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NEWS CLIPPINGS –20-03-2019

India keen to host WTO mini ministerial	Economic Times https://economictimes.indiatimes.com/news/economy/foreign-trade/india-keen-to-host-wto-mini-ministerial/articleshow/68488549.cms

India has proposed to host an informal gathering of ministers of the members of World Trade Organization (WTO) in May to discuss the interests of least developed countries and developing countries in global trade rules amid the US accusing emerging economies of benefitting from exemptions meant for poor nations.

India, which hosted a similar meeting last year, has already teamed up with China, South Africa and Venezuela to counter the US allegations and highlighted the glaring asymmetries through which the US has benefited.

"At last year's mini ministerial, we had portrayed our right to market access globally. We have proposed to organise another ministerial in Delhi in May to ensure to take this idea forward," said commerce and industry minister Suresh Prabhu at the CII- EXIM Bank Conclave on India Africa Project Partnership.

India had organised the informal gathering last year in the wake of talks collapsing at the Buenos Aires ministerial conference in December 2017. This year's mini-ministerial meeting comes as developing countries fight to safeguard their eligibility to get Special and Differential Treatment (S&DT) at the WTO.

WTO allows special provisions for developing countries called S&DT, such as longer time periods to implement agreements and commitments, measures to increase trading opportunities, provisions to safeguard their trade interests and support to build capacity to handle disputes and implement technical standards.

Emphasising that certain countries have "immensely benefited" from Africa and India opening up their markets to global commerce, Prabhu said: "We allowed them to use our populations as markets. Now when we can benefit from it, some countries are raising issues on the importance of global trade."

The mini ministerial meet is being planned even as New Delhi is in the process of finalising a proposal to reform the multilateral trade watchdog that is rendered unproductive with the US blocking the appointment of judges for more than two years.

New Delhi has sought amendment of laws on unilateral action by members on trade issues and resolution of the WTO's dispute settlement system. The proposal also seeks to revive talks to strengthen global norms to protect traditional knowledge from reckless patenting by corporates through commercial exploitation of natural products by obtaining patents without fairly compensating the communities from which these originate -- an activity that has harmed India and Africa equally.

Cotton and Currency Markets	Kotak Commodities Research Desk For more details contact : Research@kotakcommodities.com & aurobinda.gayan@kotakcommodities.com

A. Cotton		
Spot price- Shankar-6 (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
20813	43500	80.17
Domestic Futures price (Ex-Warehouse Rajkot) March		
Rs/Bale	Rs/Candy	USD Cent/lb
21170	44245	81.55
International Futures		
NY ICE USD Cents/lb. (May 2019)		75.65
ZCE Cotton: Yuan/MT (May 2019)		15265
ZCE Cotton: USD Cents/lb.		103.16
Basis difference (ICE March -Domestic Spot)		4.52
Cotlook A Index - Physical		84.15
WTI Crude USD / Barrel		59.29
B. Currency		
USD/INR	Close	Previous Close
Spot	69.13	68.96
USD Dollar Index	96.41	

Cotton Guide

ICE cotton futures edge slightly higher. The most active ICE May contract settled at 75.65 with a change of +38. But the important fact to notice is that the ICE May contract breached the 76 mark and hit a high of 76.35 cents/lb. A further breach of 76.50 can even mean that the prices can soon approach 77 cents/lb. The ICE July and the ICE October contracts settled at 76.72 cents/lb and 75.42 cents lb with a change of +31 and +20 points respectively. The total volumes were up by around 25% at 33362 contracts as compared to the previous 25,043 contracts. A rise in volumes was seen for the ICE May contract at 18301 contracts as compared to 13716 of the previous day. The open Interest increased by 961 contracts to 221,972 contracts. May 2019 interest decreased by 242 contracts to 107,074 contracts.

The MCX contracts on the other headed the opposite direction (as compared to ICE) yesterday. The MCX March contract settled at 21,170 Rs/Bale with a change figure of -120 Rs. The MCX April and MCX May contracts settled at 21,480 and 21,740 Rs/Bale at -100 and -80. This can be noted as a minor correction. However, despite the fact the prices were low yesterday, the market sentiments still seem to be bullish. However for this week, with the festival of Holi approaching coupled with a long weekend, we expect domestic markets to be subdued a little showing consolidation with a bias towards the positive.

The arrival figures are estimated to be at 104,500 lint equivalent bales (source cotlook) which includes 33000 registered in Gujarat, 32000 in Maharashtra and 13000 in Andhra Pradesh. The prices of Shankar 6 are at around 43,500 Rs/Candy. Cotlook Index A has been adjusted towards the downside at 84.15 cents/lb with a change of -0.20.

With respect to the US China trade tensions, the meeting between the two Presidents has been pushed back to June.

They are most likely to meet in Osaka Japan for the G20 Summit.

ICE Cotton May future moved higher after breaching the higher end of the consolidation phase 74-76.14. In the daily charts price moved out of the downward sloping channel with formation of a pennant, suggesting price to trade firm. Meanwhile above 76.14, crucial resistance exists around 76.91 (50% Fibonacci retracement level), a close above the range would bring renewed buying interest in cotton futures. More over a positive cross over in short term EMA above the long term EMA, accompanied by positive divergence in RSI. On the downside, below 71.80 crucial support exists around 70.80. So for the day price is expected to remain in the range of 74.60- 76.14 with side ways to positive bias. In the domestic market MCX Cotton Mar is likely to consolidate in the range of 21050-21450 with positive bias.

Currency Guide

Indian rupee may note some decline against the US dollar. Indian rupee depreciated by 0.6% yesterday as recent rally to August 2018 highs resulted in some profit taking. We are also seeing some positioning ahead of FOMC decision today. Rupee and other emerging currencies have risen in last few days amid expectations that Fed may maintain dovish stance. A decision is due today at 2330 IST. Amid other factors, rupee's recent rise came to a halt also as equity market rally stalled amid US-China trade uncertainty and Brexit concerns. Concerns about US-China trade deal rose amid reports that some US negotiators are concerned that China is pushing back against American demands in trade talks. Britain is struggling to get a Brexit deal approved and we are now looking at possibility of a long extension, a situation which will open up possibility for various outcomes thereby keeping uncertainty high. Higher crude oil price is also challenging rupee's gain. Brent crude has tested 4-month high amid supply tightness concerns and China's growth stimulating measures. The recent gains in rupee and other emerging market currencies has also fueled concerns that central banks may take measures to stall the gains. Rupee has rallied sharply in last few days and we are now seeing some signs of correction which could continue if equity markets come under pressure. USDINR may trade in a range of 68.65-69.25 and bias may be on the upside.

India Not a First Tier Country, Says UK Minister on Post-Brexit Trade Agreement	**News 18.com** https://www.news18.com/news/india/india-not-a-first-tier-country-says-uk-minister-on-post-brexit-trade-agreement-2072321.html

UK Foreign Office Minister Mark Field flagged some high-value trade disputes involving British companies in India as a warning sign on the road ahead.

The UK government admitted on Tuesday that India is not the first tier country for post-Brexit free trade agreement (FTA) and a lot more work would be required before Britain can start negotiating such a deal with India.

In his submission to the ongoing Global Britain and India' inquiry being conducted on post-Brexit India-UK ties by the House of Commons Foreign Affairs Committee (FAC), UK Foreign Office Minister Mark Field flagged some high-value trade disputes involving British companies in India as a warning sign on the road ahead.

It isn't that, India isn't important, it's just that India isn't in that first tier," said Field, as he addressed questions from cross-party MPs on the influential parliamentary committee.

"It is fair to say not all British companies have found it entirely easy to operate in India. There have been a number of high-value trade disputes that have required international arbitration. And, that has been a slight sense of a warning sign," he said, when asked to elaborate on the stumbling blocks to an FTA.

Field, who is in charge of Asia in the UK's Foreign and Commonwealth Office (FCO), said that difficulties remain despite the "positive step" of India's 53-rank rise in the Ease of Doing Business rankings.

"There is in no a de-prioritisation of the Indian issue, there are other FTAs which will probably be easier and smoother to manage, not least because they have reached the end of an EU FTA, or other countries like Australia and New Zealand, which are very much on the front foot to doing FTAs quickly," he noted.

In reference to the importance attached by India to the issue of visas and immigration in relation to any post-Brexit trade agreement, the minister claimed that the UK had a good story to tell on visas with some of the largest number of skilled professionals coming from India.

I think there is a better news story than sometimes meets the eye. There is often a bit of a lag between the perception and reality of what is going on. But if it [visas] is being ranked overwhelmingly at No. 1 [as a trade hurdle] by our counterparts, then we do have to take it seriously, he said.

Field was joined at the session on Tuesday by Fergus Auld, Head of South Asia Department and India Coordinator at the FCO, who made a reference to the lengthy FTA negotiations between India and the European Union (EU) as a learning curve for future India-UK trade ties.

He said: "With India, the Department of International Trade (DIT) is looking first at how to address other barriers to bilateral trade that would help build towards a future trade relationship rather than going straight for an FTA.

"One experience that we have drawn is the lengthy negotiations between the EU and India on an FTA have not yet concluded."

The Global Britain and India' inquiry was launched by the FAC in July last year as part of a wider Global Britain series in the context of Brexit. It has been collating written and oral submissions from stakeholders on both sides to establish what more needs to be done to strengthen trade ties with India as the UK prepares to leave the EU, which will be compiled into a set of recommendations for the government later this year

Trade liberalisation, but on our terms	**Business Line** https://www.thehindubusinessline.com/opinion/trade-liberalisation-but-on-our-termsep/article26582221.ece

Tariff rate quotas can work as deal-makers in global trade talks, by balancing the interests of local producers and consumers

India has a whopping $104-billion trade deficit with the 16-member Regional Comprehensive Economic Partnership (RCEP) grouping, which was 64 per cent of India’s total trade deficit of 2017-18.

No wonder, there is a raging debate on opening up a very significant portion of the market, given the sensitivities around agriculture- and labour-intensive domestic industries. Several other trade agreements are also in various stages of negotiations.

Long-term, back-ending of tariffs or spreading tariff eliminations over a longer period of time has been our palladium of trade negotiations in the past. However, it need not continue to be so for all lines in which concessions are eliminated. The introduction of Tariff-rate quotas (TRQs) can be a more germane transitional tool; providing a degree of safeguard to the future demand growth in a rapidly expanding market. This is particularly useful while negotiating with countries which have saturated markets.

A TRQ is a mechanism that allows a set quantity of specific products to be imported at a low or zero rate of duty. TRQs are established under trade agreements between countries. They do not function as an absolute limit on the quantity of product that may be imported. The “TRQ commitment” does not apply any limits on the quantity *per* *se* of import of a product, but applies a higher rate of duty for that specific product once imports up to the "TRQ commitment" have been reached.

For example, the US cotton tariff quota protects US cotton growers while allowing textiles manufactures to import some cheaper cotton also. The quota component works together with a specified tariff level to provide the desired degree of import protection. Essentially, a TRQ is a two-tiered tariff instrument. Imports entering within the quota portion of a TRQ are subject to a lower tariff rate called the tariff quota rate or TRQ rate. The later imports that are unable to make it to the quota's quantitative threshold face a much higher tariff rate, which is normally the MFN tariff.

(MFN tariffs are what countries promise to impose uniformly on imports from other members of the WTO.) In other words, TRQ is a limit on the quantity eligible for lower or zero duty.

The use of this instrument is globally quite prevalent. It is estimated that as many as 1,200 TRQs are operated each year by WTO members including EU, Japan, Canada and the US. This ensures that limited volumes of these sensitive products can enter their market at a low tariff, whereas the tariff outside the TRQ quantity is kept high to offer a degree of protection to the domestic producers.

Why TRQs

TRQs protect domestic producers from having to face competition from large quantities of imports. They also allow consumers and producers in the importing country to get enjoy a benefit, albeit a limited one, of lower priced products.

Tariff quotas are used on a wide range of products. Most are in the agriculture sector: cereals, meat, fruit and vegetables, and dairy products are the most common. Sugar is protected in most producing countries with tariff quotas.

TRQs have now become a way of reaching a consensus with trading partners. The EU-Japan bilateral deal was finally unblocked with a TRQ for cheeses including mozzarella, Brie, Camembert and feta. As for the proposed EU-Mercosur deal, EU TRQs for beef and ethanol are the main event as far as Brazil and Argentina are concerned, though they represent a fraction of total EU consumption.

TRQs face their share of criticism. Trade liberalisation proponents argue that while TRQs allow imports, they do so in an inefficient manner. Yet,TRQs now appear to be a permanent fixture of global trade.

The reason is not far to see. On the one hand, TRQs are used as sweeteners to help reach a consensus in trade negotiations, while on the other, TRQs help overcome traditional domestic opposition to trade deals — they are a trade-off between the broader interests of consumers and the degree of protection afforded to the competing domestic producers.

The challenge lies in addressing the concerns of domestic industry. If duties are zero, who will make in India? Does a reasonable duty wall bring in investments?

For example, global car majors invested in India on account of an import duty wall. A possible clue in addressing this concern lies in surveying the happenings in global trade, especially in regard to China.

The Chinese example

China has built its global leadership in trade on the strength of its investments. As per the recent Nomura report on Sino-US trade war, 43 per cent of China's exports are by foreign owned companies, bringing up the pertinacious need for inducing investments in manufacturing – more so today than ever before, as industries in China are relocating or diversifying their production base.

The TRQ administration system must not 'impair or nullify the market access commitments negotiated'. It should be transparent, minimising transactional costs for traders.

Historically, the quotas are allocated through a slew of processes. These are: *Auction*, where importers bid for shares or licences; *first-come, first-served*, where physical imports are charged in-quota tariffs until the quota is filled; *licence on demand* where allocation is made in relation to quantities demanded (first-come-first served with a sort of pro rata element); and finally, import by *state trading entities*.

Tariff arbitrage is an effective tool for inducing local manufacture or at least domestic value addition in the country.

It has been a basic tool in the country's Phased Manufacturing Programme policy. If we are to induce investments in manufacturing, then we need not be committed entirely to a zero tariff regime, however back ended.

A quantity linked tariff elimination could also be considered in the long run, keeping aside our future demand growth as an inducement for investments and expansion of domestic manufacturing.

The writer is an Additional Secretary in the Department of Commerce. The views expressed are personal

Letter to BS: America needs India's support for its own economic growth	**Business Standard** https://www.business-standard.com/article/opinion/letter-to-bs-america-needs-india-s-support-for-its-own-economic-growth-119031901202_1.html

This is with reference to "Winners and losers" (March 19). The termination of duty free benefits by the US on the import of goods from India does not call for a major panic. First, the US cannot afford to provoke India that is its major trading partner. Indian exports to the US is a small percentage of our overall export trade. The US, on the other hand, needs India to support their economic growth.

Second, the prevailing US laws exclude imposition of import duties for essential commodities like textiles, bags and apparels and as pointed out, only a few nominal ones actually get affected. Accordingly, preventing imports exceeding 50 per cent from any one country cannot be strictly applied to India. The US can at best roll over or delay the excess percentage of imports from India to the next financial year. It is only a technical necessity.

Third, Indian exports do not cover the entire gamut of economic requirements of the US for its import trade. Fourth, the Indian economy of the 21st century is far more advanced and modernised with its products to be globally competitive. Last but not the least, the US government has to buy the confidence of its Senate that has been highly critical of its government policies. The setback for India is at worst marginal, if not temporary.

External benchmark linked loans to save Rs 12,500 cr in interest costs	**Business Standard** https://www.business-standard.com/article/markets/external-benchmark-linked-loan-to-save-rs-12-500-cr-in-interest-costs-119031901041_1.html

Using external benchmarks to price loans will increase the susceptibility of the corporates' credit to the changes in rates emanating from monetary policy actions.

In the current downward interest rate cycle, the shift to repo rate based external benchmark could bring savings worth Rs 12,500 crore in interest expense to the Indian corporates in FY20, according to India Ratings.

However, in an upward interest rate cycle, the contraction in the interest cover could also be equally dramatic.

In the new paradigm of external benchmark driven rates, the transmission is likely to become more direct and therefore increase the market risk exposure of the Indian corporates. This is likely to necessitate corporates to put in place active treasury management practices to better manage their interest rate risks, it added.

The sectors such as construction, gems & jewellery, textile, chemicals and real estate, which are inherently working capital intensive, are likely to be more affected and profits could therefore be linked more closely to market and/or policy rates. But there are some sectors which are working capital intensive sectors yet may not be more vulnerable as borrowings are dollarized and hence are already liked to international benchmark. These sectors are oil and gas, and pharmaceutical with a large proportion of working capital borrowings.

At present only State Bank of India has announced shift in business practice and other banks are expected to follow the suit, although the external benchmark could vary.

The landed price for advances will be a function of the combination of interest rate as well as the processing fee, while the liability (deposits) pricing will mostly be linear. Consequently, in a falling interest rate scenario, short-term money market instruments will be relatively attractive for depositor than bank deposits with access to financial markets.This substitution effect could catalyse a drain on urban deposits during the falling interest rate regime.

US, China plan new rounds of trade talks for deal by end of April: WSJ	**Business Standard** https://www.business-standard.com/article/reuters/u-s-china-plan-new-trade-talks-for-deal-by-end-of-april-wsj-119031901333_1.html

Top US and China negotiators are planning new rounds of talks starting next week to end a trade dispute between the two nations, the Wall Street Journal reported on Tuesday.

US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin expect to fly to Beijing the week of March 25 to meet with Chinese Vice Premier Liu He, who will pay a return trip to Washington, D C the following week, the report said, citing Trump administration officials.

Talks between China and the United States are in the final stages, with a target date for a deal by the end of April, according to the report.

Washington and Beijing have slapped import duties on each other's products that have cost the world's two of the largest economies billions of dollars, roiled markets and disrupted manufacturing and supply chains.

Representatives of the US Treasury and Office the US Trade Representative could not be immediately reached for comment. The White House had no immediate comment.

Coal-based power tariff may see hike to boost renewables	**Financial Express** https://www.financialexpress.com/economy/coal-based-power-tariff-may-see-hike-to-boost-renewables/1521732/

Rise may be about 13% of average all-India price at which states procured non-renewable power in FY18.

To make thermal power stations more flexible to accommodate renewable energy, tariffs of coal-based electricity may be raised by as much as Rs 0.45/unit, depending on the quantum of green energy being generated by solar and wind plants. The tariff rise is about 13% of the average all-India price at which states procured non-renewable power in FY18. A recent report titled 'Flexible operation of thermal power plant for integration of renewable generation', prepared by the Central Electricity Authority, pointed out that "revision of tariff is essential to make profitable flexible operation of thermal units".

Flexibility is the extent to which a power system can modify electricity production or consumption in response to variability.

The country expects to have an installed renewable capacity of 175 GW by FY22, when daily net load swings are expected to be up to 80,000 MW.

Variable electricity generation from renewables increases the flexibility requirements of power plants. "In the Indian context, while Coal is expected to provide majority of the flexibility, Hydro and Gas are also expected to play a pivotal role," the report said. However, if gas power plants are to be used optimally for flexibility, about 45.27 MMSCMD of the fuel would be required in FY22, significantly higher than the present availability of 29.88 MMSCMD.

The report estimates that maximum flexing of thermal generation would take place on July 27, 2021. On this day, about 1,08,082 MW of solar and wind generation will be integrated into the grid when power demand would be 1,81,151 MW. This would cause thermal generation to back down to 79,207 MW with a maximum ramp down rate of 310 MW/min.

To make the grid flexible, the report has not ruled out the possibility of renewable energy curtailment, but as a last resort. Though 'must-run' status and feed-in tariffs for renewable energy have made the sector more viable, the report admits that the option of curtailment "looks like an aberration from the general policy of govt. of India". Every percent renewable generation curtailment would lead to loss of 2,630 million units of renewable energy in the FY22, corresponding to monetary loss of `658 crore at an average renewable cost of `2.5/unit.

Conclave on India-Africa project partnerships concludes	**SME Times.com** http://www.smetimes.in/smetimes/news/top-stories/2019/Mar/19/india-africa-partnership43988.html

The 14th CII-EXIM Bank Conclave on India-Africa Project Partnerships concluded in New Delhi on Tuesday.

The three-day conclave was organised by the Ministry of Commerce inassociation with Confederation of Indian Industry and EXIM Bank of India.

The conclave held annually, since its inception in 2005, brings senior Ministers, policy makers, officials, business leaders, bankers, technologists, start-up entrepreneurs and other professionals from India and Africa on a common platform.

Addressing the valedictory session, Commerce Secretary, AnupWadhawan said that trade ties with African countries have strengthened over the years and the relationship has been mutually beneficial.

He said this conclave marks the pre-eminence of India-Africa partnership in the realm of South - South Cooperation at a time when the global economy is faced with intractable challenges that stem from rising protectionism and trade conflicts.

The India-Africa bilateral partnershipisfurther augmented by India's ascendency as the growing major economy, as well as Africa's new economic dynamism illustrated by some of the sub-Saharan economies featuring among the top 10 fastest growing economies in the world. The Commerce Secretary said that the conclave coheres into the Indian government's larger vision of long–term engagement with Africa and Government of India's unwavering commitment to expanding the canvas of India – Africa economic partnership.

He said several Indian engineering companies have been engaged in bridging the gaps in physical infrastructure in Africa by way of development of roads, highways, ports, power generation and distribution and watershed projects that connected different African countries.

India's development cooperation ranges from power projects and dams in Sudan and Rwanda to water treatment plants in Tanzania, sugar factories in Ethiopia and IT Parks in Mozambique and Swaziland, building of the Presidential Place in Ghana and National Assembly building in the Gambia, besides other numerous projects.

AnupWadhawan informed that as part of India's outreach in Africa, Ministry of External Affairs, on 10th September 2018 signed an agreement with the Telecommunications Consultants India Limited (TCIL) to establish a pan- Africa e-Arogya Bharti Network Project. The event also marks the deepening of India-Africa economic and business ties and paves the way for a whole range of cross-border project partnerships. Over 500 delegates from Africa participated in the conclave.Vice President of Republic of Ghana,Dr.MahamuduBawumia,Prime Minister of Republic of Guinea, Dr.IbrahimaKassoryFofana andDeputy Prime Minister of Kingdom of LesothoMonyaneMoleleki, also participated in the conclave.

PAU inks pact with Japanese firm to develop coloured cotton	**Tribune India.com** https://www.tribuneindia.com/news/ludhiana/pau-inks-pact-with-japanese-firm-to-develop-coloured-cotton/745516.html

Punjab Agricultural University (PAU), Ludhiana, signed a memorandum of understanding (MoU) with Japan-based Nippon Steel and Sumikin Bussan (NSSB) Corporation for development of cotton through biotechnological means.

The pact was inked by PAU Vice-Chancellor Dr Baldev Singh Dhillon and Eiichi Nakamura, senior managing executive officer, NSSB, in the presence of the delegation from Japan and deans and directors of the PAU.

Tetsuya Uetake, First Secretary, Embassy of Japan, Dinesh Oswal, chairman, Nahar Group, Dr DS Brar, member, PAU Board of Management and Dr Jagdish Kaur, additional director communication also graced the occasion

The NSSB is a global leader in steel with an annual turnover of $18 billion and has interests in textiles and food items as well. Its textile division is engaged in all the steps starting from material development, product planning, production and distribution.

"This MoU is a significant milestone for the PAU as a leading international conglomerate has stepped forward to fund a crucial research project," said Dr Dhillon. He said this was a new beginning and more collaborations would be done at national and international level.

Dr Sakae Suzuki of the Tokyo University of Agriculture and Technology has cloned the genes responsible for pigment (colour) production in flowers. Using the same analogy, the PAU would be working on developing coloured cotton.

Uetake appreciated efforts of the PAU and NSSB in formulating the collaboration and hoped that more Japanese companies would come forward to tap the strength of the PAU.

Dr NS Bains, Director of Research, PAU, gave a brief overview of the proposed research project.

He said, "The PAU is known for its strength in developing superior crop varieties and use of biotechnological tools for speeding up breeding process. An interest in the development of cotton varieties with specific quality characteristics led the NSSB to PAU."

Agro-processing, manufacturing & ICT offer opportunities for Indian investments in SADC region: Report	**Economic Times** https://economictimes.indiatimes.com/small-biz/sme-sector/agro-processing-manufacturing-ict-offer-opportunities-for-indian-investments-in-sadc-region-report/articleshow/68477187.cms

Trade across the Southern African Development Community (SADC) has grown considerably since the establishment of an FTA in 2008, but there exists immense opportunities for Indian investment in the region.

An Exim Bank study analyses the current trade and investment scenario in the SADC region and the opportunities that the region presents for Indian businesses. The study highlights trends in SADC's intra-regional as well as global trade and foreign investments, and draws strategies for enhancing its trade and investment.

According to the report, SADC countries are integral part of the African region accounting for around one-third of Africa's total geographical area, GDP and population in 2017. Among the major regional trading blocs in Africa, SADC is the largest contributor to Africa's GDP (in nominal terms) in 2017. According to the World Trade Organization (WTO), SADC ranks first among African RTAs in value terms, representing 37.3 percent of total African exports in 2017.

With the increasing diversification of India's global trade towards other developing countries, Exim Bank says SADC has emerged as an important partner for India. During the last ten years, India's total trade with SADC countries nearly doubled from$ 13.7 billion in 2008 to $ 25.5 billion in 2017, with SADC's share in India's total trade with Africa having increased from 32.8 percent in 2008 to 42.4 percent in 2017.

The increasing importance of India as SADC's trading partner can also be assessed from the fact that India's share in SADC's global trade has more than doubled from 2.9 percent recorded in 2008 to 6.4 percent in 2017.

The study highlights that though SADC's trade has grown considerably since the establishment of an FTA in 2008, there exist immense potential for increasing SADC's regional and overall trade. Key strategies include enhancing intra-regional trade, product and market diversification, reduction of non-tariff barriers (NTBs) and other barriers to trade, and development of regional and global value chains.'

The SADC region accounts for 94 percent of Indian investments in Africa during April 1996 to March 2018, with investments mostly concentrated towards Mauritius, Mozambique and South Africa. The study highlights select potential sectors in broadening India's investment base in the region, which include agro-processing, mineral processing, and manufacturing (pharmaceuticals, consumer goods including textile and apparel, leather and footwear and automotive components) sectors, and developing information and communication technology (ICT) infrastructure in the region.

Rural-urban divide is hurting skill initiatives'	**Times of India** https://timesofindia.indiatimes.com/home/education/news/rural-urban-divide-is-hurting-skill-initiatives/articleshow/68479853.cms

The gross inequality in access to skill certifications and employment opportunities in the country's interiors is a major challenge

Bangalore-based skilling organisation working in rural areas, Sona Yukti has been conferred with Social Enterprise Network Sustainability (SEN) Award for education by Young Presidents' Organisation in Cape Town, South Africa. Sona Yukti has been involved with skilling the rural youth and trying to bridge the industry-academia gap by offering industry-relevant certifications.

"Rural and urban divide in India is leading to a lack of opportunities for the youth. It is hurting skill initiatives, as limited access and opportunities are the basic impediments faced by youth in small towns and villages. Even though roads are linking villages today, the industry is not moving closer to rural areas forcing the local youth to migrate to cities," says Chockalingam Valliappa, CEO, Sona Yukti.

As an accredited partner of the National Skill Development Corporation (NSDC), Sona Yukti has been involved in providing skill certification to job seekers in the in BPO (non-voice) sector, retailing, hospitality, healthcare, solar energy, textile and apparel industries in Jharkhand, Karnataka, Madhya Pradesh, Tamil Nadu and Uttar Pradesh. The organisation annually skills over 25,000 men and women.

The country, he says, is not yet ready to face the automation challenge. "Government must facilitate industry and academia collaboration to give a push in re-skilling the workforce by adopting artificial intelligence (AI)."

"We all saw what happened to the handloom workers with the advent of textile mills. As artificial intelligence gains currency in the world of work I see the same story rewritten. IT and auto sector are among a few industries on a path to adopting artificial intelligence in their workplace with a vast majority of sectors waiting on the sidelines," he adds.

One of the ways to overcome the skilling challenge is by giving a bigger push to e-learning. "Rapid creation and deployment of e-learning material for students is the next revolution that the skill development agencies and industry need to focus on in the near term in a big way," says Valliappa.

Vietnam earns bigger garment export in 2 months	**Asia & Pacific** http://www.xinhuanet.com/english/asiapacific/2019-03/12/c_137888389.htm

Vietnam gained nearly 4.9 billion U.S. dollars from exporting garments and textiles in the first two months of this year, up 19 percent year-on-year, according to the country's Ministry of Industry and Trade on Tuesday.

Between January and February, products witnessing significant export growth included fabrics made from natural fibers (up 14 percent), fabrics from synthetic fibers (up 14 percent) and clothing (up 11 percent).

The revenue surge was mainly attributable to strong market demand, with many orders already placed for the first six months of this year or even the whole year, said the ministry.

By the end of this year, total export turnovers of the industry may reach 40 billion U.S. dollars, the Vietnam Textile and Apparel Association forecast.

Vietnam, among the world's five biggest exporters and producers of garments and textiles, posted garment and textile export turnovers of over 30.4 billion U.S. dollars in 2018, up 16.6 percent from 2017.

However, Vietnam had to spend more than 12.9 billion U.S. dollars importing cloth last year, up 13.5 percent, the association said, noting that most of local cloth has yet to satisfy quality requirements of the country's key garment export markets.

U.S.-China trade talks to resume next week, aiming to seal deal in April	**Market Watch** https://www.marketwatch.com/story/us-china-trade-talks-to-resume-next-week-aiming-to-seal-deal-in-april-2019-03-19

Negotiators for the U.S. and China have scheduled a new round of high-level trade talks in Beijing and Washington, aiming to close a deal by late April to end the yearlong dispute between the world's two largest economies.

U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin plan to fly to Beijing next week to meet with Chinese Vice Premier Liu He, Trump administration officials said. The following week, a Chinese delegation led by Liu is expected to continue talks in Washington, the officials said.

People tracking the negotiations said the talks appear to be in their final stages, following a rocky patch after Chinese leaders were unnerved by President Donald Trump's decision to abruptly break off nuclear-disarmament talks with North Korean leader Kim Jong Un in February.

"We're in the endgame," said Myron Brilliant, executive vice president of the U.S. Chamber of Commerce. If the two sides continue to make progress, he said, they should be able to finish a trade deal by the end of April — or about one month later than previously expected.

Cotton arrival at Pak ginneries down 6.84% as on March 15	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/cotton-arrival-at-pak-ginneries-down-6-84-as-on-march-15-248110-newsdetails.htm

Over 10.762 million bales of cotton have arrived in 2018-19 season at various ginneries in Pakistan, as on March 15, 2019, down 6.84 per cent over arrival of 11.552 million bales during the corresponding period of last season, according to the latest fortnightly report on cotton arrivals, released by Pakistan Cotton Ginners' Association (PCGA).

In the major cotton producing province of Punjab, total cotton arrivals decreased by 9.39 per cent year-on-year to 6.613 million bales, according to the report prepared by PCGA, in joint cooperation with All Pakistan Textile Mills

Association (APTMA) and the Karachi Cotton Association (KCA). While in Sindh province, cotton arrivals decreased 2.45 per cent to 4.149 million bales as on March 15 during the ongoing cotton season 2018-19.

Of the total arrival of 10.762 million bales at various ginneries in Pakistan, 10.754 million bales were pressed by ginners, of which 9.743 million bales were sold, leaving an unsold stock of 1.010 million bales with the ginners, as on March 15, according to the data.

The textile mills in Pakistan consumed 9.641 million bales, while another 102.330 million bales of cotton were sold to exporters, according to the data. The Trading Corporation of Pakistan (TCP) has not procured any bale of cotton so far this season.

As of March 15, a total of 24 ginning factories were operational in Punjab compared to 43 ginneries that were operational during the same time last season. Similarly, 1 ginning unit was operational in the Sindh region, compared to 8 operating units during the corresponding period last year.