

# Withdrawal of incentives to hit textile exporters

DILIP KUMAR JHA  
Mumbai, 25 January

The government’s decision to withdraw the Merchandise Exports from India Scheme (MEIS) with retrospective effect is likely to erode profit margins of textile players. It will also impact exports and fresh investment in the sector.

The government has removed the benefit of 4 per cent MEIS on exports of made ups and garments with retrospective effect, that is, from March 7. Moreover, the MEIS that had been granted to exporters of made-ups and garments till July 31 will be recovered, said a government notification.

“Withdrawal of 4 per cent MEIS with retrospective effect has caused an extremely serious situation for the exporters of made ups and has indeed come as a shock to the industry,” said K V Srinivasan, chairman, The Cotton Textiles Export Promotion Council (Texprocil).

“Exporters of made ups are facing serious working capital problems, affecting their day-to-day business,” added Srinivasan.

Exporters of cotton made ups were already passing through a tough situation financially due to the non-implementation of the Rebate of State and Central Taxes and Levies (RoSCTL) scheme even after its announcement 10 months ago. This scheme, announced for export of made ups and garments, is yet to be operationalised.

Also, MEIS of 4 per cent was also frozen for made ups and garments from August 1, 2019. The textiles industry also faces some pending



Exporters of cotton made-ups were already going through a tough situation financially because of the non-implementation of the Rebate of State and Central Taxes and Levies scheme, even after its announcement 10 months ago

claims under the erstwhile Rebate of State Levies (ROSL).

“How can the government withdraw any incentive scheme of which the benefits have been passed on to consumers,” asked an industry leader. India’s exports of made ups and garments have declined severely in the last one year due to the global economic slowdown.

With countries like Pakistan, Bangladesh, Vietnam and Turkey enjoying benefits of the generalised system of preferences with developed countries, India has been left behind. Thus, India’s exports of made ups and garments became beneficial only through incentives like the MEIS.

Exporters are working against tough competition from countries like Bangladesh, Sri Lanka, Vietnam and Pakistan. This is combined by high import duties in leading export markets like the US, European Union and China.

Meanwhile, exporters have already factored in the availability of 4 per cent MEIS along

with the RoSCTL scheme which is expected to be to the tune of 8.2 per cent while quoting export prices to foreign buyers.

M Senthilkumar, managing director of BKS Textiles, believes that the withdrawal of MEIS with retrospective effect would erode profit margins of textile companies.

“The MEIS benefit has already been passed on to consumers. Hence, exporters would have to pay it back to the government from their profits which would have an impact on their balance sheet,” Kumar added.

Many exporters have also paid advance tax on these export receivables as required under the I-T Act which has further aggravated the problem. All exporters have been badly affected by this decision, especially the MSME sector where bulk of the made ups meant for exports are being manufactured.

Srinivasan urged the government to restore the benefit of 4 per cent MEIS on exports of made ups and garments.

# Retailers, malls spar on Mumbai’s 24X7 rule

VIVEAT SUSAN PINTO & RAGHAVENDRA KAMATH  
Mumbai, January 25

Mumbaikars may not get to fully experience a vibrant nightlife next week as differences emerge between retailers and mall owners over implementation of the ‘24 hours’ retail policy. Mills and malls will be the first to take off as part of the Maharashtra government’s ambitious Mumbai ‘24X7’ initiative, which will begin on Monday. The policy envisages putting Mumbai on the global map in terms of night life, akin to other cities in the world.

While food and beverage operators are excited, including names such as Amit Jatia, vice-chairman, Westlife Development and Riyaaz Amlani, chief executive officer (CEO), Impresario Entertainment and Hospitality, mall owners remain cautious.

Many say they will need to study the feasibility of the exercise before imple-



Phoenix Market City in Kurla is the only mall that has announced it will remain open throughout the night, starting 25 Jan

mentation. “I am not sure about the roll out currently. We are in touch with our retailers to understand which days of the week they wish to keep their outlets open and what is the manpower requirement for this,” said Rajneesh Mahajan, CEO, Inorbit Malls, which has operations in Malad, Vashi and Sahar in the Andheri

suburb of Mumbai. Sachin Dhanawade, chief operating officer (COO), retail and real estate, Grauer and Weil India, which runs the Growel’s 101 mall in Kandivali, Mumbai, said its retailers are working out the financial impact of the initiative.

“We may try this out on weekends,” said Dhanawade, without specifying a date when his mall would begin overnight operations. Experts feel that mall owners anticipate an increase in costs to the tune of 15-20 per cent annually, prompting a mixed response to the ‘24 hours’ initiative.

A mall owner said while the policy is good in spirit, implementing it would be a challenge as night shopping or eating out wasn’t a habit in Mumbai yet.

“It makes no sense that we keep our mall open for only food and beverage operators, who constitute just 15-20 per cent of our retail base. If this has to work, all retailers have to be on board. Currently retail players in fashion, lifestyle, grocery and appliances are not

that excited. We will have to wait and watch to see how this works,” he said.

Jatia, who runs McDonald’s stores in the west and south of India, said habits develop over time and that mall owners would have to take the initiative at some stage. “Whether mall owners are on or not, we are. We are working out which of our stores we can keep open as part of the initiative,” he said. Some McDonald’s stores in the city will be open overnight this Saturday. As of now, Phoenix Market City in Kurla, near the suburb of Kalina, Mumbai, is the only mall that has announced it will remain open in the night starting this Saturday.

Industry sources said Infiniti Mall, located in Andheri and Malad, is also experimenting with overnight operations during Republic Day. Amlani said he sees greater co-operation from mall owners in the coming months. “Developing a night life takes time and this habit will form slowly. In about six to eight months, the situation should improve,” he added

## HEALTHCARE

### Budget 2020-21 WISH LIST

#### Key challenges

- Relative increase in NCD burden proportion
- Returns lower than cost of capital
- Lack of skilled human resource impedes healthcare delivery especially in tier 2, 3 cities and rural areas
- Imports of medical devices and equipment leads to forex loss and lack of country-specific innovations
- Continuing low reimbursement rates under PMJAY
- Delay in notification of e-Pharmacy rule continues to cause confusion



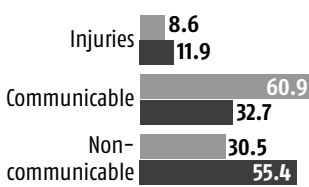
■ Shortage of beds, especially in rural areas, coupled with low spend on healthcare

#### Industry-ask

- Need fiscal concessions. This could be in the form of low cost financing and flexible interest interventions
- Implement single-window clearance
- Move healthcare from the exemption list to 0% list under GST
- Dedicated land bank at affordable rates and accessible locations to set up medical facilities

BUDGET INSIGHT OUT 2020-21

#### CONTRIBUTION OF MAJOR DISEASE GROUPS TO TOTAL DALYS (%)



Source: India: Health of the Nation's States - ICMR, PHFI, IHME; DALYS: Disability-adjusted life years

#### INCREASE IN IMPORT OF MEDICAL DEVICES (%)



Source: Industry

- Finalise and implement data privacy law
- A dedicated fund for healthcare start-ups
- Adequate budgetary allocation to Ayushman Bharat and improve participation
- Mandate PPP in other clinical procedures and hospitals
- Revisit incentives for domestic manufacturing of medical equipment channels

## PwC POINT OF VIEW



DR RANA MEHTA  
Partner and Leader, Healthcare, PwC India

“Demand for health services is rising. This is likely to put further stress on an already overstretched delivery system. Lower reimbursement rates

add to the problem. Concessions to ensure flow of capital as well as fiscal incentives should be put in place. Public-private partnerships need to be further institutionalised”

## INDUSTRY VOICE



SUNEETA REDDY  
Managing Director, Apollo Hospitals Group

“We look forward to seeing an increase in public health spending to 2.5% of GDP. Also need to address the NCD risk with early detection,

incentivised via a separate deduction of ₹10,000 for each individual. A tiered insurance programme with meaningful cover by employers for employees, mandatory insurance for self-employed professionals, and affordable healthcare policies for elders is also needed”

## HEALTH

### FIT & PROPER

Your weekly health guide

## Tips for healthy joints



RAVIRAJ A

Senior Orthopedics and Joint Replacement Surgeon  
Medall Clumax Diagnostics & Consultant  
Apollo Hospitals, Bengaluru

Obesity is a well recognised global epidemic. In the last 30 years, obesity has doubled worldwide. The prevalence of obesity in India is about 12 per cent to 31 per cent in various age groups. About 22 per cent to 39 per cent of the Indian population suffers from osteoarthritis of the knee. The most significant impact of excess weight on bones and joints is associated with degenerative osteoarthritis of the knee. The treatment of end stage osteoarthritis of knee is surgical — Total Knee Replacement (TKR). A good lifestyle, which incorporates a balanced diet, physical fitness and regular exercise, lowers the risk of obesity and thus the risk of osteoarthritis of the knee.

In India, the risk of osteoarthritis and need for Total Knee Replacement surgery increases after the age of 50. The rise in the rate of life expectancy and the increase in prevalence of obesity in our country poses a new health hazard of obese patients requiring knee replacement. Those who encounter obesity during early adulthood are predisposed to osteoarthritis. Obesity is a leading driver of knee replacement demand and imposes increased risks of surgical complications. Obesity is the greatest modifiable risk factor for OA knee. A body mass index (BMI) of more than 30kg/m2 was seven times more likely to develop osteoarthritis knee. The relationship of body mass index to osteoarthritis is more significant in women than men.

Excess weight causes degeneration of joints, especially the knee by not only increasing the mechanical loading of the joint but also the hormonal dysregulation in the body. Osteoarthritis is limiting in most aspects of life due to body pain and limitation of mobility. It is estimated that the economic burden of osteoarthritis was only second to diabetes in USA, and we in India are not far away from this situation.

Weight reduction or maintaining a healthy lifestyle by doing regular exercises — walking, jogging and sporting activities — can keep the knee and other joints healthy along with providing articular cartilage nourishment. This can prevent early degeneration of the joints. Following a balanced diet can help in maintaining a good metabolism, especially for patients suffering with obesity, diabetes and cardiac illness, which often coexist in individuals.

It has been proved in multiple studies that weight reduction helps in relieving pain and improving functions in patients suffering from crippling knee degenerative arthritis. High impact exercises such as running, jogging and treadmill are not advisable in patients, once the degeneration in the joints is already set in. The exercises for patients with knee arthritis include strengthening the muscle around the knee, including quadriceps and hamstring. Joint mobilisation exercises help prevent stiffness and possible development of deformity, helping relieve the patient from arthritis pain.

Once knee arthritis becomes severe, doing various exercises to reduce weight and maintain an active lifestyle become a challenge. Hence, a good awareness of modifiable risk factors for obesity and arthritis of the knee can help us lead a happy, healthy and pain-free life. Avoiding obesity through a good lifestyle, balanced diet and exercise not only reduce an array of medical disorders such as diabetes and heart disease but also reduce the risk of knee replacement surgery.

# Cancer-fighting potential in non-cancer drugs, says study

JULIE STEENHUYSEN  
25 January

US researchers who tested the cancer-fighting properties of more than 4,500 non-cancer drugs found nearly 50 drugs for other conditions showed at least some cancer-killing ability.

“We found that a surprising number of non-oncology drugs are able to kill cancer cell lines in the lab,” said Steven Corsello of Dana-Farber Cancer Institute and the Broad Institute of MIT and Harvard University, who led the research.

Bruce Bloom of Cambridge, Massachusetts-based Healx, a company that uses artificial intelligence to discover drugs for rare diseases, told *Reuters Health* by email the new drug targets and mechanisms of action identified by the researchers could be valuable both for new treatment approaches and for repurposing older drugs.

Published this week in *Nature Cancer*, the work is the largest yet to use the Broad Institute’s Drug Repurposing Hub, a collection of samples



of more than 6,000 drugs and compounds that are either approved by the US Food and Drug Administration or have

gone through early-stage clinical trials proving they are safe in people.

The researchers tested the drugs on more than 550 different cancer cell lines. Earlier efforts at this kind of discovery have been painstaking because researchers had to grow cell lines one at a time and test each drug individually. This time, they used DNA barcodes - introducing unique snippets of DNA with a virus to label

the cell lines. This technique allowed them to pool the cell lines, shortening screening time.

“We tested 4,518 compounds in this experiment in total,” Corsello, founder of the Drug Repurposing Hub, said in a telephone interview. “We found 49 non-oncology drugs that were able to selectively kill cancer cell lines - killing some but not other cancers, which is an ideal property.”

The researchers selected four of these drugs to undergo more testing to better understand how they attacked and

killed cancer cells. These included a treatment for diabetes, a drug for inflammation, a treatment for alcohol abuse and one for treating arthritis pain in dogs.

Most of the drugs they tested attacked cancer in novel ways.

The drug tepoxalin, for example, which was originally developed for use in people but later approved for treating osteoarthritis in dogs, worked by attacking a target called MDRI that’s expressed on the surface of cells and protects them from chemotherapy.

Corsello said cancer patients who develop resistance to chemotherapy often have high levels of this protein.

Antabuse, a drug approved to treat alcohol dependence, showed activity in cancers that lack a portion of chromosome 16, which commonly occurs in some breast cancers.

Other drugs showing anticancer properties included a compound originally developed to treat diabetes called vanadium, and levonorgestrel, a hormone used in contraceptives.

REUTERS

# Scientists begin work on a vaccine to tackle coronavirus outbreak

JULIE STEENHUYSEN, KATE KELLAND  
25 January

When a newly organised vaccine research group at the US National Institutes of Health (NIH) met for the first time this week, its members had expected to be able to ease into their work. But their mandate is to conduct human trials for emerging health threats — and their first assignment came at shocking speed.

In just three months time, they likely will be testing the first of a number of potential experimental vaccines against the new SARS-like coronavirus that is spreading in China and beyond.

“I told them, ‘you are going to have your baptism of fire, folks,’” Anthony Fauci, director of the US National Institute of Allergy and Infectious Diseases within NIH, said of his inaugural address to the group this week.

Three months from gene sequence to initial human testing would be the fastest

the agency has ever gotten such a vaccine off the ground, Fauci said.

The outbreak, which began in the central Chinese city of Wuhan in December, as of Friday had infected more than 800 people in China and killed 41. Cases have also been confirmed in Thailand, Vietnam, Singapore, Japan, South Korea, Taiwan, Nepal and the United States.

Chinese scientists were able to quickly identify the genetic sequence of the new coronavirus and officials posted it publicly within a few days, allowing scientific research teams to get to work right away. With the genetic code in hand, scientists can start vaccine development work without needing a sample of the virus.

During the deadly 2003 Severe Acute Respiratory Syndrome (SARS) outbreak, it took US scientists 20 months to go from genetic sequence to the first phase of human trials. By that time, the outbreak was under control.

REUTERS

# Breastfeeding, childbearing may reduce menopause risk

LISA RAPAPORT  
25 January

Women who have babies and breastfeed may be less likely to go through menopause early than those who don’t have children or nurse their infants, a US study suggests.

Researchers tracked 108,887 women, ages 25 to 42, who had not yet gone through menopause. Just over half had experienced at least one pregnancy lasting at least six months and more than half of these mothers exclusively breastfed their babies for at least one month.

During follow-up for up to 25 years, women who had one preg-

nancy were 13 per cent less likely to experience menopause before age 45, and the risk declined with subsequent pregnancies, the study found. Breastfeeding appeared to explain at least some of the reduced risk; after accounting for that factor, a single pregnancy was still associated with an 8 per cent lower risk of early menopause.

“While most women may not be thinking about menopause timing when deciding how many children they plan to have, we feel our breastfeeding findings add new insight into ways to prevent early menopause,” said lead study author Christine Langton of the

University of Massachusetts Amherst. “And they align nicely with recommendations of both the American Academy of Pediatrics and World Health Organization that US women exclusively feed their infants breast milk for at least six months and continue breastfeeding for up to one year.”

Women go through menopause when they stop menstruating, which typically happens between ages 45 and 55. As the ovaries curb production of the hormones estrogen and progesterone, women can experience symptoms ranging from vaginal dryness to mood swings, joint pain and insomnia.

About 10 per cent of US women go through menopause before age 45, the authors note, and this has been linked to an increased risk of heart disease, osteoporosis, diabetes, cognitive decline and sleep problems, previous research has found.

Both pregnancy and breastfeeding might delay menopause by temporarily halting monthly ovulation cycles to release eggs, Langton said by email. Women are born with a set number of eggs, and depletion of this egg supply contributes to the end of menstrua-

tion and the start of menopause.

For the current study, researchers examined data from an ongoing long-term study of US nurses, which began collecting data in 1989.

Overall, 59,388 women, or about 54 per cent, had at least one pregnancy lasting at least six months and more than half of these mothers exclusively breastfed their babies for at least one month.

A total of 2,571 women, or 2.5 per cent, went through menopause before age 45.

Women who had one pregnancy and only exclusively

breastfed for less than one month still had a lower risk of early menopause than women who didn’t get pregnant. The risk of early menopause also declined more with subsequent pregnancies and longer periods of exclusive breastfeeding, researchers report in *JAMA Network Open*.

With two pregnancies, women were 16 per cent less likely to go through early menopause, after researchers accounted for the duration of exclusive breastfeeding, while the risk was 19 per cent lower with four or more pregnancies.

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