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Indian Cottons, Global Reach !

TEXPROCIL E NEWSLETTER

A Fortnightly Publication of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

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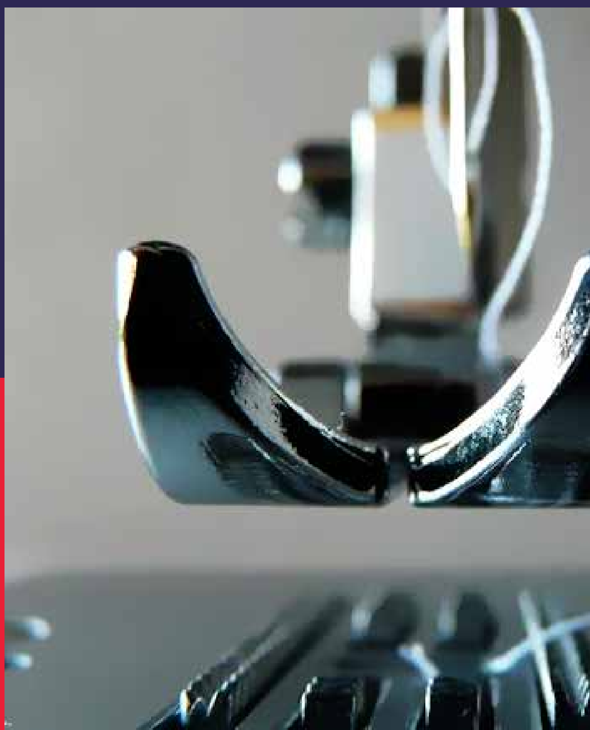

MIXED TRADE RECOVERY

Festive season should lead to higher consumption thereby adding to positive growth in exports and overall economy.
Chairman, TEXPROCIL

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CHINA'S POWER CRISIS

- ANALYSIS REPORT

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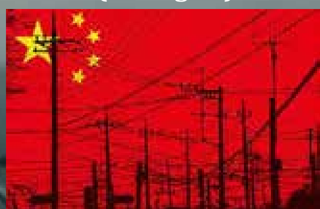

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Volume V. Issue Published Fortnightly

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Inside this Issue — Page No.

Indian Cottons, Global Reach

Editorial

Dear Reader,

TEXPROCIL

Dr. Siddhartha Rajagopal
Executive Director

The current issue of TEXPROCIL E-Newsletter is being published against background of the ongoing festive season which has raised hopes for improved domestic and export sales. Reports suggest that the consumption and demand patterns are fast approaching the pre- covid levels.

Inspite of Supply Chain Challenges exports of Textiles and Clothing are seeing positive growth. Scarcity of raw materials, intermediate inputs and labor are however driving up prices and lead times across a large number of commodities and manufactured goods.

The overall growth trend, according to analysts thus, presents a slow but steady recovery on all fronts.

However, as pointed out by Shri Manoj Patodia, Chairman, TEXPROCIL, the exporting community needs to remain cautious about various developments in the global trade activities and prospects emerging from the existing traditional markets and emerging countries for the growth of trade.

The 'Trade Facilitation' column brings out a report titled "China's power crisis: Impact on China's economy" presented by Shri N Ravindranathan, Director, TEXPROCIL. The report analyses the causes of the crisis and determines the possible impact on the China's supplies being made across the world.

The 'Market Update' column in this issue presents 'Regional Outlook for Europe and Central Asia (ECA)' as presented by the recent World Bank Report. A special analysis on Competition and Firm Recovery Post-COVID-19, using data from World Bank Enterprise Surveys and Business Pulse Surveys, finds that COVID-19 had a profound and varied impact on firms, as pointed in the report.

The 'Design Corner' section presents a quick guide to some of the currently favored home design trends. At a moment when many of us are spending more time at home than ever, now is the perfect time to find inspiration in the latest home design trends. Transforming the space can be an amazing way to refresh one's spirit, rejuvenate the environment and feel truly at home.

We do hope that you find reading this edition of the E-Newsletter worthwhile.

We welcome your valuable feedback on the present edition and also invite contributions in the form of short articles on matters relevant to trade and industry.

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Trade Notice

Important Circular to Members

E-Serve No.: 182 of 2021 | Date: November 8, 2021
Circular No. EPS/85/2021-22 | To: Members of the Council

Sub : Problems faced by exporters of textiles due to delay in payments against LCs issued by banks in Bangladesh

Dear Member,

As you are aware, exporters of textiles are facing difficulty due to delay in receiving payments against Letter of Credits issued by banks in Bangladesh. Members have represented that Commercial banks in Bangladesh are not honoring drafts drawn under LCs opened by them.

The Council has taken up this matter with the Government and also with the Indian Embassy in Bangladesh. The Government has now sought further details in this regard.

We would, therefore, request you to please send us the required details in the enclosed format (click here) and send it to us on the email IDs ravikumar@texprocil.org / vimal@texprocil.org.

We solicit your support and co-operation in the matter and look forward towards receiving the details at the earliest.

Regards,

Dr. Siddhartha Rajagopal
Executive Director
::TEXPROCIL::

Chairman's Page

Dear Friends,

Shri Manoj Patodia
Chairman

The Purchasing Managers Index (PMI) for Manufacturing in India recorded a growth for the third consecutive month, reaching a level of 55.9 in October as compared to it's September level of 53.7. It augurs well with the country's economy as a PMI value greater than 50 signifies expansion in economic activity. Reports suggest that this sharp turn also saw factory output increase at a sharp pace.

Despite these encouraging developments, concerns are also being raised about the pressure of rising input costs and price escalations due to delay in supplies on account of non-availability of containers, higher freight charges, and other supply chain disruptions. Some firms were able to pass on the additional cost burden to their clients by raising output charges. However, a large section of manufacturers falling in the SME bracket who were unable to negotiate higher prices are seeing a moderate impact on the margins, as per the report.

Trade Data

India's merchandise exports in October 2021 was USD 35.47 billion, an increase of 42.33% over USD 24.92 billion in October 2020 and an increase of 35.21% over USD 26.23 billion in October 2019. India's cumulative merchandise exports in April-October 2021 was USD 232.58 billion, an increase of 54.51% over USD 150.53 billion in April-October 2020 and an increase of 25.45% over USD 185.4 billion in April-October 2019.

Following a positive trajectory, India's exports of cotton textiles (yarn, fabrics, madeups, etc.) under the purview of Council, recorded a growth of 46.1 percent reaching a level of US $ 1,333 million in the month of October 2021 as compared to US $ 912 million achieved during October 2020. The exports during October 2021 also marked an increase of 55.9 percent over US $ 855 million achieved during October 2019 and an increase of 46.4 percent over US $ 911 million achieved during October 2018.

The cumulative exports of cotton textiles (yarn, fabrics, madeups, etc.) compared year-on-year for the period April – October 2021 have also achieved a growth of 74.5 percent and are valued at US $ 8,616 million as compared to US $ 4,938 million achieved during April – October 2020. The cumulative exports during April – October 2021 also marked an increase of 47.5 percent over US $ 5,840 million achieved during April – October 2019 and an increase of 29.1 percent growth over US $ 6,673 million) achieved during April – October 2018.

China Situation

Recently textile manufacturing in China continues to be impacted due to the electricity crisis that has forced their government to undertake rationing of power supplies. The situation is leading to a worldwide shortage of goods produced in China and depending on how long the shortage lasts, this is expected to lower China's GDP growth for the year.

In order to analyse the situation, the Council held an online panel discussion on "Recent Developments in China in view of the electricity crisis" on 25th October 2021. At the meeting, I welcomed Dr. N. Nandakumar, Consul General, Indian Consulate, Shanghai and other eminent panelists that included some of our leading member exporters like Shri. Sharad Saraf, Past Chairman FIEO & CMD, Technocraft Industries, Shri. Ujwal Lahoti, Chairman, Lahoti Overseas, Shri. Rahul Shah, MD, ACME Yarns Pvt Ltd. and Shri. Dharmendra Goyal, MD, Shreedhar Cotsyn.

The Hon'ble Consul General shared an insight on the ground realities in electricity shortage and related issues. He congratulated the Council for the brilliant effort in organising the group discussion on the vital topic useful for development of Indian textile trade,

The panelists shared their views and latest updates on recent developments in textile manufacturing in China due to the electricity crisis. Towards the end of the meeting, Shri Sunil Patwari, Vice Chairman, TEXPROCIL summarised the discussions at the meeting and analysed the possible changes in demand – supply situation for yarn and other commodities of interest to the Indian textile and clothing sector. Members attending the program found the discussions useful as it provided an insight on real-time developments in China in the wake of the electricity crisis.

TUF Scheme

On the TUF Scheme, in the 5th Meeting of the Inter Ministerial Steering Committee (IMSC) held on 22.10.2021, a decision has been taken to condone the delay in submitting UID applications in certain cases.

Continued from Page 5

Chairman's Page

Accordingly, units can now submit their UID applications on the i-TUFS Portal on or before January 19, 2021. Further, the office of the Textile Commissioner has granted relaxation in the timeline for submission of UID applications. Under this relaxation, all those units and banks who could not submit their UID applications from March 23, 2021 and October 22, 2021 due to the lock down on account of the second wave of COVID–19, can now submit their UID applications on the i-TUFS portal till January 20, 2022. I am sure both these facilities will benefit a large number of textile units who have made huge investments in machineries under the TUF scheme.

RODTEP scheme

The Online system for the RODTEP scheme has been activated. Exporters are now able to generate the E-Scripts on the ICEGATE portal. This has come as a huge relief to the exporters. The Council had conducted a Webinar on the Implementation of the RODTEP scheme for its members on 27.10.2021 to educate them regarding the scheme as well as its operation. The Webinar covered all aspects of the RODTEP scheme such as generation and transfer of the E-Scrips, declarations to be given on the Shipping bills, conditions related to payments, precautions to be taken by the exporters while operating under the scheme etc. The Webinar was well attended and widely appreciated by the participants. The Council will conduct many such Webinars for its members in future also.

The Government has re-constituted the RODTEP Committee to examine the various issues related to the RODTEP scheme. The Council will be submitting its proposals before the Committee for an increase in the RODTEP rates for Knitted fabrics and also for home textiles products covered under Chapter 94. The Council will also represent before the Committee to extend the RODTEP scheme on exports under the Advance Authorization Scheme and on exports made by the EOUs and SEZ units. I urge all the members to send their representations to the Council on any issue related to the RODTEP scheme along with justification and supporting data so that the same can be taken up with the Committee.

Way forward

Friends, all reports suggest that the onset of the festive season in India and the upcoming holiday buying season in the West augur well for all types of trade in merchandise goods. As the world opens up after almost 18 months, the shopping spree should lead to higher consumption thereby adding to positive growth in exports and overall economy.

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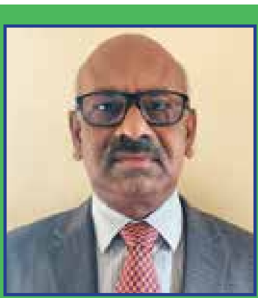
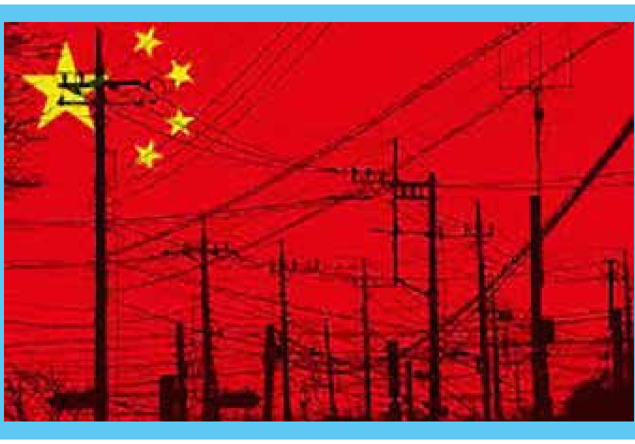
TRADE FACILITATION

China's power crisis: Impact on China's economy



Mr. N. Ravindranathan, Director, TEXPROCIL reports on the current situation facing the manufacturing sector in China due to the ongoing power crisis and it's impact on the supplies in the world.



- Over 60% of China's power generating plants run on coal. With a sharp increase in demand for electric power for industrial consumption over the past eight months and steep increase in world coal prices coupled with flooding in major coal mines in China has led to shortage of coal and in turn less production of electricity.
- China relies on massive amounts of coal to keep people warm, but some provinces can't even keep the lights on amid high prices, production cuts and Beijing's determination to cut emissions
- Some industrial powerhouses in the world's second-largest economy are forcing factories to slash production, posing a risk to GDP growth and global supply chains

Reasons of the critical power crunch

China experiences power shortages from time to time, and these are often the result of a conflict between market-oriented coal prices and government-controlled electricity rates.

On January 1, 2020, the central government implemented a new mechanism for controlling the price of electricity across the country, intended to prevent wild price fluctuations. As directed by the central government, a notice by China's economic planner, the National Development and Reform Commission (NDRC), stipulated that provincial authorities were permitted to lower the price of electricity by as much as 15 per cent, or raise it by as much as 10 per cent, from a fixed starting point.

However, the NDRC, which is solely in charge of the national electricity pricing mechanism, said that the range could be revised, depending on market conditions. Generally speaking, though, even if there is increased demand for electricity, coupled with other factors such as a shortage of thermal coal needed to create that electricity, the price for end-users – from average citizens to large industrial firms – typically does not increase by more than 10 per cent.

Economic importance of Coal

The price of coal is not equally regulated in China, and it recently hit record highs because it is priced according to market forces such as availability and demand. As a result, power companies have been unwilling to produce adequate power, because it is simply less profitable.

According to research by financial services group Macquarie Capital, China saw its power production increase by 11 per cent from January to August, year on year, but its coal production was up only by 4 per cent during this period.

Electricity pricing mechanism - boon or hindrance to China's power supply?

Despite efforts by the central government to step up reforms in recent years, a market-based pricing mechanism in the power sector has not yet been fully formed. Since the pricing is managed by administrative bodies, price adjustments often lag behind cost changes. Thus, they often do not reflect the true power cost, nor changes in the balance of supply and demand.

Although coal prices change frequently, the pricing mechanism allows for only periodical changes, making it difficult for generators to remain profitable. The caps set by the NDRC and managed by local governments also make it difficult to pass additional power costs on to end-users when the supply is tight. Thus, China ends up with occasional power shortages, which are likely to continue.

What's more, China offers various forms of subsidies in the power sector. For example, there are subsidies to households and agricultural users, while industrial users have to pay more. This also means that retail prices are not regulated in a way to achieve better efficiency and to promote cost-effectiveness.

Current State of Beijing's plan to reduce carbon emissions

In its bid to reduce air pollution in view of COP26 commitments, the central government set modest goals early this year to reduce energy consumption per unit of gross domestic product (GDP) by 3 per cent in 2021, and by 13.5 per cent from 2021-25, while cutting carbon emissions per unit of GDP by 18 per cent during the five-year period.

However, despite the government's calls to reduce heavy industrial power usage, a third of China's 31 provincial territories did not meet the so-called dual-control targets set by Beijing for the first six months of this year. "Dual control" is a regulatory effort that emphasises "resolutely controlling high energy consumption", as measured by tonnes of coal used, and to limit high-emission projects.

TRADE FACILITATION

China's power crisis: Impact on China's economy

On August 12, the NDRC published a rating list of all 31 provinces based on their energy consumption by GDP and use of coal – the dual-control targets. Seven provinces, including the major industrial provinces of Guangdong, Jiangsu, Fujian and Yunnan, failed to meet those targets.

In its notice, the NDRC urged all local governments to "take effective measures to ensure that the annual energy consumption dual-control target" will be met by the end of this year. Thus, with less than five months left in the year, the NDRC's scathing report heaped pressure on local officials to limit or even cut power usage in accordance with Beijing's demands, else lose their jobs. All the while, coal prices continued their steady rise into September, making power costs increasingly expensive.

For many local authorities, there was only one solution: power rationing. And that's exactly what at least 20 of the 31 provincial regions have resorted to in recent weeks. Two northeastern provinces, Liaoning and Jilin, have gone as far as cutting off power to traffic lights while also limiting the supply available to households, resulting in rolling blackouts in some places. In Dongguan, an electronics manufacturing hub in Guangdong, some factories have been forced to limit production to just one or two days a week.

Effects of Power crisis on industrial production and economic growth

Some analysts say power rationing could lead to a worldwide shortage of goods produced in China. And depending on how long the shortage lasts, this could drag down China's GDP growth for the year. For instance, as per BNP Paribas, in the worst-case scenario where there are no adjustments to China's dual-control targets, its GDP would be knocked off by 2 percentage points in September and December on an annualised basis – meaning a loss of 0.76 per cent points in its 2021 GDP growth.

Energy-intensive sectors, including producers of steel, aluminum, textile and cement, are among those most affected by the ongoing power rationing, which has also seen a cut in output in soybean crushers and textile producers.

The power restrictions imposed to control demand will particularly hit the manufacturing sector, which has so far offered the largest support to the Chinese economy against the backdrop of a rapid slowdown led by services, according to Natixis. The investment bank also expects higher producer prices going forward, squeezing the profit margin of downstream users, as well as a higher inflation risk overall. Thus, China's shrinking factory activity points to deeper economic slowdown

Government reaction to the national crisis

Various authorities have since sought to reassure the general public that the nation's power supply is secure and stable, as concerns about heating and higher electricity costs are mounting ahead of the peak-usage winter reason.

A lack of adequate electricity to power heaters – particularly for about 100 million people who live in the coldest northernmost provinces that make up China's rust belt – could put many lives at risk in the coming months. Guangdong has already hiked electricity prices for industrial users during peak demand hours, and more provinces are expected to join the list.

The China Banking and Insurance Regulatory Commission said in a notice on October 5 that Chinese banks should prioritise their

lending to qualified mines and power plants so these facilities can increase thermal coal and electricity output. There are reports that China has stepped up coal imports from Kazakhstan, South Africa and Mozambique.

Outlook for China's power supply

Analysts expect power rationing to persist until at least next spring, despite China's calls to lift import supplies and drum up domestic production. According to BNP Paribas, China has already begun improving thermal coal supplies by increasing production and imports since August, but the progress has been relatively slow.

What's more, analysts expect power consumption is likely to remain limited for energy-intensive sectors including chemicals, construction materials, metals smelting, textiles and non-ferrous metals.

Beijing may end up granting some flexibility to local authorities when it comes to fulfilling their dual-control targets, but doing so would threaten China's targets on cutting emissions and curbing pollution.

However, S&P analysts say the Chinese government appears more inclined to pass unusually higher energy costs on to end-users during this difficult period, to take some pressure off of power producers and grid companies.

In late September, the NDRC said it would allow electricity rates to reflect supply and demand, but it has yet to reveal details on any deeper price reforms.

Likely impact

India is dependent on China for several commodities, including electronic components, power turbines, chemicals, consumer durable goods etc. Prices of these products in India are bound to increase.

With less industrial activities, in particular, weaving sector, yarn import into China are set to decline in coming months.

A large volume of synthetic textiles is also imported from China and prices of these products are set to go up in addition to limitations on volumes of supply.

Restrictions on power supply to the weaving sector seems more than that of for spinning sector. This could help the domestic spinners and put pressure on prices on imported yarn.

China being the manufacturing hub for the entire world, if the power crisis continues through the next four months or so, world economy is set to shrink to some extent.

Source: Amanda Lee – Correspondent, South Coast Morning Post, Beijing

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SPECIAL FEATURE

What makes a roller coaster ride for Rupee? Will it test 75.50 again?

The Indian Rupee has also been stuck in the same time loop as it has been juggling between a strong dollar and hot inflows and trying to strike balance around them. The rupee made a turnaround from 75.70 to 73.85 levels moving from October to November. And as the juggling basics work- what goes up does come back down, and what comes down shall go up again, it will be watchful if rupee makes the reversion back towards 75 and above levels or not.

Let us analyze one by one the factors which led to the recent rupee appreciation against the dollar and going ahead what are the structural tailwinds that will continue to weigh on the INR.

The IPO Unicorn

It all began with the expected return of foreign capital into India's key indices after being net sellers for nearly Rs 13,350 cr in October giving some room to rupee. The series of IPO with **Policy bazaar (Rs 5600cr), Paytm (Rs.18300cr) and SBI (Rs 4,000cr) bond raise** transposed FII back to India and increased the demand for the rupee. The flow story to continue in primary market (IPO) for almost Rs 20,000cr in upcoming weeks, but secondary market is still under pressure due to profit booking by FII/FPIs. **So far RBI has been excellent in absorbing flows, but whether it remains active downside or leaves rupee to market will be watchful.**

Dovish Taper by Fed

It was a Dovish taper by the Fed in November monetary policy. While keeping a rates unchanged, they announced a tapering by $15 billion per month. However, they shook hands with 'Transitory' word again which market didn't like. Although yields were seen spiking up a bit, but momentum were mostly discounted. Compare to 2013 tapering, this taper had not major impact on the emerging

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SPECIAL FEATURE

What makes a roller coaster ride for Rupee? Will it test 75.50 again?

market equities or currencies as Fed had communicated well in advance. And hence, Rupee too remained on a side-lined and taking cues from other factors.

Slight correction in oil

Over past two weeks, **oil prices can be seen trading on a mixed note as a higher-than-expected US crude** inventory build and the scheduled resumption of Iran talks pressured oil prices. Iran announced that it is set to resume negotiations for a nuclear deal with western powers in a bid to remove US-imposed sanctions. This provided some breather to a net oil importing nation-India as it threatens to derail its post-pandemic economic recovery with a widening deficit..

RBI's negligence in forex market

The RBI was seen extending their Holidays post Diwali as they remained clearly absent till the time Rupee appreciated post 74 levels. The spree of IPOs in the pipeline brought in huge dollar funds. Normally, RBI absorbs these dollars from the market which results in a rise in rupee liquidity. The increase in the supply of rupee without a corresponding demand makes the rupee depreciate against the dollar. **Thus merely to protect IPO inflows, they didn't intervene and further they knew that Rupee could take a hit from FII's outflow from secondary market.**

In past few sessions, rupee has cherished all of the above positives. However, going ahead the below concerns would continue to remain a headwind for rupee:

Jumping oil prices

Distress of global demand overtake supply, crude oil prices would remain at elevated levels posing major risks for India with a double whammy of inflation and the trade deficit. That apart, oil importers who have already taken a heavy beating in past month will definitely rush to cover their imports. **Additionally, OPEC+ remained sticky to continue with their current output and avoided calls from the US for extra supply for winter season. This could lead to rupee depreciation.**

Fed's hawkish ball ahead

As we head closer to November end, we will get more hints as to how the Fed plans to do the taper added more fuel to the volatility. US central bank policymakers sent mixed signals, with Chairman Jerome Powell promising to be "patient" before hiking rates, while St. Louis Fed president James Bullard expects two rate hikes in 2022, based on current economic data. Fed members are behaving just like in the past months where they had first accepted the sustainable inflation and hinted at tapering- then remained mixed to dovish-and then all of sudden turned hawkish. **Any such hawkish surprise could hint at a strong dollar rally and hurt rupee again over upcoming months.**

Stronger US economic data

Annual inflation rate in the US surged to 6.2% in October of 2021, the highest since November of 1990 and above forecasts of 5.8%. Also, the US published strong non-farm payrolls (NFP) data as the economy created more than 531k jobs in October showing improved labor market. **Both factors remaining Fed's favourite measure to enable rate hike thoughts have been back on the table for a bull USD.**

Big Bull RBI be back in action

So far in the recent appreciation rally, RBI remained in muted mode, but given the move from 73.85 to 74.37 levels, looks like the juggler has performed his act and capped the rupee gains to keep the exporters interest intact and also pile up their forex book.

OUTLOOK

With the US dollar index is still quoting on a strong note amid quicker economic recovery than peers, persistent energy supply issues leading to spiked oil prices, and Fed's pullback of stimulus on cards overall, we are expecting that the USDINR pair should bottom out near 73.80 to 74.10 zone and move back higher towards 74.90-75.00 over the short term and 75.50 levels over the medium term

FOREX
THE FX RISK MANAGERS

Note to Readers: The article is written by Mr. Amit Pabari, Managing Director, CR Forex. The opinions expressed in this publication are those of the author and do not purport to reflect the opinions or views of publisher.

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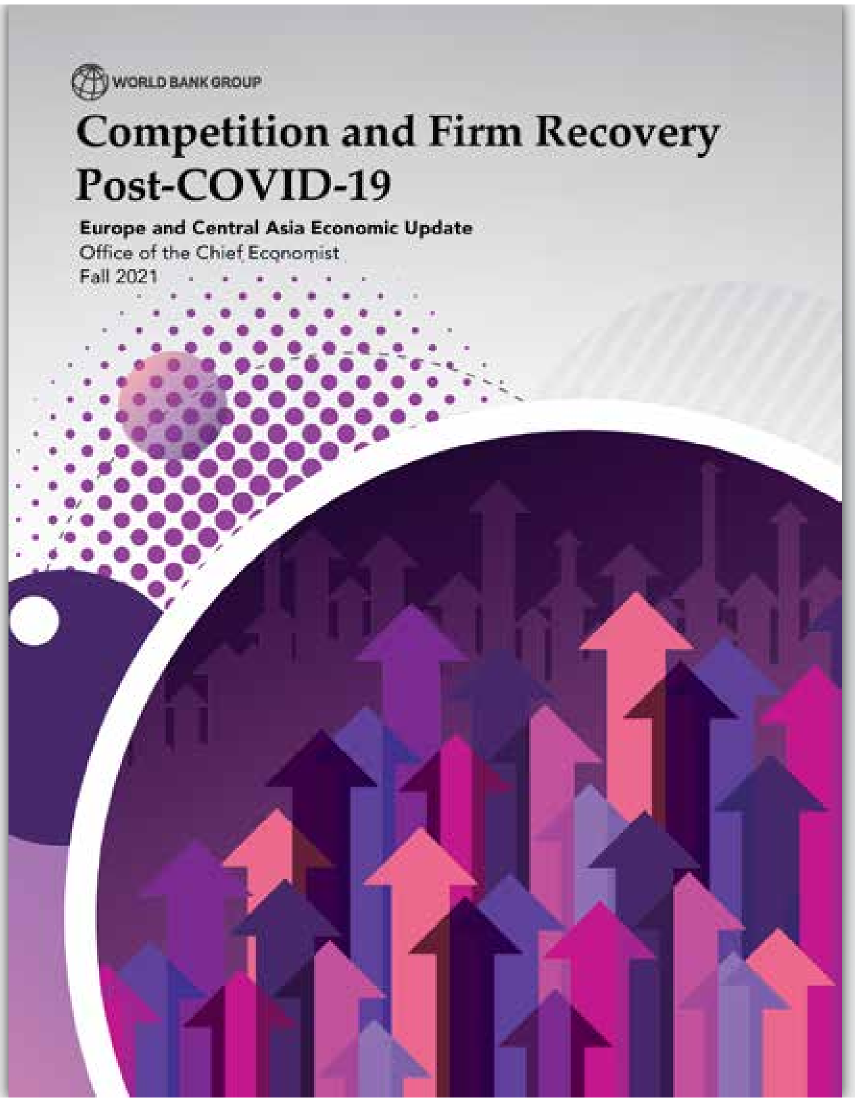
MARKET UPDATE

Regional Outlook for Europe and Central Asia (ECA) – World Bank Report

A special analysis on Competition and Firm Recovery Post-COVID-19, using data from World Bank Enterprise Surveys and Business Pulse Surveys, finds that COVID-19 had a profound and varied impact on firms.



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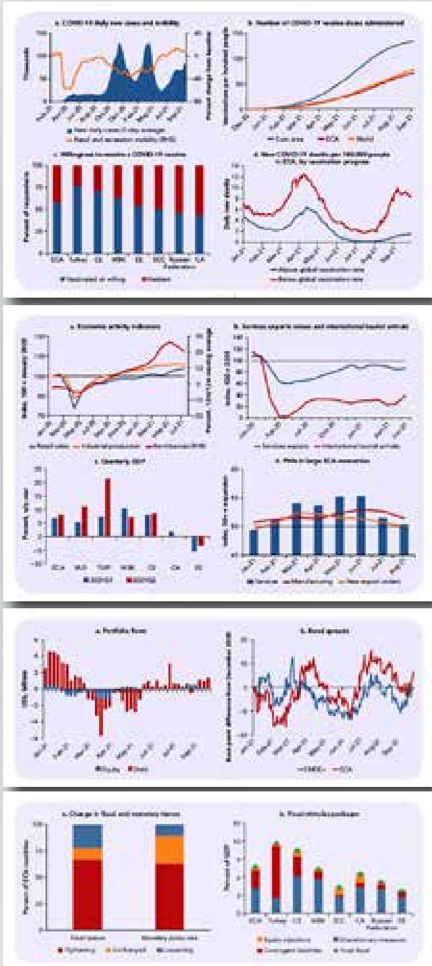


TABLE E.1 Regional Classification used in this report

Central Asia	Central Europe and Baltic Countries	Eastern Europe	Northern Europe
Kazakhstan Kyrgyz Rep. Tajikistan Turkmenistan Uzbekistan	Bulgaria Croatia Czech Rep. Estonia Hungary Latvia Lithuania Poland Romania Slovak Rep. Slovenia	Belarus Moldova Ukraine	Denmark Finland Iceland Norway Sweden
South Caucasus	**Southern Europe**	**Western Balkans**	**Western Europe**
Armenia Azerbaijan Georgia	Cyprus Greece Italy Malta Portugal Spain	Albania Bosnia and Herzegovina Kosovo Republic of North Macedonia Montenegro Serbia	Austria Belgium France Germany Ireland Luxembourg Netherlands Switzerland United Kingdom
	Russian Federation	Turkey	

Source: World Bank

MARKET UPDATE

Regional Outlook for Europe and Central Asia (ECA) – World Bank Report

Reasons of the critical power crunch

ECA's economy is expected to expand 5.5 percent in 2021—insufficient to return output to its pre-pandemic projection (figure 1, panel a; table 1). Nevertheless, the outlook for 2021 is considerably stronger than previously envisioned, reflecting a release of pent-up demand in the region's largest economies (figure 1, panel b). The improvement is broad-based, with growth in 2021 upwardly revised in about 90 percent of ECA's economies on the back of strengthening domestic demand. Positive spillovers from firming activity in the euro area and higher commodity prices in the first half of this year have also bolstered ECA's recovery, particularly in exports.

Table 1. Europe and Central Asia growth forecast summary (real GDP growth at market prices in percent, unless indicated otherwise)

						Percentage point differences from June 2021 projections		
	2019	2020	2021*f*	2022*f*	2023*f*	2021*f*	2022*f*	2023*f*
EMDE ECA, GDP(a)	2.7	−2.1	5.5	3.4	3.1	1.6	−0.5	−0.4
EMDE ECA, GDP excl. Turkey	3.1	−3.1	4.7	3.6	2.9	1.0	−0.1	−0.3
Commodity exporters(b)	2.5	−2.9	4.3	3.1	2.4	1.0	−0.3	−0.4
Commodity importers(c)	2.8	−1.3	6.8	3.8	3.8	2.2	−0.6	−0.4
Central Europe(d)	4.4	−3.6	5.6	4.8	3.7	1.1	0.3	−0.2
Western Balkans(e)	3.7	−3.2	5.9	4.1	3.8	1.5	0.4	0.0
Eastern Europe(f)	2.7	−3.2	3.1	1.6	3.3	1.2	−1.2	0.7
South Caucasus(g)	3.8	−5.2	5.8	3.9	3.6	2.2	−0.3	−0.4
Central Asia(h)	4.9	−1.4	4.3	4.3	5.1	0.6	0.0	0.0
Russian Federation	2.0	−3.0	4.3	2.8	1.8	1.1	−0.4	−0.5
Turkey	0.9	1.8	8.5	3.0	4.0	3.5	−1.5	−0.5
Poland	4.7	−2.7	4.5	4.7	3.4	0.7	0.2	−0.5

Source: World Bank.

Note: World Bank assumptions are frequently updated based on new information and changing (global) circumstances. Consequently, the working assumptions presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given moment. Due to lack of reliable data of adequate quality, the World Bank is currently not publishing economic output, income, or growth data for Turkmenistan, and Turkmenistan is excluded from cross-country macroeconomic aggregates.

e = estimate; ECA = Europe and Central Asia; EMDE = emerging market and developing economy; f = forecast; GDP = gross domestic product.

a. GDP and expenditure components are measured in average 2010–19 prices and market exchange rates.
b. Includes Armenia, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Kosovo, the Russian Federation, Tajikistan, Ukraine, and Uzbekistan.
c. Includes Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary, Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, and Turkey.
d. Includes Bulgaria, Croatia, Hungary, Poland, and Romania.
e. Includes Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia.
f. Includes Belarus, Moldova, and Ukraine.
g. Includes Armenia, Azerbaijan, and Georgia.
h. Includes Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

The cyclical recovery in ECA is forecast to ease to 3.4 percent in 2022, as domestic demand stabilizes. The earlier boost from external demand is also expected to fade alongside plateauing global growth and easing commodity prices.

The near-term outlook has deteriorated, partly reflecting a faster removal of macroeconomic support than envisioned, especially in some large ECA economies.

Nevertheless, the continued relaxation of OPEC+ production cuts should help buoy activity in the region's oil exporters. The regional forecast is also predicated on a gradual recovery in investment, particularly in those economies benefiting from sizable EU spillovers and funds (Central Europe and the Western Balkans) (figure 1, panel c).

The strength of the earlier recovery has helped limit the amount of scarring from the pandemic in ECA relative to other EMDEs (figure 1, panel d). Nonetheless, per capita GDP is projected to remain about 1.5 percent below its pre-pandemic projection in 2022. As a result, the pace of per capita income growth catch-up with advanced economies is anticipated to slow over the next three years in ECA, but the deceleration varies across the region (figure 1, panel e).

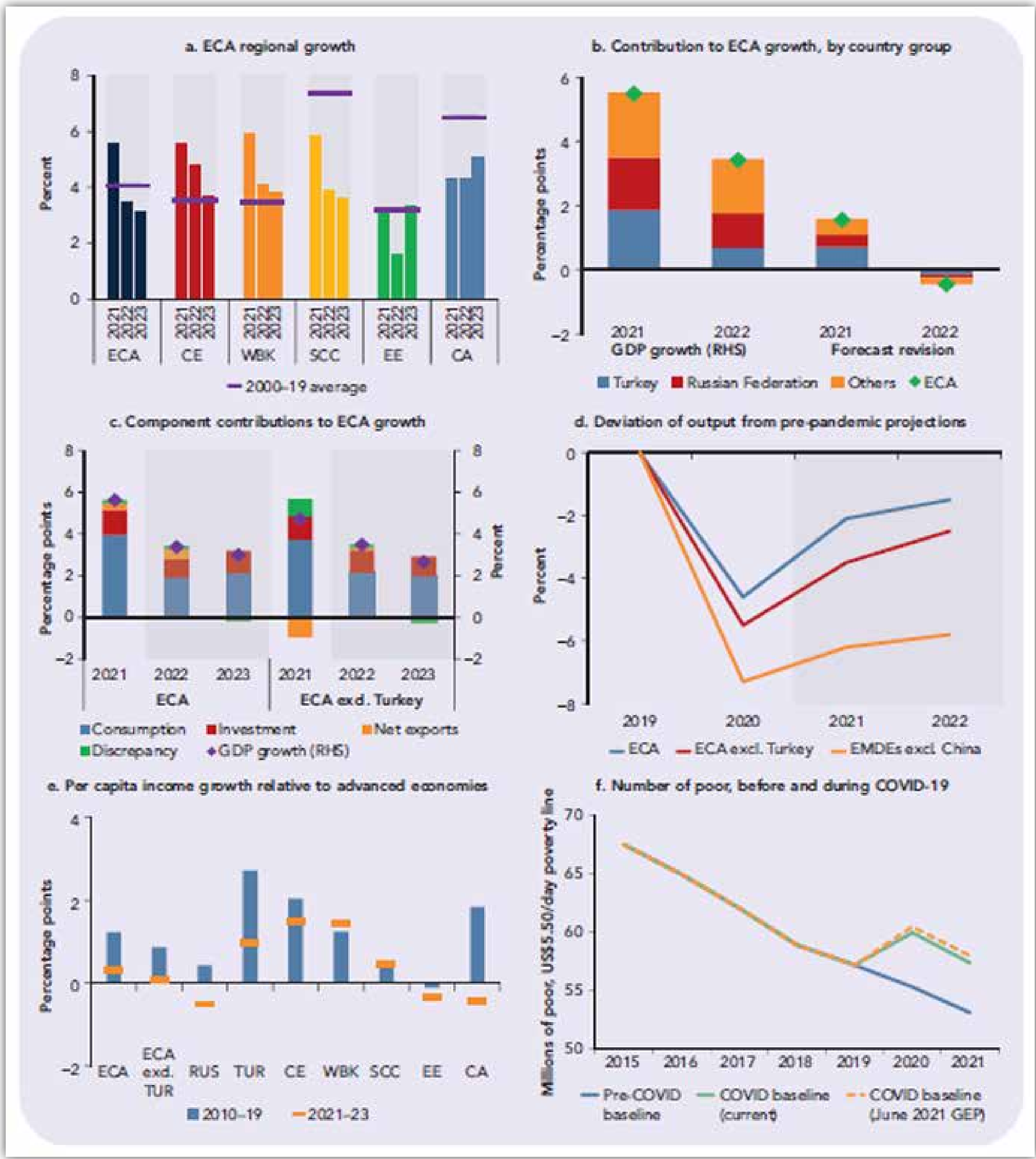
Weak growth prospects amid lingering structural issues and elevated geopolitical tensions are projected to reverse per capita income catch-up in Eastern Europe and Central Asia—home to some of ECA's poorest—setting development goals further from reach. In contrast, the pace of catch-up is anticipated to accelerate in the Western Balkans—the only ECA subregion projected to do so—on the back of solid investment and reform progress.

MARKET UPDATE

Regional Outlook for Europe and Central Asia (ECA) – World Bank Report

Despite a robust cyclical recovery, the pandemic is estimated to have reversed earlier gains in poverty reduction. By the end of this year, COVID-19 will likely have pushed an additional 4.3 million people under the $5.50 a day poverty line in ECA (figure 1, panel f). Although this figure is about a third smaller compared with previous forecasts, it suggests that the recovery is not complete or inclusive, with household incomes continuing to be dampened by job losses and a reduction in working hours, the removal of policy support, and high inflation, particularly for food items (ILO 2021).

FIGURE 1. Europe and Central Asia Outlook



Sources: World Bank.
Note: Aggregates are calculated using real weights at average 2010–19 prices and market exchange rates.
CAC = Central Asia; CE = Central Europe; ECA = Europe and Central Asia; EE = Eastern Europe; GDP = gross domestic product;
GEP = Global Economic Prospects; RUS = Russian Federation; SCC = South Caucasus; TUR = Turkey; WBK = Western Balkans.
a.-c. The values are forecasts.
a.c.d. Shaded areas indicate forecasts.
c. The sample includes 14 ECA countries for which GDP component data are available.
d. The figure shows the percent deviation between the levels of the January 2020 baseline World Bank projections and current projections.
e. Relative per capita income growth is computed as the difference in per capita GDP growth between respective groups and advanced economies.

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DESIGN CORNER

Favourite Home Design Trends

At a moment when many of us are spending more time at home than ever, now is the perfect time to find inspiration in the latest home design trends. From large-scale interior renovations to the best furniture motifs, transforming your space can be an amazing way to refresh your spirit, rejuvenate your environment and feel truly at home. Here's a quick guide to some of latest favorite home design trends.

Creative seating solutions

Benches and sofas that blend seamlessly with windows, walls, and architecture are poised to be one of our favorite trends of 2020. Variations on cozy reading nooks, window seats with built-in shelving, and convertible bench-style seating can add personality and a custom feel while freeing up interior space. This can be an especially valuable trend when remodeling for an ADU, where limited space is often a factor.

Multipurpose areas

While traditional home design often tends toward dedicated, single-purpose rooms, current trends are skewing toward blended and multifunctional spaces. This is proving to be especially true at a time when home offices, remote learning, and at-home leisure experiences are booming. As an example, home entertainment furniture is more frequently being used for both movie-watching and video conference calls in rooms suited to both work and play.

Luxe outdoor spaces

Being trapped at home doesn't have to mean being trapped inside, and home entertaining is poised to be more important than ever. Casual yet high-quality patio furniture is making a major comeback, as are outdoor lighting fixtures and fire pits. As people spend more time outside but on their home turf, wooden privacy fences and elaborate backyard landscaping are latest among the top exterior design trends.

Sustainable furnishings

For those looking to renovate more mindfully, eco-friendly and energy-efficient furnishings have never been more in vogue. As consumers become more aware of sustainable options – and as these options become increasingly available from a range of designers – people are tending toward eco-conscious options in furniture, appliances, and overall design. This trend is being reflected not only in more eco-friendly materials and manufacturing standards, but also a tendency toward nature-inspired aesthetics.

Neutral tones

Hand-in-hand with sustainable furnishings, neutral tones are beautifully dominating interior aesthetics this year. From warm woods to natural earth tone upholstery, one advantage of this trend is that design elements transition seamlessly from one season to the next. One way this trend is playing out in the revitalized popularity of vintage patinas, including terracotta flooring, clay accents, handmade pottery, and sandstone home accessories.

Home work spaces

Long before working from home became either mandatory or encouraged, an uptick in freelance work among millennials led to a major surge in home office design. Here, furnishings that combine form and function are essential. Oftentimes, home offices are shared with other spaces in the home, so desks and chairs with sleek, minimalist design reign supreme.

Retro touches

While no one's advocating for wood paneling or shag carpet, infusing your home design with vintage accents can be as easy as making small changes to cabinet fixtures or kitchen and bathroom accessories. Little details like choosing the right door knobs and handles can go a long way toward achieving a vintage-inspired aesthetic you'll love. In what might be our favorite design term of the year, House Beautiful has called attention to this blend of retro touches with contemporary design as 'grand millennial' style.

Bringing nature indoors

From artfully potted flowers to indoor mini-trees, adding indoor plant-life and greenery is a beautiful way to add personality to your space. One thing we love about this trend is that it can be effortlessly (and affordably) incorporated into virtually any home setting, regardless of space or climate.

Eye-popping accents

While sometimes a complete overhaul is required to achieve the look you want, a few key pieces can often have an equally dramatic effect. In living rooms and multipurpose spaces, area rugs with vivid colors and unexpected patterns can complement more neutral decor, while bathrooms and kitchens can benefit from on-trend statement tiles in colors like ocean blue, hibiscus pink, and sun yellow.

Creating your perfect habitat

If there's one latest home design trend that surpasses all others, it's being true to your own personal sense of style. Whether your instincts tend toward minimalist and modern or eclectic and chic, now is an incredible time to take a step back, get inspired, and create a habitat you love.

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TRADE NOTIFICATION

Important Circulars & Notices to Members

E-Serve No.: 181 of 2021 | Date: November 8, 2021
To: Members of the Council

Sub : Update on the Advanced Cargo Information System for exports to Egypt

Dear Member,

This is with reference to the many queries received by the Embassy of India in Cairo from Export Promotion Councils and Indian Chambers' of Commerce regarding the Advanced Cargo Information System implemented since 1st October 2021.

In this regard, the Indian Mission in Cairo met with senior officials of Misr Technology Services, the Implementing Agency for the Advanced Cargo Information System, on 2nd November 2021. Some of the notable points conveyed by the Egyptian side are given below for information:

The Egyptian side conveyed that as on 01 November, 2021, there were over 55,000 exporters who have registered on the single window portal CargoX platform of which 2800 are Indian companies.The one-time fee for registering for the CargoX platform is USD 15.

ACID numbers are issued to the importer upon their registration in the Egyptian system which is then to be communicated to the Indian exporter prior to shipment.

The validity of an ACID number is 6 months from the date of its issuance.

Cost of registration of each new shipment is US $150 with an additional cost of US$ 3 per document uploaded (total fee capped at US$ 165).

Issue of raising the minimum purchase units from US$ 150 to US$ 400 - The Egyptian side conveyed that the US$ 400 is a wallet balance that can be additionally recharged upon number of shipments. As per Egyptian side, this was done due to requests from exporters who had to recharge their wallets frequently. However, Indian Mission has requested the Egyptian side to consider bringing the minimum purchase unit to US$ 150 which they have agreed to examine.

The cost of registration is uniform for exporters from all countries.

There are three unique identifiers required prior to export of items to Egypt: a) Unique Exporter ID generated by the CargoX system; b) Unique Id of the importer that will be available with the registered importer and c) a unique ACID number for the shipment.

If there are any specific issues, the Indian Mission has requested the exporters to write to **support@cargox.io** or **info@cargox.io** (for CargoX related queries) and **nafeza@mts-egy.com** (for ACID related, documentation uploading, etc.) with a copy to the Indian Mission at **com.cairo@mea.gov.in**.

This is for your kind information.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

:: TEXPROCIL ::

E-Serve No.: 180 of 2021 | Date: November 3, 2021
Circular No. EPS/84/2021-22 | To: Members of the Council

Sub : Last Date for filing Applications for MEIS / ROSL / ROSCTL

Dear Member,

The last date for filing Applications online for MEIS / ROSL/ ROSCTL is 31.12.2021, as per DGFT Trade Notice No.22/ 2021-22 (02.11.2021).

A copy of the Trade Notice is enclosed herewith (**click here**).

You are requested to please take a note of the above and do the needful.

Please note that the online system for applications under these schemes will not be available after 31.12.2021.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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Avail of more detailed information on
EXIM POLICY & PROCEDURES @ TEXPROCIL
Please Contact: GREIVANCE REDRESSAL CELL
on email: ravikumar@texprocil.org

TRADE NOTIFICATION

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Advertisement Package for promoting products and solutions in the E-publications of TEXPROCIL

Dear Madam/Sir,

As a part of TEXPROCIL's knowledge sharing initiatives, the Council is coming up regularly with various E-publications. The circulation of these publications, averaging to over 3000 avid readers, includes the Council's strong database of 2,000 nos. membership comprising manufacturers, exporters, traders of Indian cotton fibre, yarn, fabrics and madeups range of products. The readership database also includes the contacts of textiles trade associations, government representatives, foreign missions, etc. which are being updated from time to time.

The Council has planned to offer an **'Advertisement Package'** for the various E-publications with a view to enhance the exposure of products and solutions being offered by various entities. We request you to kindly consider the advertisement opportunity as per details attached.

E-publication details are as follows:

1. **E-Newsletter** – Published every fortnight – Launch of New Volume in the last fortnight of January 2021.
2. **IBTEX** – Published daily – Includes news clippings on articles of interest in T&C appearing in various publications.

Advertisement Package details are given below this column.

For further clarifications you may like to advise your office to kindly write to Mr. Rakesh Chinthal, IT Officer/ Mr. Rajesh Satam, Joint Director on email: rakesh@texprocil.org / rajesh@texprocil.org.

For queries related to booking your advertisement kindly write to Mrs. Mrunal Sawant on email: mrunal@texprocil.org.

We look forward to receiving your enquiries / confirmation for availing the advertisement opportunity in E-publications of TEXPROCIL.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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ADVERTISEMENT PACKAGE
(For Advertisement in TEXPROCIL E-PUBLICATIONS)

TEXPROCIL E-NEWSLETTER (FORTNIGHTLY)				
Ad. Option	**One Issue**	**Six issues**	**Twelve Issues**	**Twenty Four Issues (BEST OFFER)**
Double Spread	Rs. 12,000	Rs. 61,200	Rs. 1,15,200	Rs. 2,16,000
Quarter Page	Rs. 2,000	Rs. 10,200	Rs. 19,200	Rs. 36,000
Half Page	Rs. 3,000	Rs. 15,000	Rs. 28,500	Rs. 54,000
Full Page	Rs. 5,000	Rs. 25,500	Rs. 48,000	Rs. 90,000
IBTEX E-NEWS CLIPPINGS (DAILY)				
Ad. Option	Three Months	Six Months	Twelve Months	Twenty Four Months (BEST OFFER)
Click-on-Logo	Rs. 15,000	Rs. 25,000	Rs. 50,000	Rs. 90,000

For more information please contact:

Rajesh Satam,
Joint Director
The Cotton Textiles Export Promotion Council
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9, Mathew Road,
Mumbai – 400 004 India
T. 91-22- 49444000
2363 2910 to 12
F. 91-22-23632914
Email
rajesh@texprocil.org
Website
www.texprocil.org

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP SATISFACTION SURVEY

Dear Member,

Kindly fill in your complete information below and respond to the questions below by tick (✓) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback.

COMPANY INFORMATION

Name of the Company	:	
Contact Person & Designation	:	
TEXPROCIL Membership (RCMC) No.	:	
Email Address & Website	:	

1) **Kindly rate the following services offered by Texprocil on rating of 1 to 5. in order to serve you still better.***
1= Excellent, 2=Good, 3 = Satisfactory, 4 = Needs Improvement, 5 = Not Availed (N.A.)

Membership	**Rate Here**	**Trade Development**	**Rate Here**	**Trade Promotion**	**Rate Here**	**Trade Services**	**Rate Here**	**Trade Intelligence**	**Rate Here**
Procedure for New Membership		Publication: E-Newsletter		Intl. Fairs & Events		Certificate of Origin		Interactive Website	
Membership Renewal		E-serve		Seminars & Workshops		Grievance Redressal Services		E-News Clippings	
RCMC Amendment		Circulation Trade Enquiries/ Award		MDA/MAI Schemes		Information on Exim policy/ Amendment DBK		Information Disseminated	

2) a. Are you generally satisfied with the services actively availed by your company and marked above? **Tick (✓)**	**YES**		**NO**	
b. If you have replied 'no' above, please suggest how the Council can improve the services *(use additional sheet if required)*	**Suggestions:**			
3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? **Tick (✓)**	Accessing new Markets		Generating additional business	
Others (Pls. Specify):	Making new Contacts (Trade Enquiries)		Any Others	
4) How is your company benefitting from the Export Facilitation services being provided by the Council?	Information on Export Policy / Procedures		Responses to various EXIM queries	
Others (Pls. Specify):	Redressal of Trade related grievances		Any Others	
5) Have you recommended TEXPROCIL Membership to other companies? **Tick (✓)**	**YES**		**NO**	
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? *(use additional sheet if required)*	**Suggestions:**			

***Kindly ignore this feedback form, if you have already responded.**

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP
Annual Renewal Subscription

The Annual Renewal Subscription for the financial year 2021-22 has become due for payment from 1st April 2021.

The Annual Renewal Subscription charges are as follows:

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right)	11000/-	1980/-	12980/-
Registered Textile Exporter	6000/-	1080/-	7080/-

We would request you to kindly renew your membership by sending us the Annual subscription for the year 2021-2022 by way of Multicity cheque or Demand Draft in favour of 'The Cotton Textiles Export Promotion Council' payable at Mumbai or by Neft Transfer as per below bank details:

Account Name	The Cotton Textiles Export Promotion Council
Bank	Axis Bank Ltd.
Branch	Charni Road Branch, Mumbai-400004
Account No.	920010074659407
IFSC Code	UTIB0002274

After transferring the payment, send the details of online payment along with a scanned copy of Bank Payment Advice by Email in the following format on: smita@texprocil.org

Company Name	
Registration No.	
GST No.	
UTR No.	
Date of Transaction	
Name of Bank	
Amount of Transfer	
WhatsApp No.	(To receive handy and timely information from TEXPROCIL)

Renewal of RCMC

On expiry of Registration-Cum-Membership Certificate (RCMC) on or before 31.03.2021, following steps to be followed:

Upload self-attested scanned copies of the following documents online on TEXPROCIL's website (www.texprocil.org) through Member login and send a renewal request by Email on the Email ID smita@texprocil.org (In case the RCMC has expired) :

[1] Copy of your Import-Exporter Code (IEC)

[2] In case of Manufacturer Exporter, a copy of Manufacturing Licence (MSME/SIA)

[3] In case of changes in Partners, a copy of revised deed of partnership

[4] In case of changes in Directors, a copy of DIR-12 or Board Resolution for those who have resigned or newly appointed.

[5] Copy of old RCMC

[6] Copy of GST Registration Certificate (if not submitted earlier)

[7] Payment advice of Annual Subscription for the year 2021-2022

Or

Alternatively, send self-attested scanned copies of the above documents by Email on: smita@texprocil.org

We solicit your support and co-operation in the matter and request you to please renew your membership with the Council at the earliest. This will also enable you to avail of uninterrupted benefits under the Foreign Trade Policy 2015-20 which has now been extended till September 30, 2021.

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