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NEWS CLIPPINGS –29-05-2018

Dispute panel set up at WTO to decide on India's export subsidies	Business Line https://www.thehindubusinessline.com/news/world/dispute-panel-set-up-at-wto-to-decide-on-indias-export-subsidies/article24017025.ece?homepage=true

Move follows US complaint that New Delhi is no longer entitled to give exporters direct sops

The World Trade Organisation's Dispute Settlement Body (DSB) has agreed to establish a panel to rule on a US complaint on certain programmes in India which Washington claims are prohibited export subsidies.

India was not given an opportunity to object to the first request for a dispute panel by the US, as is the usual practice, because the dispute involves prohibited subsidies.

"The panel was established under special provisions of the WTO's Agreement on Subsidies and Countervailing Measures allowing panels to be established on first request for disputes involving alleged prohibited export subsidies," according to a note from the WTO.

Popular schemes

The programmes targeted by the US include most popular incentive schemes such as the Merchandise Exports from India Scheme, Export-Oriented Units Scheme and sector-specific schemes, including Electronics Hardware Technology Parks Scheme, Special Economic Zones, Export Promotion Capital Goods Scheme and Duty-Free Imports for Exporters Programme.

The US, in its representation, argued that the programmes provided financial benefits to Indian exporters, which allowed them to sell their goods more cheaply to the detriment of American workers and manufacturers.

It alleged that while the exemption given to India from the ban on export subsidies had expired (as the country had surpassed the $1000 threshold for per capital gross national product), it was yet to withdraw its schemes.

New Delhi, however, is not convinced that the time it is entitled to for a phase-out of the schemes has lapsed and wants more discussion on the issue.

Cm Lays Stone For 12 Projects, Launches 7	**Daily Pioneer** http://www.dailypioneer.com/state-editions/bhubaneswar/cm-lays-stone-for-12-projects-launches-7.html

Chief Minister Naveen Patnaik conducted groundbreaking ceremony for 12 manufacturing units and inaugurated seven projects, together worth Rs 2,675 crore, through videoconference at the State Secretariat here on Monday.

The projects, when completed, would generate as many as 8,953 job opportunities in the State, it was officially stated.

The projects are in diverse sectors including textiles and apparel, chemicals, fertilisers, cement, food-processing, downstream among others.

The Chief Minister said, "The Make in Odisha Conclave in 2016 was an important milestone in our journey of industrial development and helped generate investment intents in diverse sectors, other than the traditional areas of mines, metals and energy. To ensure that the investment intents received during the conclave are converted quickly, the Government has worked with a dedicated focus to ensure that all required support such as land, utilities and departmental clearances are made available to them expeditiously."

"I am also delighted to inform that two of the projects for which groundbreaking took place on November 16, 2017 have been inaugurated today and will go into production in a little over six months. This underscores our position as the number one State in India in terms of investment implementation rate," Patnaik said.

The logo for the Make in Odisha Conclave-2018 was also unveiled by Patnaik. The second edition of the biennial Make in Odisha Conclave is scheduled to be held in Bhubaneswar from November 11 to15, 2018.

Centre to work out reimbursement scheme for textile industry	**The Hindu** http://www.thehindu.com/news/cities/Coimbatore/centre-to-work-out-reimbursement-scheme-for-textile-industry/article24010581.ece

The Union Government has assured the textile and clothing industry that it will identify Central and State embedded taxes and work out a reimbursement scheme soon. HKL Magu, chairman of Apparel Export Promotion Council, has said in a press release that representatives from apparel, made up, and textile segments met the Union Finance and Textile Ministers and officials of the two ministries on Sunday.

In the two-hour meeting, the industry explained the issues of concern, pending GST refunds and slow disbursement of rebate of State levies (ROSL). The embedded and inverted taxes were not considered for refund and there was a delay in receiving the GST refunds, they said. Over 90 % of the textile and clothing industry was in the MSME sector and these delays had affected the financial capability of the units. The exporters were unable to book orders during the peak season.

The industry had seen reduction in drawback and ROSL by over 5 % of FOB since the pre-GST period. Further, Indian textile and clothing exporters did not have preferential access in countries markets such as the European Union which countries such as Bangladesh and Vietnam had. These had an impact on the exports.

Mr. Magu said the Finance Minister had instructed the officials to immediately identify the Central and State embedded taxes and work out a reimbursement mechanism. The Ministry would also expedite refund of GST and ROSL in a time-bound manner, the release said. Though annual apparel exports are at 17 billion $ now, the industry is confident of 20 % growth this financial year if there a level-playing field.

CRISIL SME Tracker: Working capital gap widening for MSMEs	**Business Standard** http://www.business-standard.com/article/management/crisil-sme-tracker-working-capital-gap-widening-for-msmes-118052801294_1.html

CRISIL's analysis of nearly 1,700 MSMEs (annual turnover up to Rs 2.5 billion) shows that their working capital gap — or the difference between current assets and current liabilities (excluding short-term bank borrowings) — has widened consistently since the financial year 2015.

Short-term debt raised by these enterprises — for working capital needs — grew just eight per cent annually, which is significantly lower than their funding requirement.

The trend would have continued in the last financial year, too, for two reasons: one, the introduction of the Goods and Services Tax led to increased working capital requirements in the transition phase; and two, lower credit disbursal by banks to MSMEs. According to the Reserve Bank of India, credit to MSMEs in the manufacturing sector registered a negative growth of one per cent last fiscal.

–The working capital gap is a critical barometer of an enterprise's ability to meet its daily financing needs for production and services. A widening gap means funding needs to be raised from financial institutions or from own sources, to scale up business.

The gap is widening faster for the services sector at 16 per cent annually, compared with 13 per cent for the manufacturing sector. This is largely because of payment delays, especially in the services sector.

In manufacturing, the gap is wider in the faster-growing industries such as auto components, electronic/electrical equipment and chemicals, where funding is required to buy raw material to match increasing sales. In services, industries which require high working capital deployment, such as logistics, distribution and construction-related enterprises, are witnessing widening gaps. Given that banks are very cautious about lending, NBFCs may continue to tap this big opportunity and expand credit to MSMEs.

Goyal, Smriti fix strategy with EPCH to firm up textile exports	Millennium Post http://www.millenniumpost.in/business/goyal-smriti-fix-strategy-with-epch-to-firm-up-textile-exports-301763

New Delhi: To formulate the strategies for enhancing export in each sector which comes under the Ministry of Textiles and to resolve the problems and challenges faced by the Handicrafts Sector, Piyush Goyal, Union Minister of Finance and Smriti Zubin Irani, Union Minister of Textiles called a meeting with the heads of Export Promotion Councils on Sunday at New Delhi. O P Prahladka, Chairman- EPCH gave an overview of the sector and also placed before the Ministers strategies being adopted by the EPCH for export growth.

Prahladka informed that both the Union Ministers gave a patient hearing to the issues raised by him and assured all possible cooperation towards resolution of all the issues, which are hampering the exports of handicrafts from the Country. The major suggestions placed by the Chairman included:

• Enhancement of list of essential embellishment, trimmings, tools and consumables to be imported duty free and Exemption from payment of IGST on import of such items.

• Inclusion of 'Merchant Exporters' in the list of exporters eligible for benefit of 'interest equalization scheme' (previously known as "interest subvention scheme").

• Issuance of eBRC in case of Exports of Handicrafts to Iran.

• If Issuance of eBRC is not done by the bank within stipulated time, banks to pay penalty to the exporters.

• Scheme of ' Rebate of State Levies' (ROSL) on Exports of Handicrafts

• Engagement of Foreign Designers in the handicrafts sector to be made easy, cap to be reduced.

• Enhance Allocation of funds under Market Access Initiative and relaxation in Operational Guidelines for Funding Under the MAI Scheme to include Markets of USA, Canada, EU, Japan, and other developed markets for extending invitation to buyers to RBSM's organized in India.

Maharashtra farmers say they'll use GM seeds	Economic Times https://economictimes.indiatimes.com/news/economy/agriculture/maharashtra-farmers-say-theyll-use-gm-seeds/articleshow/64298409.cms

PUNE: Even as the country debates the use of genetic modification technology, some cotton farmers in Maharashtra have decided to defy government directives against the use of illegally propagated herbicide-resistant cotton varieties and other GM crops like brinjal and mustard. They have called their protest an 'Agitation for Freedom to use Technology'. India has not allowed cultivation of Herbicide Tolerant (HT) BT cotton variety, which helps farmers save the cost on employing manual labour for removing weeds. HTBT cotton plant is resistant to herbicide sprays, which then kill only the weeds.

The Central Institute of Cotton Research (CICR), Nagpur had confirmed presence of HT cotton seeds in Maharashtra in the previous year, following which the state government had raided the godowns of a prominent seed companyNSE 3.80 % and registered a police complaint

To prevent the use of HT varieties in the 2018 kharif season, the agriculture department of Maharashtra has appealed to farmers to stay away from these seeds.

However, Shetkari Sangathana, a Maharashtrabased farmers' organisation, recently organised aTechnology Freedom Conference at Akola in Marathwada where it passed a resolution to support farmers who decide to plant the illegal HT varieties of BT cotton. Ajit Narade, a leader of the Shetkari Sangathana, said, "Despite its trials being over, the government has not given permission for use of HT cotton seeds. The rapid spread of these seeds without any promotion shows that farmers are desperate to use this technology. That is why we have decided to support farmers who want to cultivate HT seeds. We will soon be setting up teams to give protection to farmers." However, the agriculture department has cautioned farmers against using HT seeds as it is against the provisions of the Environment Protection Act, 1986.

Why Indian manufacturing startups are looking closely at Thailand	**Your Story** https://yourstory.com/2018/05/indian-manufacturing-startups-looking-closely-thailand/

Ease of doing business, tax exemptions, and easy access to Southeast Asian markets - Thailand is making it easier for startups, especially in the manufacturing sector.

Mention Thailand and the mind immediately visualises pristine beaches, flea markets, and a roaring nightlife. While tourism has been a key driver of Thailand's economy, over the last year, the country has also been establishing its credentials as a manufacturing hub in the ASEAN (Association of Southeast Asian Nations) region.

Over the span of the one week that I was in the country, what struck me was how it was looking to establish itself as a manufacturing hub, with easy access to markets such as Indonesia, Cambodia, Vietnam, and the Philippines among others.

Regular sessions between government officials and entrepreneurs, plans of setting up a maintenance, repair and overhaul unit for aircraft, new airports, and policies to drive investment in manufacturing – Thailand is making all the right moves. Not only that, the country is also not shying away from opening its shores to investments from neighbouring countries, mainly China.

Not just manufacturing companies from within the country, but those from across the world are seeing improving processes that are making it easier to set up operations in Thailand.

Ease of doing business

In 2016, the World Bank had ranked Thailand at second place in terms of ease of doing business among emerging economies in East Asia. The 2018 World Bank Ease of Doing Business report ranked Thailand at 26 among 190 economies. India, on the other hand, ranked 100.

It is this very ease of doing business that has gotten several Indian startups keen on Thailand and by extension, Southeast Asia.

The Rs 300 crore Hi-Tech Membrances Group supplies reverse osmosis kits to companies that sell water filters. It is an SME (Small and Medium Enterprise) that was started in 1995, and has plants in Bardoli, Parwanoo, and Surat in India. Founder and CEO Vijay Shah would import close to 100 reverse osmosis systems into the country, but found the duties and levies heavy. That is when he decided to set up a plant in Thailand.

He told YourStory that the Thailand Board of Investment (BOI) helps businesses set up operations in the country. The BOI works under the Office of the Prime Minister of Thailand, and focusses on investments in the country, as well as overseas investments.

The idea is to get a seamless link between private sector corporate entities, investors, and government agencies with manufacturing startups, SMEs, MSMEs (Micro, Small and Medium Enterprises) and even larger manufacturing units. This helps create a manufacturing ecosystem that can work together when needed and thrive.

Tax benefits

Thailand provides a seven-year tax exemption to export-driven manufacturing businesses.

“Thailand gives us access to the ASEAN market. The tax rates are lower, the import duty rates are at zero, compared with India’s 10 to 30 percent. There is generally a liberal view on import duties for products that are primarily meant for exports,” explains Vijay.

Thailand is also working on several exemptions that would come into effect this financial year.

On the other hand, even with the Make In India campaign and other efforts in this direction, India has primarily been a services-led economy, as opposed to Thailand, which has historically been focussed on export-led manufacturing.

However since 2014, with the push of Make in India, the country has focussed on developing infrastructure, building a talent pool to the needs of a manufacturing economy and even attract FDI.

While India is growing, a global report states one of the major challenges India faces is building a strong infrastructure for manufacturing startups and also that the governance model is slow to react. In terms of exemptions, the Indian government has given 100 percent tax exemption for the first three years for startups in general. For manufacturing businesses and entities, GST (Goods and Services Tax) plays a significant role.

According to H&R Block, persons holding advance authorisation, export promotion capital goods (EPCG) and export-oriented units (EOU) do not have to pay IGST and cess on imports. The council also introduced a scheme to paying 0.1 percent as GST on procured goods.

In India, under the GST regime, it has been observed that exporters were facing difficulties like blocked cash flows as they were required to pay GST and Integrated GST on raw materials, imported finished goods, inputs and others.

According to media reports, India is currently working on a new GST system to allow companies with units in tax-free zones to claim a GST refund. As of the last fiscal, $515,000 was earmarked for the implementation of the National Manufacturing policy.

"However, most of the policies and processes take time. We are not sure how startups can avail these benefits. In countries like Taiwan and Thailand, the transparency of the benefits and how they can be availed, makes it easy to look at setting up in either place," says an electric vehicle manufacturing startup founder, who intends to set up a base in Southeast Asia, on the condition of anonymity.

Apart from tax exemptions, Thailand has eased visa regulations for trained professionals.

Land and raw materials

"It is easier to get parts of products made in Southeast Asia, especially Thailand and Taiwan. The labour is cheaper, and more skilled in building hardware," electric vehicle manufacturing startup founder adds.

"In India, it becomes difficult to explain to vendors what we want. In a number of cases, we need to train and also work on a trial-and-error basis to get a basic part. This is a cost as we need to further import raw materials, and so it becomes easier to manufacture elsewhere," he adds.

One of the biggest requirements for manufacturing startups is the ease of procuring raw materials. According to a Damco report, while India does not lack in availability of raw materials and labour, its growth as a sourcing region could still be limited by the fact that it is not competitive enough in the area of secondary, non-cost factors.

In Thailand, the Free Zone encourages Thailand-based manufacturing operations by making the process simpler. The duty on products manufactured abroad and imported into the country is decided on the basis of the complete product, rather than materials or components. It also provides the manufacturer uses of labour and services.

While India has removed import licensing requirements for consumer goods, certain products face licensing related barriers. Special import licenses are needed for vehicles and motorcycles. There is a negative list for banned or prohibited items like oils of animal origin, tallow and fat. Certain chemicals and livestock products require an import licence.

Pharma products can be imported by government trading monopolies only. India also has distinguished goods under remanufactured, reconditioned, new, and secondhand categories.

Apart from raw materials, land also plays an important role. Thailand has set up industrial parks like Amata, which has factories of some of the biggest global brands. Amata's Chief Marketing Officer explains it is easy to procure land in Thailand. He adds that procurement of land takes a year, post which, the government offers benefits for manufacturing startups like electricity and easy access to water.

Under Make in India, National Investment and Manufacturing Zones are being conceived as giant industrial greenfield townships to promote manufacturing activities. It is also said that the central government will be responsible for improving or providing external physical infrastructure linkages like rail, road, ports, airports and telecom, and work towards bearing costs of the same.

“There is little known or seen in that direction. Also, the paperwork and details are complicated,” says a textile manufacturer.

Labour benefits

One of the benefits of India and Southeast Asian countries is the fact that the labour costs are cheaper and lower. Thailand is known for its skilled and productive workforce, while the costs of labour are higher than India, like Rs 8000 per person versus Rs 6000 per person in India, the efficiency is higher.

“While there is labour available, the need to have skilled labour for high-intensity technology isn’t available in India. There is little know-how. There is more talent for the services sector in India than high-technology talent for manufacturing,” says another motor vehicle manufacturer in India.

Indian companies looking at Thailand as a manufacturing destination isn’t new. Large Indian corporations like Aditya Birla Group, Mahindra Group, TVS Logistics Services, Punj Lloyd Group and Ranbaxy Laboratories among others have already made investments in the country.

But the lure of further tax exemptions and policy changes are now making it easier for SMEs and MSMEs.

EU Proposes to Ban on Plastic Straws, Stirs, and Cotton Buds	**Time** http://time.com/5293302/eu-proposes-plastic-straw-ban/

The European Union has proposed banning plastic products like cotton buds, straws, stirs and balloon sticks when alternatives are easily available in an attempt to reduce litter spoiling beaches and ocean beds.

The European Commission said its proposal would seek to cut marine litter in half for the ten most prominent items and avoid environmental damage estimated at over $250 billion over the next dozen years. EU Vice President Frans Timmermans said that utensils would not be banned completely, but steps would be taken to have them made out of sustainable materials when possible.

“You can still organize a pick-nick, drink a cocktail and clean your ears just like before,” Timmermans said.

He also made new proposals to ensure that it is the polluter that pays. The proposal will be assessed by the EU parliament and member states but Timmermans hopes to see results before May 2019.

And unlike so many EU proposals that are immediately criticized by consumer and environmental groups as too little too late, the reaction was largely positive on Monday.

“The only way to stop plastics pouring into our oceans is to turn off the flow at its source: production,” said Lasse

Gustavsson, the European executive director of the environmental group Oceana, as he lauded the initiative.

European Green Party lawmaker Monica Frassoni also welcomed the initiative and added that “the scale of the problem means that we cannot rely on individual European countries to take action and must instead find a Europe-wide response.” The European Parliament has said that plastics production is now 20 times higher than in 1960s. The EU has also been spurred into action by China’s decision to no longer import part of the bloc’s waste.

Cotton buying remains moderate amid better grades in focus	**Daily Times** https://dailytimes.com.pk/245907/cotton-buying-remains-moderate-amid-better-grades-in-focus/

The cotton trading remained modest amid firm spot rate and around 1,500 bales changed hands. The Karachi Cotton Association (KCA) spot rate remained intact at Rs 7,500 per maund, the traders said.

They said the buyers bought all qualities of lint offered by the ginners during the trading session besides spinners and mills purchased quality cotton on slightly higher prices during the session while leading ginners sensing future demand of quality lint offered fewer stocks on higher prices to the buyers.

Ghulam Rabbani, a senior trader said the buyers were accepting a bit higher prices as the leading millers and spinners bought around 600 bales at Rs around 7,525 per maund during the session.

He said the leading buyers would remain eager for quality lint on slightly higher prices on the back of growing demand of garments and yarn.

He said there leading end users would likely to go for further import of quality cotton in near future for meeting foreign and domestic end-products demands.

A senior broker said the private sector commercial exporters of Sindh and Punjab made deals for quality cotton at around Rs 7,550 per maund while ginners of Sindh offered raw lint to the buyers around Rs 5,975 per maund, depending on trash level.

Around 200 bales of upper Sindh changed hands at Rs 7,050 per maund, 200 bales of Mirpurkhas at Rs 6,975 per maund, 100 bales of Yazman at Rs 7,225 per maund and 100 bales of Multan changed hands at Rs 7,200 per maund.

He said market remained steadier tones as the buyers were looking for better lots for Rs 7,500 to 7,575 per maund. New York Cotton July 2018 Future closed at 86.18 cents per pound and October 2018 Future closed at 86.36 cents per pound.

Cotton Australia launches a startup alley	Ragtrader http://www.ragtrader.com.au/news/cotton-australia-launches-a-startup-alley

Cotton Australia has unveiled a new initiative to help start-ups showcase their innovations for cotton production and supply as part of its 2018 Australian Cotton Conference.

The conference will include a "Startup Alley" dedicated to showcasing the industry's investments in startups and the emerging technologies that are being developed specifically for cotton production and supply.

Cotton Research and Development Corporation executive director Bruce Finney said the initiative would enable businesses to see the latest innovations in Australian cotton.

"As an investor in innovation, digital and disruptive technologies and entrepreneurs, CRDC is constantly on the lookout for innovations that will further push the boundaries of Australian cotton.

"This is a great way to showcase the exciting ideas and innovations emerging from the startup space, and to connect cotton growers seeking solutions with businesses who may be able to help.

"We're particularly looking for startups with near-to-market innovative products or services with great application to cotton production or the supply chain and strong customer validation."

Twelve places will be available with selected applications being provided with a dedicated booth and the opportunity to pitch to conference delegates during a dedicated session at the event.

Textile industrialists seek permission to import hydrogen peroxide	Daily Times https://dailytimes.com.pk/245911/textile-industrialists-seek-permission-to-import-hydrogen-peroxide/

Textile processing industrialists while expressing grave concern over artificial price hike and shortage of Hydrogen Peroxide (HP) in local market have sought permission from Ministry of Commerce to import it on zero rated duty.

All Pakistan Textile Processing Mills Association (APTPMA) expresses with utter surprise and consternation that the local manufacturers of HP has abruptly reduced the supply of HP in the country which has created panic amongst our member units who are the one the major consumers of HP.

Saleem Parekh, Central Chairman APTPMA said that HP is used as a basic raw-material by the Textile Processing Units. "Shortage of HP would adversely affect the export of textile fabrics/ garments and deprive the country of valuable foreign exchange to the tune of billions of rupees, besides closure of hundreds of textile industrial units, and would throw thousands upon thousands of wage-earners out of jobs. In a recently meeting held in the office of Textile Commissioner Organization under the chairmanship of Ahmed Bakhsh Narejo, Textile Commissioner, Ministry of Textile & Industry, which was attended by the all stake holders except Sitara Peroxide.

The country's total demand of Hydrogen Peroxide is 4500.M.Tons/Month, out of which 99% is consumed by Textile Industry. There are two plants of this chemical in the country, namely Sitara Peroxide having a production capacity of 2550 M.Ton/month & DESCON Oxychem, 2400 M.Ton/month respectively. The demand of Hydrogen Peroxide for Textile Industry of Northern zone (Punjab+KPK) is about 2200 M.Ton/month where as it is about 2300 M.Ton/month in Southern zone (Sindh+Balochistan); total demand of the Country is about 4500 M.Ton/month.

It is learnt that, DESCON Oxychem is supplying 1175 M.Ton/month out of its total production of 2760 M.Ton/month to south zone which is 42% of its production, on the other hand M/s Sitara Peroxide having total capacity 2550 M.Ton/month is producing only 1780 M. Ton/month which is only 70% of its full capacity. Out of its current production of 1780 M.Ton/month, it is supplying only 200 M.Ton/month to south zone which is only 11%. Hence total supply to south zone is 1375 M.Ton/month i.e. a shortage of 925 M.Ton/month to the tune of about 60% being faced by South zone Textile Industry.

Due to this acute shortage, the price fluctuation is very high & the situation may compel the SME Sector for closure, whereas, the LSM are surviving by importing through DTRE, which impart Trade Bill. He emphasized that TCO should intervene & contact Sitara Peroxide & press Sitara Peroxide to bring its unit in full swing and ensure an un-interrupted supply of Hydrogen Peroxide to the South zone in the true sprits which were under take at the time of imposing duty & antidumping duty on Hydrogen Peroxide. He further said that matter should be resolved on war footing otherwise closure of Textile Industry will take place. The Director (Textile) informed that the M/s Sitara Peroxide has been approached several times but they have tended to response.

Bangladesh government funds BDT 10 crore for RMGs renovation programmes	**Devdiscourse** https://www.devdiscourse.com/Article/9199-bangladesh-government-funds-bdt-10-crore-for-rmgs-renovation-programmes

RCC was formed with the coordination of six concerned institutions, including Rajdhani Unnayan Kartripakkha (RAJUK), to improve safety in garments industry. Bangladesh government has taken a BDT 10 crore project under Remediation Coordination Cell (RCC) to start renovation programmes taken for Ready-Made Garments (RMGs) for improving working conditions in the RMGs.

Department of Inspection for Factories and Establishments (DIFE) deputy inspector general, Md Mahfuzur Rahman Bhuiyan said, "A total of 3780 RMG industries started renovation activities with the association of International Labour Organization (ILO) after the collapse of Rana Plaza at Savar."

He said under the national initiative of the government, a total of 1549 RMGs started renovation programme while 1505 RMGs under European buyers' alliance Accord and 890 others under American buyers' Alliance.

RCC was formed with the coordination of six concerned institutions, including Rajdhani Unnayan Kartripakkha (RAJUK), to improve safety in garments industry. Bhuiyan said that 150 risky RMGs were shut down since the formation of RCC. He further added that 27 percent of renovation activities of 809 risky RMGs among 1549 RMGs under national initiative has already completed. 60 engineers have been appointed to follow up the programme taken under RCC while the activities will begin from July 1. Under the renovation programme, 296 RMGs are in

Dhaka, 172 in Narayanganj, 190 in Gazipur, 126 in Chittagong and 25 others in different other districts will be renovated.

EU's long winters dampen apparel exports in Q 1	**Sunday Times** http://www.sundaytimes.lk/180527/business-times/eus-long-winters-dampen-apparel-exports-in-q-1-295836.html

Retail demand in the European Union for Sri Lankan apparel was at a mere 5 per cent increase in the first quarter of this year compared to 2017. This was a drop in expectations on the back of the GSP plus trade facility that resumed in July 2017.

Sri Lanka Exporters Association (SLEA) President Felix Fernando told the Business Times on Friday that due to the long winter season in Europe the industry had observed a drop in retail demand for apparel as a result of which local exporters were unable to reach the expected increase in sales of 12 per cent. The industry was only capable of achieving a 5 per cent growth in apparel exports during the Q1 compared to the same period last year.

He noted that spring garments could not be released as most of the Europeans were slow on purchasing clothing and would rather remain indoors than go out shopping.

Reports have stated that Europe was in the grip of a "cold snap, which has sent temperatures plunging below their usual late-February levels, and sparked heavy snow showers in unusually southerly spots like Rome." And expectations are that there could be severe weather with flooding and rains in Europe this month.

In fact another report highlighted that even April was giving the chill with temperatures dropping even in the US.

"Usually by March it clears up," Mr. Fernando explained and noted that however, this year the situation has not been the same.

He pointed out that in 2017 they had observed a "big growth" in the EU market during the first quarter compared to 2016. April however, he pointed was a relatively low month.

During the first three months of this year the industry expected to achieve a growth of 12 per cent in apparel exports compared to last year.

However, the figures during the first quarter was up by only 5 per cent for both the US and the EU compared to last year's sales as a result of which earnings were at US$1.269 billion.

Meanwhile, Mr. Fernando noted that the exports to other sectors like China, India and Japan had however, dropped by about 2.3 per cent.

The industry expects to achieve an increase of US$500 million more in earnings for this year compared to last year

Ministry of Trade, Industry expanding establishment of foreign industrial zones	Daily News Egypt https://dailynewsegypt.com/2018/05/27/ministry-of-trade-industry-expanding-establishment-of-foreign-industrial-zones/

The Ministry of Trade and Industry seeks to expand the establishment of integrated industrial zones to deepen local industrialisation and industrial development, through the use of international expertise via foreign investors wishing to establish industrial cities in Egypt, such as Russia, France, Turkey, and China.

The Egypt-France Business Council's head, Fouad Younis, said negotiations for the establishment of the French industrial zone in Alexandria were progressing with France's Ministry of Finance and Economy.

He predicted that this year will see the signing of contracts for the establishment of the zone on 25 feddans close to the Alexandria Port, especially as French President Emmanuel Macaron is expected to visit Egypt in the first half of the current year.

The value of French investments in Egypt has reached about €4bn, up 12% from last year, which offer 40,000 jobs through 160 companies in many sectors, mainly tourism, air and sea transport, energy, environment, building materials, and cars.

Meanwhile, 18 Turkish investors are negotiating with the Industrial Development Authority (IDA), to establish an engineering industrial zone on 1 sqkm in the cities of 10th of Ramadan or Badr.

Hamada Al-Agwani, executive director of the Egyptian-Turkish industrial city project, said that the National Bank of Egypt (NBE) is considering entering as a 50% shareholder in the project's investments of EGP 3bn.

The industrial city project aims to establish 1,300 factories to create 20,000 jobs.

Russia is seeking to establish an industrial zone in East Port Said with investments of EGP 6.9bn.

Alaa Ezz, general secretary of the Russian-Egyptian Business Council, said the Russian industrial zone had been negotiated three years ago, especially as Egypt seeks to boost economic relations with Russia in the coming period

The area is expected to be built on 5.25 sqkm in three phases. The first phase will begin with 1 sqkm by the Russian industrial developer, which will provide 7,300 jobs in construction and building. The Russian industrial developer will work in parallel to attract Russian companies and investors during 2018 and 2019.

With the end of the implementation of the first phase, the second phase includes 1.6 sqkm, which would create 10,000 jobs to be completed by 2022, followed by a 2.65 sqkm area to create 17,000 jobs in infrastructure projects. The entire zone will be completed in 2031, 13 years after the beginning of the first phase. Then, Russian companies will set up projects and industrial clusters that would provide nearly 35,000 jobs.

The most important industries to be established within the Russian zone are the manufacture of sensors, air conditioners, and motors; construction and building equipment; glass and ceramicswood and paper industries; and feeder industries for vehicles and tires.

Meanwhile, the Ministry of Trade and Industry announced the implementation of the first phase of a Chinese textile industries city on an area of 3.1m sqm in the industrial city of Sadat.

Mohamed El-Morshedi, chairperson of the Textile Industries Chamber of the Federation of Egyptian Industries, said that the aim of the city is to reduce Chinese spinning and weaving imports, and to expand the establishment of Egyptian-Chinese factories to manufacture the production requirements.

The city will include 568 factories with a total paid-up capital of $2bn over seven years, including 87% foreign investments and 13% local investments.

The city will provide direct work opportunities for up to 160,000 technicians with a total production of $9bn annually.