidelines to ensure offtake of power by state discoms, and coal linkages in the form of mine allocation or e-auctions could make the revival of stressed assets smoother.” PwC’s Rao stresses that most stressed projects are inland and closer to mines. “The transportation cost itself would make it prohibitive to undertake imports. At best, a limited percentage could be used in a blend.”

As it is, oversupply in the market means these projects would find it difficult to run at above 30-40% PLF range. “Unless industrial and commercial demand improves, the stressed plants would take at least 3-4 years to take their utilisation levels beyond 40%,” says Rupesh Sankhe, a senior analyst with Reliance Securities.

At the same time, thermal power would continue to be critical for India’s needs. Commenting on the growing preference for renewable energy, Prashant Khankhoje, director Global Energy, says, “while all recent renewable tenders have discovered tariffs below the Rs 3/kWh level, we need to wait for such projects to get operational before the last word is said on them. For one, the quality of equipment they have used owing to cut-throat competition remains a grey area. For another, grid penetration and balancing would be challenging given that renewable power is not available round the clock.”

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.

How India and Vietnam can increase bilateral trade	**Business Standard** https://www.business-standard.com/article/news-ani/how-india-and-vietnam-can-increase-bilateral-trade-119022500121_1.html

Singapore, Feb 25 (ANI): Vietnam is India's fourth largest trading partner in Association of South East Asian Nations (ASEAN)- the first three being Singapore, Indonesia and Malaysia. The India-Vietnam trade has been consistently growing- clocking double-digit rates. It has grown almost 80 per cent over the last five years.

India is among Vietnam's top ten trading partners.

Data from the Indian Department of Commerce shows that trade between India and Vietnam grew 11.5 per cent to USD 14.2 billion in 2018 compared with a year ago. The two countries targeted bilateral trade to hit USD 20 billion by 2020 in 2015. This now seems a little bit of a stretch considering the compounded annual rate of growth since 2013 was 12 per cent and for this to happen, it will have to grow at around 19 per cent per year in the next two years.

It should not be a surprise that Vietnam and India currently enjoy strong diplomatic and trade relations. The strong ties date as far back as to the cold war days of the 1950s. India not only supported Vietnam's independence from France, it also objected to the US involvement in Vietnam in the 1960s and was one of the first countries to recognise a united Vietnam in 1975 after the war with the US.

Today, India sees Vietnam as a pivotal state in its "Act East" policy, the same way that China sees Pakistan as a strategic counter-balance to India. Vietnam and India share the same apprehension of China's growing power and influence in the region. To this effect, India is leveraging Vietnam and other ASEAN states to protect its interest in the resource-rich South China Sea which China has been aggressively growing its assertiveness. This is reflected in its build-up of weapons systems on the artificial islands it has constructed in the area.

It is with this background of common security interests that bilateral trade between the two states have strengthened in recent years.

The partners established extensive economic ties since 1992, starting with cooperation in oil exploration, agriculture and manufacturing. Trade took a giant leap forward after both nations liberalised their economies and Vietnam following up by backing India for a more prominent role in ASEAN.

Today, Vietnam's main exports to India include electronics and electrical products, textiles, handicrafts, cashew nuts, coffee, tea, mate, spices, canned food, building material, pharmaceutical products, precious metals, copper and rubber.

In return, India top exports to Vietnam are agriculture and farm products, meats and seafood, cotton and pharmaceutical products.

In terms of investments in each other countries, India is the 26th ranked investor in Vietnam with almost 210 projects worth around USD 880 million. These projects are in telecommunications, information technology, energy, mining, pharmaceuticals and electrical appliances. Vietnam's direct investments in India is negligible.

That there is interest in improving trade between the countries at a faster clip is not in doubt.

Vietnam had a strong presence in last week's ASEAN-India expo in New Delhi. The event is co-organised by the Indian Ministry of Commerce and Industry, the Federation of Indian Chambers of Commerce and Industry, and the ASEAN-India Business Council. More than 20 Vietnamese firms representing industries as diverse as farm produce, transportation services, tourism to handicrafts were present.

How can India and Vietnam work towards meeting the 2020 target?

Tourism could very well be the "low hanging fruit". There is a mutual visa-on-arrival programmes already in place for each other's citizens. Increasing the number of flights as well as joint promotion of each other's destinations would go a long way towards enticing the growing middle class in both countries to visit.

Secondly, both countries have significant pharmaceutical industries and cooperation in this field would improve efficiencies and enhance the industry's growth in both countries.

In the longer term, Vietnam can increase its investments in India by taking advantage of the Indian government's loosening up of foreign direct investment (FDI) quota for foods and beverage sector as well as the 100 per cent allowance of FDI in the in e-commerce and foods manufacturing industries.

Increasing trade between India and Vietnam is not without challenges. There is a significant cultural, custom and language gap between people from both countries. Furthermore, the two countries are geographically far apart with flight time between most major cities around seven hours. This not only affects tourism but also impacts the import and export of goods and business exchanges.

Can Bangladesh beat India in development race? Here's what economists say	Business Standard https://www.business-standard.com/article/economy-policy/can-bangladesh-beat-india-in-development-race-here-s-what-economists-say-119022500086_1.html

There's an old theory that as an organism develops, it progresses through the same evolutionary stages travelled by its ancestors. Traditionally, economic development has worked in a similar way. When a country first shifts from agrarian poverty to industrialization, it tends to start out in light manufacturing, especially textiles. Later it masters more complex manufactured products, and finally, it progresses to inventing its own cutting-edge technology. Thus, each country's development tends to look a bit that of nations that already went through the process.

That certainly seems to describe the experience of South Korea and Taiwan, which reached developed-country status relatively recently. It's also the path being followed by China. As these countries got richer and their wages rose, low-tech labour-intensive manufacturing industries tended to migrate to countries with cheaper workers.

Recently, one of the biggest beneficiaries of this process has been Bangladesh. The garment industry accounts for more than 80 per cent of the South Asian nation's export revenue, and about a fifth of its gross domestic product. In 2017, Bangladesh was the world's second-largest apparel supplier after China, with 6.5 per cent of the market, outpacing neighbouring India despite the latter's much larger economy.

This economic development path has no doubt come at a real human and social cost -- Bangladesh's workers suffer harsh working conditions and many industrial accidents, including a horrific factory collapse in 2013 that killed more than a thousand people. But overall, the tried-and-true industrialization strategy seems to be working. Real GDP per capita has doubled since the turn of the century, and Bangladesh appears to be on a similar exponential growth path as its neighbour India:

India, meanwhile, has generally underperformed in manufacturing. The country does have a few bright spots -- for example, it's now the world's sixth-biggest auto manufacturer, with an immense factory cluster in Gujarat, and has been increasing its production of smartphones. But overall, manufacturing has declined as a share of the economy:

This isn't to say that India's leaders have ignored manufacturing -- indeed, they have long called for a big effort to industrialize. Prime Minister Narendra Modi has courted foreign manufacturers, but so far the effect has been limited. Most observers agree that a lack of infrastructure and an excess of regulatory red tape are the reason India remains a difficult place to make things.

Despite its struggles in manufacturing, however, India is growing rapidly -- even faster than Bangladesh, in most years. The reason has been growth in service industries. India's famous outsourcing companies are just the tip of the iceberg -- software, finance, online services, tourism, logistics, media, health care, and other services have been the biggest driver of India's impressive growth. Some have suggested that India has discovered a development model that could leapfrog manufacturing entirely, going straight from agrarian poverty to a post-industrial economy. Others are more skeptical.

This all leads to a very important question. Will Bangladesh, with its traditional approach to growth, catch up and overtake India? Or has India stumbled upon a new development model that cuts out the need for a country to do a stint as the workshop of the world?

This is a crucial question because as technology advances, there's a concern that the traditional path out of poverty might be closing. Automation is making textile manufacturing less labour-intensive. For one thing, that means that poor countries might no longer be able to create mass urban employment in the garment industry. But even more troubling, it might cause the industry to migrate back to rich countries like the US, where labour is expensive but capital is relatively cheap. Some of this reverse migration might already be happening.

In other words, the developing world is at risk of premature deindustrialization. If Bangladesh fails due to competition from rich-world robots, it will bode ill for countries such as Ethiopia that are looking to hop on the escalator to prosperity. That would leave India's service-centric development model as the only feasible path.

Some economists argue that automation hasn't closed off the traditional path, and that there is still plenty of work for industrious people in poor countries. Bangladesh, meanwhile, is scrambling to diversify into more valuable manufacturing industries such as autos and electronics.

So although the leaders of Bangladesh and India have similar goals, the difference in the country's development models is making for an interesting experiment.

Countries in Africa hoping to follow these two South Asian giants' growth trajectories should be watching keenly. If Bangladesh grows faster, it will suggest that manufacturing, starting with textiles, is still the ticket to industrialization; but if Bangladesh falters and India sustains its growth, it will imply that poor countries should look to services first.

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.

Govt releases draft e-commerce policy	**Business Line** https://www.thehindubusinessline.com/info-tech/govt-releases-draft-e-commerce-policy/article26351360.ece

It proposes conditions for data storage abroad

The government on Saturday released the draft national e-commerce policy proposing setting up a legal and technological framework for restrictions on cross-border data flow and also laid out conditions for businesses regarding collection or processing of sensitive data locally and storing it abroad.

The draft policy said the framework would be created to provide the basis for imposing restrictions on cross-border data flow from specified sources including data collected by IoT devices installed in public space, and data generated by users in India by various sources, including e-commerce platforms, social media, search engines.

The 42-page draft addresses six broad issues of the e-commerce ecosystem -- data, infrastructure development, e-commerce marketplaces, regulatory issues, stimulating domestic digital economy and export promotion through e-commerce.

Monetisation

“It is almost a cliche today that data is the new oil. Unlike in the case of oil, data flows freely across borders. It can be stored or processed abroad and the processor can appropriate all the value. Therefore, India’s data should be used for the country’s development and Indian citizens and companies should get the economic benefits from the monetisation of data,” the draft ‘National e-Commerce Policy - India’s Data for India’s Development’ said.

A business entity that collects or processes any sensitive data in India and stores it abroad, shall be required to adhere to the certain conditions, according to the policy draft. The conditions state that all such data stored abroad shall not be made available to other business entities outside India, for any purpose, even with the customer consent. Further, the data shall also not be made available to a third party for any purpose and it would also not be shared with a foreign government, without the prior permission of Indian authorities, the draft said.

“Suitable framework will be developed for sharing of community data that serves larger public interest (subject to addressing privacy-related issues) with start-ups and firms. The larger public interest or public good is an evolving concept. The implementation of this shall be undertaken by a ‘data authority’ to be established for this purpose,” it added.

Online marketplaces

The policy laid out strategies to protect misuse of data while maintaining the spirit of existing regulations, it said adding that e-commerce warrants a framework which extends across segments, due to the cross-cutting nature of issues. On e-commerce marketplace businesses, it said the policy aims to invite and encourage foreign direct investment (FDI) in the marketplace model “alone”, which is being carried out by companies like Flipkart and Amazon.

“An e-commerce platform, in which foreign investment has been made, therefore, cannot exercise ownership or control over the inventory sold on its platform. In this manner, foreign investment is not seen as a threat by small offline retailers of multi-branded products,” it said. Online marketplaces should not adopt business models or strategies which are discriminatory and which favour one or few sellers/traders operating on their platforms over others, the draft clarifies. It enlists certain steps which has to be followed by all e-commerce websites/applications. Besides, all e-commerce sites/apps available for download in India must have a registered business entity in India as the importer on record or as the entity through which all sales in India are transacted.

Safety and security

“This is important for ensuring compliance with extant laws and regulations for preventing deceptive and fraudulent practices, protection of privacy, safety and security,” the draft, which has been floated for seeking public views, said. It has also suggested measure to contain sale of counterfeit products, prohibited items and pirated content. This is the second draft being prepared by the department for promotion of industry and internal (DPIIT) as several concerns were raised over the first draft of the department of commerce. On the regulatory regime of the sector, it said the governments are finding existing regulations and structures inadequate to deal with issues thrown up by the digital economy.

Existing statutes and laws, the draft said, need to evolve to take into account the changing ways of doing business and changing business models. On taxation related issues in the sector, the draft policy said the current practice of not imposing custom duties on electronic transmissions must be reviewed in the light of the changing digital economy and the increased role that additive manufacturing is expected to take. On export promotion through e-commerce, it said there is a need to incentivise and reduce administrative requirements for outbound shipments through this medium.

Digital economy

“The existing limit of Rs 25,000 shall be increased to make Indian e-commerce exports attractive even for high-value shipments through courier mode,” the draft said. It also stressed on developing physical infrastructure for a robust digital economy and suggested steps for developing capacity for data storage in India.

"An assessment needs to be done regarding how data-storage-ready the available infrastructure in the country. Creation of infrastructure for storage would take some time. A time-frame would be put in place for the transition to data storage within the country. A period of three years would be given to allow industry to adjust to the data storage requirement," it said.

'MSMEs contribute State's 50% GDP, 45% export's	**Daily Pioneer** https://www.dailypioneer.com/2019/state-editions/---msmes-contribute-state---s-50--gdp--45--exports---.html

As many as 3.67 lakh recorded MSMEs contribute towards 50 per cent of the GDP and 45 per cent exports of Odisha, informed MSME Additional Chief Secretary LN Gupta at a CII meeting at Jajpur on Sunday.

Gupta further informed that the State has 17 lakh farm and nonfarm enterprises, including trading business. He said the focus sectors in the State for MSMEs are food processing, chemicals and petrochemicals, textile, electronics, ancillary and downstream. He also proposed if there could a MSME park at Kalinganagar and every large industry support at least 10 MSMEs.

The conference, called 'Connect2Indutries' held by the CII North Odisha Zonal Councilat Jajpur focused on connecting MSMEs and startups to mega industries. The conference provided a platform for the MSMEs to interact and understand the requirements of the large industries.

Council Chairman SS Upadhyay mentioned that MSMEs are the backbone of a developing economy and they are the India's the biggest employer.

NINL VC and MD SS Mohanty stated that the Kalinganagar Industrial Complex, home to six large industries, is one of the largest Industrial complexes in the country. He opined that Kalinganar should be able to produce 30 per cent of steel produced in India.

VISA Steel director Manoj Kumar proposed a vote of thanks.

Procurement heads from the Tata Steel, VISA Steel, Balasore Alloys Ltd, Jindal Stainless Ltd and Neelachal Ispat Nigam Ltd gave their respective presentations and invited MSMES and start ups to explore opportunities with them.

US and China sprint to seal a deal ahead of Trump's deadline	**Business Live** https://www.businesslive.co.za/bd/world/americas/2019-02-24-us-and-china-sprint-to-seal-a-deal-ahead-of-trumps-deadline/

Washington — US and Chinese negotiators met for more than seven hours on Saturday to resolve their trade dispute and avoid an escalation of the tit-for-tat tariffs that have already disrupted global commerce, slowed the world economy and roiled financial markets.

The two sides met again on Sunday morning as they race to seal an agreement before a March 1 deadline imposed by

US President Donald Trump, who has threatened to dramatically hike tariffs on Chinese goods unless there is a deal.

Saturday marked the fifth consecutive day of the negotiations between the world's two biggest economies. Talks were extended through the weekend after both sides reported progress in narrowing their differences.

The Chinese delegation is scheduled to leave for Beijing on Monday, according to a person familiar with their itinerary.

This is the fourth round of negotiations since Washington and Beijing agreed to a ceasefire in their trade war.

Trump, who has embraced an "America First" policy aimed at rebalancing global trade in favour of the US, said on Friday there is "a very good chance" a deal will be struck, and that he is inclined to extend his March 1 tariff deadline and meet Chinese President Xi Jinping soon.

Extending the deadline would mean putting on hold a scheduled increase in tariffs to 25% from 10% on $200bn of Chinese imports into the US.

Currency issues

Trump and US Treasury secretary Steven Mnuchin said US and Chinese officials have reached an agreement on currency issues, but did not give details. US officials have long argued that China's yuan is undervalued, giving it a trade advantage and partly offsetting US tariffs.

China has also committed to buy an additional 10-million tons of US soya beans.

Reuters reported on Wednesday that both sides were drafting memorandums of understanding on cyber theft, intellectual property rights, services, agriculture and non-tariff barriers to trade, including subsidies.

On Friday Trump said he does not like memorandums of understanding because they are short term in nature and he wants a long-term deal.

An industry source briefed on the talks said both sides have narrowed their differences on intellectual property rights, market access and narrowing a nearly $400bn US trade deficit with China. But bigger differences remain on changes to China's treatment of state-owned enterprises, subsidies, forced technology transfers and cyber theft.

There is no agreement on the enforcement mechanism either. The US wants a strong mechanism to ensure the Chinese reform commitments are followed through, while Beijing insists upon what it calls a "fair and objective" process.

"Enforcement is a difficult puzzle," said the source, who requested anonymity to speak candidly about the talks. "You need objective arbitrators to make a decision."

It is not clear whether Saturday's talks managed to iron out those differences. Neither side shared the details of the day’s discussions.

Trump said the biggest decisions could be reached when he meets with Xi, probably in Florida in March, and that they may extend beyond trade to encompass Chinese telecommunications companies Huawei and ZTE.

UAE quickly emerging as a preferred investment destination	**Khaleejtimes** https://www.khaleejtimes.com/business/local/uae-quickly-emerging-as-a-preferred-investment-destination

Given how uncertain and volatile the global economic and political landscape currently is, with market uncertainty pervasive and investor confidence deteriorating, global private equity firms are on the lookout for stable, new markets where they can be certain not just of promising returns on investment but also an investor-friendly regime.

As a result, the UAE, with its pro-business environment, excellent infrastructure, relatively diversified economy and political stability, is quickly emerging as a preferred investment destination, renowned international investors Laurence Fink and Henry Kravis said at a panel discussion hosted at the Majlis Mohamed bin Zayed.

The discussion, entitled Adnoc as a catalyst for foreign direct investment: a global investment perspective, was held at Abu Dhabi's Al Bateen Palace on Sunday and was attended by Sheikh Hamed bin Zayed Al Nahyan, Chief of the Abu Dhabi Crown Prince Court, as well as other dignitaries.

Fink and Kravis' remarks were extremely topical considering that just hours earlier, their respective firms, BlackRock and Kohlberg Kravis Roberts & Company (KKR), had signed a landmark pipeline infrastructure investment agreement with Abu Dhabi National Oil Company (Adnoc).

The agreement is set to unlock $4 billion in value from Abu Dhabi's crude oil pipelines and marks the first infrastructure partnership between leading global institutional investors and a national oil company in the Middle East. It is certain to pave the way for further significant foreign direct investment (FDI) into Abu Dhabi and the UAE.

Kravis, co-founder, co-chairman and co-CEO of KKR, kicked off the panel discussion by saying he was delighted to take part in this discussion of Adnoc's "capital modernisation" agenda and the "vision for economic transformation" of His Highness Sheikh Mohamed bin Zayed, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces.

Kravis, who co-founded KKR in 1976 and is known as one of the pioneers of the private equity industry, said Sunday's landmark deal "sets an important precedent in the market that can demonstrate the potential for value-add foreign investment across UAE".

With approximately $200 billion in assets under its management, KKR invests capital across the world with the aim of being a partner in supporting economic development, growing companies and meeting the needs of its clients.

Fink, the founder, chairman and CEO of BlackRock, said it was "a privilege to be asked to be part of the Majlis", adding that "information exchanges such as this bring investors and countries together and create a closer community."

Fink is one of the most respected investors and business leaders in the world. He founded BlackRock in 1988 with seven partners, and under his leadership, the firm has grown into a global powerhouse in investment management. Today, BlackRock manages more money than any other investment firm in the world, with around $6 trillion in assets under management.

Kravis and Fink, whose firms are at the forefront of global infrastructure investing, went on to discuss global investment trends and opportunities for partnership in Abu Dhabi and the UAE and the importance of FDI in the country. FDI in the UAE has increased by 21 per cent between 2015 and 2017 to reach $10.4 billion. The United Kingdom, India and Saudi Arabia are the main investors in the country, with the bulk of the funds concentrated in the trade, real estate, energy, finance and insurance, manufacturing and construction sectors, the Majlis heard.

During the course of the discussion, Kravis and Fink covered key trends that affect the global and Middle East investment landscape. Drawing on their experience in investing across American, European, and Asian markets, the international investors discussed the potential for FDI and how their firms approach emerging foreign investment destinations like the UAE. The Majlis also heard why BlackRock and KKR decided to invest in UAE infrastructure assets, and why they feel it is becoming an increasingly attractive global investment destination.

Earlier in the day, Kravis and Fink joined Dr Sultan bin Ahmad Sultan Al Jaber, UAE Minister of State and Adnoc Group CEO, to sign a pioneering, multi-billion dollar investment partnership agreement between Adnoc, KKR and BlackRock. Under the terms of the innovative agreement, the investors will pay around $4 billion for a 23-year lease in the 18 pipelines that carry crude and condensate. Sovereignty of the infrastructure and the management of the pipeline operations will remain with Adnoc.

The partnership "paves the way for further significant foreign direct investment in the UAE", Dr Al Jaber said. "Adnoc has been undergoing a significant business transformation, underpinned by innovative partnerships and investments that are key to unlocking and maximising value across our full portfolio."

Following the wise guidance of the UAE leadership, Adnoc has been transforming into a more commercially-focused and performance-driven organisation and has hit significant milestones regularly over the last three years. Today's deal with BlackRock and KKR represents the next major step in the delivery of this smart growth strategy, demonstrating its expanded partnership model and more proactive management of its assets and capital. The Abu Dhabi government-owned oil giant received an AA long-term credit rating, the region's highest, from Fitch Ratings last week.

Any option for home textiles exporters?	**Financial Express** http://thefinancialexpress.com.bd/editorial/any-option-for-home-textiles-exporters-1551025552

Export of home textiles from the country is facing difficulties and with the passage of time things are becoming increasingly difficult for the local manufacturers and exporters to ride out the crisis. The very fact that export of home textiles comprising mainly terry towels and bed sheets is in a bad shape is evidenced from the abundance of these products in street shops sold at throwaway prices. Bundles of terry towels have lodged on the shoulders of hawkers at busy road intersections of the capital and elsewhere instead of being packaged to be cotainerised for export to North America and the EU countries.

Home textiles include mainly terry towels, bed sheets, linen, curtains and pillow covers. Terry towel, the most important segment, is experiencing the shock most of all. Terry towel export declined 4.40 per cent year-on-year to $42.35 million in the last fiscal year, according to the Export Promotion Bureau data. The sector's growth started to witness a decline from January 2014, when the European Union (EU) allowed zero-duty benefit to Pakistan under its GSP-Plus scheme on export of home textiles and some other products. As a result, the impact is too severe for the local manufacturers and exporters. Around a dozen small and medium factories have reportedly been shut down. Currently, ninety factories are in operation and most are staying in business in the hope that they might find alternative markets elsewhere.

A relatively new item in the country's export basket, terry towel demonstrated great promise due mainly to the easier production process and market access made easy by the EU's EBA (Everything but Arms) scheme allowing duty free facility to all LDC exports, except arms. Coupled with it, there is the preferential duty facility under the EU GSP scheme meant only for LDCs like Bangladesh. The scheme has been revised a few years ago and dubbed GSP-plus with a major shift in its eligibility criterion. The GSP-plus scheme is an extension of the GSP system, in that it includes developing countries also as eligible to avail the benefits of preferential duty -- provided they have proved their commitment to sustainable development and good governance. Most duty rates are 'zero' under this scheme. So, it is clearly the erosion of competitive advantage that Bangladesh has been enjoying as an LDC for so long. Extension of the facility to exporters of developing countries like Pakistan and Sri Lanka, among others, has exposed Bangladeshi exporters to fierce competition from these countries, especially Pakistan which as a traditional home textile producing country is now in a more advantageous position to increase its products-particularly terry towels.

There is apparently no option but to be increasingly competitive for the Bangladeshi terry towel producers to stay in business. Sector insiders are of the opinion that facilitation in respect of cotton procurement might lower the present production cost. Also, exploring the market segments in overseas markets could result in finding better avenues for export. The government in consultation with the sector people may consider taking some facilitating steps as well.

AFGHANISTAN BEGINS EXPORT TO INDIA THROUGH IRAN'S CHABAHAR PORT	**News on Air** http://www.newsonair.com/News?title=Afghanistan-begins-export-to-India-through-Iran%E2%80%99s-Chabahar-port&id=360197

Afghanistan has begun exports to India through Iran's Chabahar port, as the landlocked country turns to overseas markets to improve its economy.

At the inauguration of the new export route on Sunday in Zaranj city in western Nimroz province, President Ashraf Ghani said Chabahar port is the result of healthy cooperation between India, Iran and Afghanistan.

He said, with the opening of the Chabahar route, Afghanistan's exports will increase to two billion dollar from the current one billion dollar in the next year.

Speaking at the ceremony, Indian ambassador Vinay Kumar said Afghanistan's exports to India have increased by 40 percent after the launch of air corridor between Kabul and New Delhi.

Officials said 23 trucks carrying 57 tonnes of dried fruits, textiles, carpets and mineral products were dispatched from Zaranj to Chabahar port to be shipped to Mumbai.

The Iranian port provides easy access to the sea to Afghanistan and India has helped developed this route to allow both countries to engage in trade bypassing Pakistan.