TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

TEXTILE INTELLIGENCE CENTRE

IBTEX

INFORMATION BUREAU TEXPROCIL

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 119 of 2021 **June 18, 2021**

US 74.11| EUR 88.37| GBP 103.24| JPY 0.67

NEWS CLIPPINGS

	NATIONAL NEWS
1	India emerging as main hub for manufacturing in Asia: Bierrebi
2	MSME ministry extends validity of Udyog Aadhaar Memorandum to December 31
3	CII pitches for ₹3 lakh crore fiscal stimulus to push economic growt
4	Exploit Egypt's location to access Europe, Middle East, Africa: envoy
5	Shri Gangwar reiterates commitment to improve employment outcomes for the youth in India
6	Unleashing India’s export potential through digital-led growth
7	India maintains 43rd rank on IMD's World Competitiveness Index; Switzerland tops chart
8	Lockdown may be easing, but box and capacity shortages still hobbling Indian exports
9	Cotton acreage falls short of target by 90K hectares in Haryana
10	Deficit rainfall in April, May hits cotton cultivation in Mysuru
11	Khadi sales decline 16% to Rs 3,527.71 cr in 2020-21: MSME Ministry
12	PPE protects Gokaldas Exports from impact of pandemic
13	Impact of Atmanirbhar package on MSMEs minimal: Telangana

INTERNATIONAL NEWS

US, China trade war costs global value chains 3-5 years of growth, says UN

Trade shocks fueled by unilateral tariffs between the U.S. and China have undone three to five years worth of growth among global value chains in affected countries, according to a UN policy brief.

The report from the United Nations Development Programme looking at the post-pandemic future of global value chains found that trade within those supply lines shrank in absolute terms along with other types of trade. Still, they'll remain at the core of economic recovery in the Asia-Pacific region even as global manufacturers consider moving production closer to home.

Tariffs are still being applied on billions of dollars of goods under a U.S.-China trade war that began under President Donald Trump.

"The trade policy shock is therefore very large," the UNDP report states. "However, while there is some unraveling of global value chain linkages, there is by no means a wholesale disintegration of the model."

While the effect of the shocks is "far from negligible," it says, the absence of policies designed to disrupt production sharing — for example, those targeting use of foreign inputs rather than trade generally — makes it "extremely costly to radically alter the prevalence of global value chain trade."

The U.S. and China agreed on a partial trade deal in 2020, though China never met its purchase commitments. The U.S. trade representative has since stated that a "significant imbalance" remains in the trade relationship between the world's two largest economies.

Aside from the trade war, restrictive trade policies during the Covid-19 pandemic have also amplified shocks as producing countries restricted exports, the report states. The supply troubles come as the cost of shipping goods across the globe is skyrocketing, threatening to boost consumer prices and compounding concerns in global markets already bracing for accelerating inflation.

"What we've seen both because of the pandemic and because of the trade war is that countries, including China and the U.S., have actually diversified risk," said Kanni Wignaraja, UN assistant secretary-general and the UNDP's Asia-Pacific director.

"Previously there was a lot of talk saying 'Let's go for least cost,' and the cheapest option started stretching that global value chain," she said. "Now we've seen this double shock, showing the advantage of our global value chain system because you're starting to see the diversified risk, and more reliance on multiple suppliers in multiple countries."

Trade Pacts

The report finds "significant potential" for countries to boost trade through two mega agreements, the Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Trans-Pacific Partnership, both of which involve a number of economies in Asia.

Nations participating in the CPTPP may enjoy the equivalent of 12 years of additional global value chain integration based on the rate observed between 2000 and 2018, while RCEP countries may see a boost equal to around five years, according to the report.

It also suggests Asian economies, which rely on the export of transport equip-ment, electronics, textiles and apparel among other goods, should focus on developing general redistribution policies and social-safety nets. Both are "more efficient and effective in the medium- to long-term in promoting human development objectives than is restricting trade and investment flows," the report says.

Source: business-standard.com– June 17, 2021

HOME

****

A closer look at Xinjiang's cotton industry

The U.S. has been stigmatizing China's cotton production in Xinjiang Uygur Autonomous Region with accusations of so-called "forced labor" since earlier this year. In order to clarify the truth of cotton production in Xinjiang, "Tainting Xinjiang Cotton cannot be Tolerated: The Research Report on Whether There Exists 'forced labor' in Cotton Production in Xinjiang," jointly written by the Institute of Human Rights and the Institute of Non-traditional Security of Southwest University of Political Science and Law, was published on June 15.

There are four parts in the report, including "The Mechanization of Cotton Production in Southern Xinjiang," "Analysis on the Causes of Increasing Cotton Production Mechanization," "Research on Manual Cotton-Picking in Southern Xinjiang" and "Conclusion." It objectively introduces the cotton production and employment in Xinjiang, China, and refutes the lies of the United States.

First of all, the report was written on the basis of research. The report writers went deep into Aksu and Kashgar, the key cotton planting areas in Xinjiang, and conducted extensive and in-depth field research on cotton growers and cotton pickers.

Secondly, the report is focused and targeted. Mechanized production and manual picking of cotton in Xinjiang are the focus of research. The report shows that due to the sharp reduction of the purchase cost of agricultural tools in Xinjiang, cotton production gradually realizes whole-process mechanization.

In line with this, the demand for traditional, highly seasonal cotton pickers is gradually decreasing. On the one hand, cotton pickers are becoming more and more scarce and in demand. On the other hand, cotton pickers are actively docking with large cotton growers to seek job opportunities. This change reflects the new trend of cotton production in Xinjiang.

Thirdly, the report data is reliable and the analysis is comprehensive. The report has carried out a detailed investigation on the working mode, salary mode, settlement mode and actual income status of traditional cotton pickers.

It is believed that most full-time cotton pickers can earn more than 10,000 yuan ($1,560) in a cotton picking season, while part-time cotton pickers also earn thousands of yuan, which is an important source of income for local farmers. All ethnic groups of cotton pickers in Xinjiang enjoy extensive and full labor rights. Whether to participate in cotton picking, when, where and how to participate in cotton picking are all decided by cotton pickers.

The report also shows that full-time cotton pickers can arrange their working hours freely according to the actual situation. Part-time cotton pickers can freely participate in cotton picking after finishing their own family work. In order to obtain a high income, some local industrial workers would rather give up the full attendance bonus of the factory than ask for leave to participate in cotton picking during the cotton picking season.

Click here for more details

Source: news.cgtn.com– June 16, 2021

HOME

****

China's industrial production jumps over 6% in May, shows data

China's main indicators steadied for a second month, a sign that the recovery is in a more stable phase and the economy is rebalancing slowly.

The recovery from the pandemic has been led by a property-fueled construction boom and surging industrial production for export, with consumer spending remaining the weak link — and the key to more sustainable growth.

The latest data released Wednesday by the statistics bureau showed a shift toward consumption-driven demand is underway, but at a gradual pace.

Industrial production rose 6.6 per cent in May on a two-year average basis — which strips out the impact of last year's pandemic — while retail sales grew 4.5 per cent, about half of its pre-pandemic rate.

Investment in fixed assets such as property and land was 4.2 per cent on that basis in the five months through May, according to the National Bureau of Statistics.

Source: business-standard.com– June 17, 2021

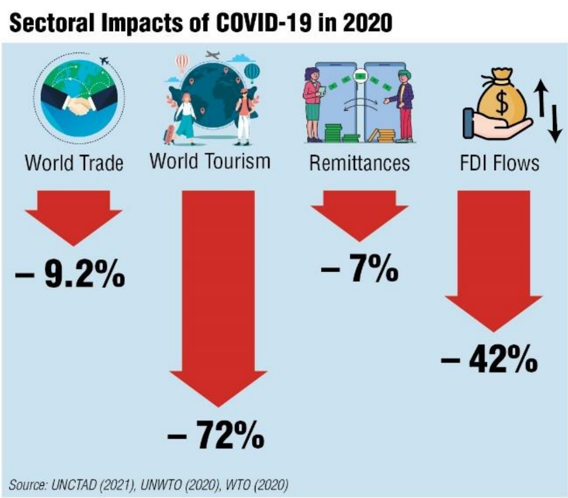
HOME

****

Sri Lanka: COVID-19 and Sri Lanka's External Sector: Challenges and Policy Choices

The COVID-19 pandemic exerted significant downward pressure on global trade as well as the global economy at large. Unprecedented declines in merchandise trade, foreign direct investment (FDI) flows, tourism and cross-border migration have all been hallmarks of the economic fallout. As a result, growth expectations for countries worldwide dimmed.

Nonetheless, thanks in part to substantial expansionary monetary and fiscal policies being rolled out to achieve pre-COVID economic recovery levels and the development of vaccines, the contraction in global trade and economic output are less than what was anticipated. The Sri Lankan economy too has been impacted by these external developments, witnessing fluctuating fortunes in its external sector performance. This blog discusses the impacts of global economic developments on Sri Lanka's external sector, and suggests ways to cushion them.



Sectoral Impacts of COVID-19

The impact of COVID-19 on global trade flows was substantial, contracting merchandise trade by -5.3% in 2020, albeit a much-improved outcome from the initial -12.9% forecast.

As expected though, global FDI flows saw a sharp decline in 2020 contracting by 42% in 2020 compared to 2019. There have also been significant impacts on other forms of cross-border capital flows such as world tourism, migration and related cross-border remittance flows.

Even before the pandemic, Sri Lanka's long-term export growth rate was on a declining trend, despite some improvements in the immediate pre-COVID-19 years. In 2020, the pandemic amplified this long-term decline. Merchandise exports contracted by –15.6% in 2020 compared to 2019, reflecting both demand and supply shocks.

Apparels, Sri Lanka's major merchandise export, faced disruptions with the onset of the pandemic, with earnings from textiles and garments (T&G) falling by 21% in 2020. Furthermore, surveys suggest that as many as 89% of Sri Lankan apparel workers were temporarily retrenched from March-May 2020, with partial or no pay during the first wave of COVID-19.

Compared to exports, Sri Lanka's import expenditures fell even more sharply in 2020, contracting by as much as –19.5%. A part of the decline was no doubt a reflection of weakened private investment, declining oil prices and subdued consumer demand. However, a large quantum of the drop in import expenditures is due to restrictions imposed on 'non-essential' imports and import-substitute sectors.

International arrivals to Sri Lanka declined by –73.5% in 2020. By contrast, Sri Lanka's worker remittance inflows have performed much better than what had been forecast. In 2020, after an initial brief drop, remittances grew by 5.5% to USD 7.1 billion. FDI flows to the Sri Lankan economy have been on a declining trend over the years. The pandemic has amplified this trend, with inflows contracting by –43.6% in 2020 compared to the previous year.

Challenges and Choices

Sri Lankan exports traditionally target product markets in a few destinations such as the US, UK and some EU countries. Its export basket too remains rather limited, with overwhelming dependence still on T&G and a few agricultural products.

The need to revive export performance with sound strategies such as export diversification and exploring new markets will take on even more urgency in the wake of the pandemic if the country is to build resilience to face such events in the future. The recent announcement by the EU to review Sri Lanka's GSP+ status only adds to the urgency to strengthen domestic export resilience.

As countries adjust to the economic fallout of the pandemic, existing global supply chains will change. Sri Lanka too must be prepared to change direction in favour of strengthening such regional and global opportunities.

Restricting imports should be viewed as a temporary solution; not only does it limit consumer choice, import restrictions also have other long-term costs. These include the possibility of tariff retaliation by trading partners, adverse impacts on domestic manufacturing for exporting, and resource misallocation.

Though the dependence on import compression has facilitated an improved trade balance, increasing export revenue is a must to stabilise Sri Lanka's external sector, including its exchange rate, in the medium to longer term.

Although Sri Lanka has seen an increase in remittances, weak employment conditions in migrant-hosting countries may cause an upturn in return migration. Thus, there is a need to formulate policy action in support of resettling, providing jobs, and facilitating business openings.

Equally, retaining investors' confidence through sound policy decisions, ensuring domestic security measures, and providing a transparent and accountable regulatory environment are essential to attracting more FDI. This is vital in view of the government's stated policy intention to move away from debt-creating capital inflows to non-debt creating sources. In the context in which Sri Lanka is struggling to access international capital markets in a COVID-19 environment, an enhanced inflow of FDI will provide relief on the external front.

However, Sri Lanka must be watchful that a growth recovery kick-started by FDI inflows is not solely dependent on sectors such as mixed development projects as the contribution of such activities to productivity-driven growth is minimal.

In turn, the long-term sustainability of such a growth momentum is also in doubt. Secondly, as geopolitical tensions and rivalries heat up as countries race ahead to recovery, inviting FDI into strategic sectors such as ports and energy should be done in ways that safeguard Sri Lanka's sovereignty and security.

Source: lankabusinessonline.com– June 17, 2021

HOME

****

US AAFA welcomes suspension of retaliatory tariffs by US, EU

The American Apparel & Footwear Association has welcomed the recent announcement by the US Trade Representative (USTR) to end a dispute over aircraft subsidies, effectively suspending for five years retaliatory tariffs on clothes, shoes and fashion accessories that were imposed by the United States and the European Union (EU) as a result of that dispute.

Apparel, footwear and travel goods, which are already some of the most heavily traded goods on the planet, have little ability to absorb additional tariff costs, especially in the face of skyrocketing logistics costs as we attempt to sustain a post-COVID recovery, AAFA said in a press release.

The association has long argued that tariffs, especially those connected to unrelated disputes such as aircraft subsidies and digital services, are an ineffective tool in fostering resolution of trade frictions.

"It is long past time to re-forge an enduring Trans-Atlantic partnership," says AAFA president and chief executive officer Steve Lamar. "This outcome is only possible if we eliminate trade frictions, align around shared values, and pursue common approaches that support economic prosperity in global value chains that thread through Europe and the United States," he added.

The United States and the EU on June 15 announced a cooperative framework to address the large civil aircraft disputes. The agreement moves away from past confrontation in pursuit of a cooperative future by suspending the tariffs related to this dispute for five years.

Both sides also agreed to clear principles, including their shared intent that any financing for the production or development of large civil aircraft on market terms.

Source: fibre2fashion.com– June 17, 2021

HOME

****

Bangladesh among 3 countries leading recovery: USDA

Bangladesh has joined two other countries to lead the global cotton trade recovery as the demand for the commodity has risen sharply thanks to buoyant apparel shipments, according to the United States Department of Agriculture (USDA).

"Record global trade is boosted, led by robust demand in China, Bangladesh, and Turkey," the USDA said in its June report.

Cotton exports are up for the three largest exporters -- India, Brazil, and the United States. The US forecast has higher exports while stocks are projected at their lowest in four years.

The US season-average farm price has lowered by one cent to 67 cents per pound, the USDA said in its report on cotton for 2020-21.

For 2021-22, the June forecast shows higher trade and consumption with lower production and stocks.

A lower consumption outlook for India is more than offset by the higher-than-expected demand in China, Bangladesh, and Turkey, driving higher imports for these countries, said the USDA.

The recent import growth of cotton in Bangladesh resulted from the skyrocketing demand among local millers, spinners, traders and importers.

For instance, the export of yarn in the local markets is deemed to have grown by 163 per cent year-on-year between April and June this year, data from the Bangladesh Textile Mills Association (BTMA) showed.

This is a result of higher demand from garment exporters, and for resumption of the full use of capacities of mills by spinners and weavers, it said.

In the first 11 months of fiscal 2020-21, the country earned $28.57 billion from garment exports, registering 11.1 per cent year-on-year growth, according to data from the Export Promotion Bureau.

Knitwear shipments fetched $15.36 billion, and woven garments brought home $13.19 billion, clocking 20.55 per cent and 1.80 per cent year-on-year growth, respectively.

The export data shows that the Bangladeshi garment sector is recovering fast with the rise in demand in the western world.

A significant development was the return of woven shipments to the positive territory last month after declining for a year.

The demand for woven items had fallen in the western world as formal events were suspended because of the lockdowns and fears over contracting Covid-19.

Knitwear items maintained 12 per cent growth over the last year because of an increase in demand for more extended stays of people at home.

"The recovery trend is good, and it will not be short-term this time," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

However, it will take long to recoup the industry's losses last year because of the fallouts of the Covid-19, he said.

"We have been receiving a handful of work orders. There has been the reinstatement of previous orders. But many factories are running at losses," Hassan said.

Last year, international clothing retailers and brands either suspended or cancelled work orders worth $3.18 billion, of which 90 per cent have been reinstated so far.

Hassan said the retailers and brands had been paying up, but there were many who had gone bankrupt and were still delaying payment.

The volume of merchandise trade was down 15.5 per cent year-on-year in the second quarter of 2020 when lockdowns in many countries were in full effect. But by the fourth quarter, trade had surpassed the level of the same period in 2019, said the World Trade Organisation on May 28.

On the global cotton trade, the USDA said China's 2020-21 imports were forecast at a seven-year high, driven by the highest projected consumption in three years, robust state reserve imports, and attractive prices for imported cotton relative to domestic supplies.

Imports are expected to support China's record year-over-year rise in consumption.

China's 2020-21 consumption is expected to recover from the lowest level in 16 years to surpass the previous year by 7 million bales, accounting for half of the gain in global use.

Currently, spinners' spot margins are roughly 30 per cent higher compared with that of the previous year due to the robust demand for cotton yarn and significantly lower yarn stocks, said the USDA.

Since Bangladesh is not a major cotton-producing nation, 99 per cent of the requirement for the raw material is met through imports.

Traders, importers and millers may import 8.5 million bales of cotton this year, spending $3 billion this year, said the BTMA.

Last year, cotton imports fell to 7.5 million bales as production came to a halt in many mills after the government had imposed nationwide restrictions to tame the coronavirus pandemic. (One bale equals 480 pounds.)

Source: thedailystar.net– June 18, 2021

HOME

****

Pakistan: Refund claims of textile exporters to be settled next month: Razzaq Dawood

Abdul Razzaq Dawood, adviser to the Prime Minister on Commerce, Textiles and Investment, has assured that for immediate payment of refunds, DLTL refunds will also be transferred to auto system like customs rebate while new textile policy will be released by next month.

Addressing the representatives of textile associations across the country during the Zoom Conference today, he said that the DLTL scheme for the textile sector would be continued so that the export target for the next financial year could be achieved.

Responding to a question on refunds, he said that the automation system was being seriously implemented which would not only ensure prompt payment of refunds but also prevent possible corruption.

He said that a substantial amount of Rs. 50 billion would be allocated in the budget for the next financial year for payments under DLTL while Rs 10 billion set aside in this regard for last year will also be released in the next few days.

Mian Farrukh Iqbal, Senior Vice Chairman, Pakistan Hosiery Manufacturers and Exporters Association, said that textiles are the backbone of the national economy. Therefore, its problems need to be solved immediately.

Group leader and former central chairman Chaudhry Salamat said that the export of yarn should be banned immediately and a full forensic audit of yarn sellers should be conducted to eliminate artificial shortage and inflation of yarn. He also demanded a strict ban on the sale of yarn without an invoice.

Source: dailytimes.com.pk– June 17, 2021

HOME

****

NATIONAL NEWS

India emerging as main hub for manufacturing in Asia: Bierrebi

The size of the machinery market in India is vast and it enjoys strength and support by the government, which is why the country is emerging as the main hub for manufacturing in Asia, according to Bierrebi Asia's executive director Boban Charly.

Technology tie-ups with leading global companies are helping Indian manufacturers compete with production quality.

Support from the Indian government in almost all sectors through subsidies and customs duty exemptions is attracting investors to bring their contribution to the market even though the market needs to improve in many areas, Charly told Fibre2Fashion in an interview.

Talking about automation in the textile sector of India, he said, "Many people in the industry still follow the old method of cutting manually. However, this is not a practical method anymore.

Converting the mindset, which is generated from a culture, is really very difficult, but things are becoming different with the new generation and everybody has to move on with automation and innovative technologies in order to not lag behind in the competition."

Click here for the full interview.

Source: fibre2fashion.com– June 17, 2021

HOME

****

MSME ministry extends validity of Udyog Aadhaar Memorandum to December 31

The aim is facilitate the holders of EM Part-II and UAMs to avail benefits under various existing schemes

The Ministry of Micro, Small and Medium Enterprises (MSME) has extended the validity of Entrepreneurs Memorandum (EM) Part-II and Udyog Aadhaar Memorandums (UAMs) from March 31 to December 31, 2021.

The aim is facilitate the holders of EM Part-II and UAMs to avail benefits of the provisions under various existing schemes and incentives including Priority Sector Lending benefits of MSME.

"Considering the hardships faced by MSMEs during the prevailing Covid-19 situation and the representations received from the various MSME associations, financial institutions and Government departments dealing with the interest of MSME Sector, the said amendment has been carried out," said the official statement.

It is expected that existing EM Part-II and UAM holders would be able to migrate to the new system of Udyam Registration, which was launched on July 1, 2020, and would avail the benefits of Government Schemes, thereby paving the way for strengthening MSMEs and leading to their faster recovery, boost to their economic activity and creation of jobs, it added.

Interested enterprises can register free of cost and without any documents. Only PAN and Aadhaar are required for registration on the Udyam portal. So far, this portal has facilitated registration and classification of 33,16,210 enterprises as on June 16, 2021.

Recently, the Minister for MSME Nitin Gadkari announced the simplification of process for registration of Micro, Small and Medium Enterprises. He said that now only PAN and Aadhaar will be required for registration of MSMEs.

Source: thehindubusinessline.com– June 17, 2021

HOME

****

CII pitches for ₹3 lakh crore fiscal stimulus to push economic growt

The Indian economy requires a ₹3 lakh crore fiscal stimulus, including cash transfer to households through Jan Dhan accounts to spur economic growth amid the pandemic, industry chamber CII said on Thursday and pitched for appointment of a 'Vaccine Czar' for speedy vaccination coverage.

CII President TV Narendran also said the chamber expects GDP to grow at 9.5 per cent in 2021-22 as the strong growth in the second half of the fiscal year will be supported by robust external demand and large-scale coverage of vaccination, allowing resumption of economic activity.

He also advocated for appointment of a "Vaccine Czar" for speedy vaccination coverage.

The new president said suitable fiscal measures to alleviate the stress of people impacted by the second wave of Covid-19 are the need of the hour.

Measures suggested by CII

The Indian economy is a consumption-led economy and the pandemic has impacted the consumer demand and due to this, the chamber has called for measures such as cash transfer as a number of actions are needed to deal with this demand shock, he told reporters.

"Fiscal stimulus of ₹3 lakh crore is required...There is room for administering additional fiscal stimulus of up to ₹3 lakh crore," he said adding the RBI should expand its balance sheet in order to accommodate the increased stimulus so that lending costs remain contained.

Measures suggested by it include enhanced MNREGA allocations from the budgeted amount; short-term and focused GST cuts to boost demand; time-bound tax relief/interest subvention/stamp duty concession for home buyers; LTC cash voucher scheme like last year; and extension of the Aatmanirbhar Bharat Rozgar Yojana till March 31, 2022.

Narendran also asked for ensuring timely payment to companies including MSMEs; accelerating public works programmes to ensure implementation of NIP; hiking ECLGS (Emergency Credit Line Guarantee Scheme) amount to ₹5 lakh crore, reduction in excise duty on fuel and inclusion of ATF (aviation turbine fuel) and other fuel products in GST (Goods and Services Tax).

On vaccination, he said there should be minimum 71.2 lakh average daily vaccination doses from now till December 2021 to cover the entire adult population.

"The Vaccine Czar (or minister) should be empowered to undertake actions like in the UK on a daily campaign to track domestic vaccine production and import supplies; equitable distribution of vaccines among States; track progress on vaccine deployment and administration; and using a dashboard approach and share progress reports daily," he said.

Further, he said the government should implement the reform agenda envisaged in the budget, including dealing with the problem of bad assets; re-capitalise public sector banks to help them brace for the impact of higher NPAs and meet credit need of industry as the economy reopens; and create a pandemic pool to cover risk of losses due to any future pandemics.

Source: thehindubusinessline.com– June 17, 2021

HOME

****

Exploit Egypt's location to access Europe, Middle East, Africa: envoy

Indian firms should take advantage of Egypt’s geographical location to access markets in Europe, the Middle East and Africa, according to Indian ambassador to Egypt Ajit Gupte, who recently told a virtual session of the 3P Egypt International Expo 2021 that Egypt is politically stable and has a liberal economy that has enabled the Indian industry to invest more than $3.15 billion there.

India has been one of the largest export destinations of Egypt and a big source for imports, he said, adding that an upsurge in the e-commerce segment and rising awareness of sustainable, biodegradable and recycling printing and packaging among Egyptians is also driving the growth of the printing, packaging and paper market.

The 3P Egypt Expo was a virtual international expo for paper, printing, packaging and plastics sectors scheduled from June 15 to 16 June.

India's top exported items to Egypt in recent years are petroleum products, cotton yarn, motor vehicles, processed minerals and buffalo meat, Sanjay Aggarwal, president of the PHD Chambers of Commerce and Industry of India (PHDCCI), was quoted as saying by a press release from the chamber.

India's top imports from Egypt are crude petroleum, manufactured and crude fertilizers and inorganic chemicals.

Aggarwal said Indian companies are operating in all major sectors of the Egyptian economy, including textiles and garments, power, chemicals including specialty chemicals, adhesives, pharmaceuticals, information technology, paints, consumer goods, healthcare, PVC, caustic soda, PET Resin, plastics, paper, packaging, auto, and auto-component and trading.

Source: fibre2fashion.com– June 17, 2021

HOME

****

Shri Gangwar reiterates commitment to improve employment outcomes for the youth in India

Union Minister of State for Labour & Employment (Independent Charge) Shri Santosh Gangwar has said that India is committed to improve employment outcomes for all youth in India, including women and vulnerable section of the people, through an enduring, long-term commitment for better opportunities. He said, the Government is making all-out efforts to improve the bridge between education and employment, and to prepare young people for the future of work. A number of policies and schemes have been undertaken for upliftment of the youth through skills development, employment generation, and entrepreneurship programs.

Speaking after the signing of Statement of Intent between the Ministry of Labour and Employment and UNICEF here today, the minister said, by leveraging the strengths of the Ministry, UNICEF and associated network members, we hope to enable abundant choices for our young generation to contribute and shape our country's future. Appreciating the idea of partnership between the Ministry and UNICEF for empowering our youths to gain relevant skills and guidance, Shri Gangwar said, the collaboration is a starting point to facilitate direct dialogue and feedback mechanism between youth and other stakeholders including policy makers.

Shri Gangwar said, India is a country of young people. According to Census 2011, every fifth person in India is a youth (15-24 years). He said, the National Career Service (NCS), launched in 2015, caters to the employment and career needs of the youth. It provides a variety of employment related services like career counseling, vocational guidance, information on skill development courses, apprenticeship, internships etc.

The Minister informed that NCS has taken a number of initiatives to mitigate the challenges in the labour market due to COVID-19 and the consequent lockdown of the economy. Online Job Fairs are being organized to bridge the gap between job seekers and employers where the complete cycle from job posting to selection of candidate can be completed on the portal. A Special link for Work from Home Jobs and Online Trainings has been created on NCS portal to give direct access to job-seekers to such jobs. All these facilities on NCS are free of cost.

Shri Gangwar expressed hope that in the next three years, both UNICEF and Ministry of Labour & Employment will make great achievement in the areas of collaboration and empowerment of Indian youth to face the future confidently.

Secretary (Labour & Employment), Shri Apurva Chandra, Special Secretary (Labour & Employment) and DGE, Ms Anuradha Prasad, Country Representative of UNICEF, Dr Yasmin Ali Haque, and senior officers from the Ministry and UNICEF India were present on the occasion.

Driven by its mission to deliver results for children, UNICEF has come together with its public and private sector partners to establish the YuWaah, Generation Unlimited (in short GenU) as a partnership in India. GenU is a global multi-stakeholder platform that aims to prepare young people to transition to productive work and active citizenship. In India, by 2030 YuWaah aims to ensure, the following, namely: - (a) Build pathways for 100 million young people to aspirational economic opportunities; (b) Facilitate 200 million young people to gain relevant skills for productive lives and the future of work; and (c) Partner with 300 million young people as changemakers and create spaces for developing their leadership.

The Statement of Intent intends to provide a platform for cooperation between MoLE and UNICEF to leverage the existing mainstreamed initiatives of both parties in select states to co-create and implement solutions at scale to tackle the employment and skilling challenges for adolescents and youth in India, with focus on vulnerable population including young people with special needs, youth leaving care institutions, migrant youth, victims of child labour, violence, child marriage and trafficking and like other matter. Areas of collaboration include:

1. Create linkages with aspirational economic opportunities, that is, connecting young people with employment opportunities, including building pathways to connect them with jobs, self-employment, entrepreneurship, apprenticeships and internships. For this, innovative solutions and technology platforms will be engaged to maximize the scale and reach.

2. Upskilling of young people on 21stcentury skills including life skills, financial skills, digital skills, vocations skills and foundational skills through online and offline channels and support them through self-learning, for their productive lives and the future of work.

3. Strengthening National Career Service (NCS) by forming a coalition of partners to engage on the following areas: (a) Promotion of NCS among job seekers and employers through YuWaah networks. (b)Integration of career guidance sessions or videos, or both by successful entrepreneurs and professionals. (c)Updating Career Information on NCS Portal related to sectors and job roles. (d)Integration of E-learning courses for job readiness of young people. (e)Exploring value additions for Model Career Centers and Employment Exchanges like: D2X (Direct to Employment Exchange) classes on job readiness. (f)Integration with NCS portal for connecting with jobseekers.

MoLE may provide the necessary API interfaces to the YuWaah to connect with the job seekers. MoLE may facilitate the necessary integration and exchange of data base of candidates under the various categories of NCS Portal with the Partner Institution (YuWaah). (g)Career Counselling and Vocational Guidance, that is to say that the Network of Career Counsellors and Model Career Centres are integral component of the NCS. Qualified counselors are empaneled with NCS and over 200 Model Career Centres have been established to provide the Career Counselling, Vocational Guidance, Skill Gap Analysis, organizing Job Fairs and like other matters (h)Identifying solutions for assessing jobseekers registered on NCS portal, for better job-matching

4. Support in Job forecasting by exploring the gaps in job forecasting and work towards predicting which sectors or /jobs, or both of the economy are strengthening or weakening to build linkages to focus needs for skilling. 5. Supporting direct dialogue and the establishment of a feedback mechanism between youth and policy stakeholders towards ensuring that schemes and programmes are consistent with young people’s priorities and aspirations (via the online Ureport and youth-led multi-stakeholder consultations).

Source: pib.gov.in– June 17, 2021

HOME

****

Unleashing India's export potential through digital-led growth

Increased use of B2C e-commerce exports will allow MSMEs to better compete with products and services offered by foreign competitors

One of the few takeaways of the global pandemic is that it has highlighted the importance of increased digitisation and e-commerce as means to improve economic well-being and to create opportunities for Indian micro small and medium enterprises (MSMEs). With the government of India looking at an exports-led recovery, India's proposed Foreign Trade Policy (FTP) 2021-26 suggests a number of important steps to empowering SMEs. Yet, the government can further strengthen the FTP with a renewed focus on B2C e-commerce exports.

E-commerce has already demonstrated immense potential in enabling exporters to reach foreign customers more effectively by taking advantage of existing operational and supply chain efficiencies offered by e-commerce platforms. As more consumer facing Indian businesses go through a process of digitisation, India can reap significant financial benefits and create more robust export-driven growth.

Increased use of B2C e-commerce exports will allow Indian MSMEs to better compete with products and services offered by foreign competitors. To do so, the Indian government needs to create a knowledge infrastructure to better utilise e-commerce for export led growth. Estimates of MSME exports of goods and services suggest a current market of roughly $300 billion. This number can increase with a stronger focus on e-commerce development.

Some of the e-commerce platforms in India like Amazon and Flipkart have started several initiatives to help local entrepreneurs reach the rest of the world with their unique products. Jackinthebox, for example, is a toys brand from Mumbai. Set up in 2015, they have been focussed on B2C exports through e-commerce, and today sell to customers in 15 countries including the US, Canada, Germany, and the Middle East. They are counted amongst the top craft toy brands in the world.

Archana Garodia Gupta's company, Touchstone, which specialises in the Indian costume jewellery market, is another example of an enterprise that has scaled up to reach international markets using the platforms created by some of the major e-commerce players. These two companies are examples of many other MSMEs which are able to reach international markets, not only introducing the Indian heritage to the rest of the world, but also providing the local artisans much needed economic support.

Create incentives

The government needs to support "Made in India" for exports. This means that the government needs to create incentives to aid in the developmentof e-commerce and the development of logistics capabilities specific to e-commerce exports to create the necessary infrastructure. This means encouraging MSMEs to sell online, simplifying exporter/port registration and other compliances, and creating the sort of partnerships between MSMEs and established industry players to help MSMEs grow their online business profiles.

Relatedly, there need to be tax incentives to build storage warehouses and data centres across India to better optimise the e-commerce supply chain and to create tax incentives for manufacturing products that can scaled up by utilising e-commerce platforms.

A few things come out of these examples: The role of digital markets in enabling the Indian entrepreneur is unquestionable. Further, fortheIndian entrepreneur to be able to make use of these platforms, some amount of training is also essential. Therefore, as academics focussed on competition and innovation, we believe that effective growth begins with right orientation.

In this context, we suggest that management institutes in India, along with other critical governmental and private sector stakeholders, make e-commerce a more important part of training. While training is merely the first step, India must develop an appropriate legal and regulatory environment to facilitate e-commerce export driven growth. Effective rules serve to provide greater legal certainty and minimise unnecessary bureaucratic red tape.

Digital markets have a huge role to play in sustaining these initiatives like 'Make in India' by the government. Some recent research also shows that policy uncertainty hurts foreign firms significantly more than the Indian firms. Therefore, for the digital markets to reach full potential, it is imperative that there are clear policy guidelines that emphasises parity and transparency to enable investment by foreign firms in India.

This in turn will allow Indian entrepreneurs to become further empowered as important stakeholders in the global economy. One can only hope that in the near future, such clarity is forthcoming.

Further, the Indian government should base such policy guidance upon principles that leverage the value creation of e-commerce platforms to help MSMEs.

Source: thehindubusinessline.com– June 17, 2021

HOME

****

India maintains 43rd rank on IMD's World Competitiveness Index; Switzerland tops chart

India maintained 43rd rank on an annual World Competitiveness Index compiled by the Institute for Management Development (IMD) that examined the impact of COVID-19 on economies around the world this year.

The 64-nation list was led by Switzerland, while Sweden has moved up to the second position (from sixth last year), Denmark has lost one place to rank third, the Netherlands has retained its fourth place and Singapore has slipped to the fifth place (from first in 2020).

At eighth, Taiwan reached the top-10 for the first time since the ranking began 33 years ago (moving up from 11th last year). The UAE and the USA remain in their same spots as last year (9th and 10th, respectively).

The top-performing Asian economies are, in order, Singapore (fifth), Hong Kong (seventh), Taiwan (eighth) and China (16th).

The IMD World Competitiveness Ranking ranks 64 economies and assesses the extent to which a country promotes the prosperity of its people by measuring economic well-being through hard data and survey responses from executives. This year, the rankings expose the economic impact of the pandemic across the globe.

Among the BRICS nations, India is ranked second after China (16), followed by Russia (45th), Brazil (57th) and South Africa (62th).

India has maintained its position for the past three years but this year, it had significant improvements in government efficiency, IMD said.

“India’s improvements in the government efficiency factor are mostly due to relatively stable public finances (despite difficulties brought by the pandemic, in 2020 the government deficit stayed at 7 per cent) and to the positive feedbacks we registered among Indian business executives with respect to the support and subsidies provided by the government to the private companies,” IMD said.

It, however, added that the short term performance of India’s economy will depend on its ability to address the pandemic.

The report finds that qualities such as investment in innovation, digitalisation, welfare benefits and leadership, resulting in social cohesion have helped countries better weather the crisis the best and thus ranked higher in competitiveness.

The report said top-performing economies are characterised by varying degrees of investment in innovation, diversified economic activities, and supportive public policy, according to the experts at the World Competitiveness Center.

“Strength in these areas prior to the pandemic allowed these economies to address the economic implications of the crisis more effectively,” the report said.

Competitive economies succeeded in transitioning to a remote work routine while also allowing remote learning. Addressing unemployment has been fundamental.

Countries that ensured the effectiveness of key public spending, such as public finance, tax policy and business legislation, are seen as essential policies to relieve the pressure on the economies hit by COVID-19, the report said.

The ranking, produced annually by the IMD World Competitiveness Center, measures the prosperity and competitiveness of 64 nations by examining four factors — economic performance, government efficiency, business efficiency, and infrastructure.

Source: financialexpress.com– June 17, 2021

HOME

****

Lockdown may be easing, but box and capacity shortages still hobbling Indian exports

India may be slowly easing out of lockdown, but limits on factory production and tight air and sea freight capacity are still jeopardising exports – particularly to the US.

Covid restrictions vary from state to state, but major economic hubs like Chennai, New Delhi, Mumbai and Tamil Nadu are allowing businesses to reopen.

However, factories in Mumbai, Ahmedabad, Chennai, Delhi and Banglaore are still limited to 50% occupancy, according to one Chennai-based forwarder.

He told The Loadstar: "Many exporters are expecting production delays of at least a month, leaving end customers no choice but to eventually uplift their goods only by airfreight to meet Christmas and new year sales – a major setback due to the added costs."

Indeed, airfreight rates from the major export hubs of Bangalore, Mumbai, Delhi and Kolkata have all seen significant increases for the US market, he said, with rates of $6.5-$7 per kg, depending on the carrier.

"There is a challenge with space to the US which resulted in a spike in prices, and many shippers have have reported airfreight costs are now higher than product costs," he added.

Rates to the UK are $3.2-$3.5 per kg, the forwarder said, also an uptick compared with EU prices of $3-$3.2 per kg.

"The UK market is currently experiencing a significant increase compared to EU markets, following Brexit, as customers feel moving shipments via EU gateways would cause delays in it reaching the UK," he noted.

Meanwhile, container shortages and the glut of cargo out of China is continuing to put a drag on India's sea freight market.

The forwarder said the ports of Nhava Sheva, Mundra, Tuticorin, Chennai, Kattupalli, Cochin and Ennore were still facing a "crisis" of equipment and space, with carriers restricting bookings on every major tradelane. Again, bookings to the US are the most impacted.

“There is severe space crunch from India to the US west coast and bookings are not available. Plus, rates are going up drastically and most carriers have implemented peak season surcharges,” he explained, noting 40ft rates had increased by $2,000 since last month.

He added: “With the impact and congestion in Singapore, Port Klang, Busan, Valencia and Yantian, average transit times for USWC have increased from 35 to 60 days or more.

“US importers and retailers expecting regular containers into the USWC, have started looking for alternative options of trucking shipments via east coast ports to save on lead time,” he said.

Source: theloadstar.com– June 17, 2021

HOME

****

Cotton acreage falls short of target by 90K hectares in Haryana

The acreage of cotton in Haryana has fallen short of target by over 90,000 hectares this year because of hampering of field activities of the Agriculture Department during the second wave of the Covid pandemic and shifting of farmers to other crops like groundnuts.

The acreage of cotton has not only fallen short of the department's targets as well as the last year's area under the crop, but it is also less than the normal traditional area under cotton in the state.

With the cotton sowing season almost over now, the crop has been sown on 6.72 lakh hectares in Haryana as on Monday against the target of 7.62 lakh hectares set by the state's Agriculture and Farmers' Welfare Department.

The crop was sown on 7.31 lakh hectares last year while the normal (traditional) area under cotton in Haryana is 6.82 lakh hectares, according to government records.

Among the districts that have fallen well short of the target are Sirsa, where the crop was sown on 1.93 lakh hectares against target of 2.1 lakh hectares; Fatehabad 63,320 hectares against 75,000 hectares; Bhiwani 78,130 hectares against 1.05 lakh hectares; Palwal 19,000 hectares against a target of 30,000 hectares and Mahendragarh where the crop has been sown on 16,970 hectares against a target of 18,000 hectares.

Suresh Kumar Gahlwat, Additional Director, Agriculture and Farmers' Welfare, Haryana, said that the department had a plan to encourage farmers to diversify from paddy to cotton in a big way and the target was set keeping that in mind.

However, the second wave of the pandemic hampered the field activities of the department, he added.

Gahlwat also listed some other factors like many farmers in Palwal shifting to pulses and others near the Rajasthan border in Sirsa and Fatehabad opting for groundnuts following announcement of MSP of the crop by the government this year.

He further said that farmers in Bhiwani and Mahendragarh had poor yield of cotton last year because of whitefly, wilting of crops and nutrient deficiency caused by rain, which also made many farmers not grow cotton this time.

Gurjeet Singh Mann, a progressive farmer from Kirpal Patti village of Sirsa, however, said diversification to groundnuts cannot be a major factor in Sirsa and Fatehabad since farmers never go for such trials at such a large scale.

He said though the yield of the crop was not up to people's expectations last year, farmers got nice return of their produce due to better prices.

He said though he was not into cotton farming, he had thought of sowing the crop this year looking at the prices last year.

"However, I changed my mind at the last minute because it is never easy for farmers to take risk by diversifying to a crop they have never sown earlier," he said.

Source: tribuneindia.com– June 17, 2021

HOME

****

Deficit rainfall in April, May hits cotton cultivation in Mysuru

Deficit rainfall in the pre-monsoon season - April and May - has had a devastating impact on the cultivation of cotton, which is one of the primary commercial crops in Mysuru, in the district.

While the commercial crop is generally cultivated across around 47,000 hectares in Mysuru district, this number dropped by more than half in 2021, with farmers sowing cotton only across 25,340 hectares. In Mysuru, sowing activity for kharif season picks up pace in April, and pre-monsoon showers provide a much-needed fillip for farmers.

With rain playing truant for most of April and May, sowing activity, not merely for cotton crop, across the board witnessed a marked reduction compared to previous years. While the agriculture department had set a target for nearly four lakh hectares to be sowed for the kharif crops, farmers, dismayed over the lack of sufficient rain in April and May, have been able to plant their crops in less than two lakh hectares. Against its normal quota of 61.9mm rain for the month of April, Mysuru district recorded only 35.9mm rain in 2021.

Officials in the agriculture department pointed out that April was the best time in the year to sow cotton crop. Sources said that, in addition to farmers engaged in the cultivation of cotton, those who grow black gram, groundnut, pulses and oil seeds, too had suffered as a result of deficit rainfall in the months preceding the onset of the monsoon. Joint director of the department of agriculture Mahanteshappa admitted to that the area under cultivation for cotton had slumped across Mysuru district in 2021.

"Most farmers engaged in the cultivation of cotton in HD Kote, Periyapatna, Hunsur and Nanjangud taluks have switched to ragi and jowar. They are apprehensive about cultivating cotton lest their crop be set on by pests and the fear of the low yield, which is quite likely given the delay in sowing activity.

I have ensured that fertilisers, seeds, et al, are stocked in sufficient quantity, all of which are being distributed to farmers through the Raitha Samparka Kendra. We are confident of farmers completing sowing across the four lakh hectares of land by the end of June," he added.

Source: timesofindia.com– June 17, 2021

HOME

****

Khadi sales decline 16% to Rs 3,527.71 cr in 2020-21: MSME Ministry

Khadi sales contracted by 16 per cent year-on-year to Rs 3,527.71 crore in 2020-21, as spinning and weaving activities across the country impacted due to the COVID-19 pandemic, the MSME ministry said on Thursday.

The overall production in the Khadi sector also declined to Rs 1,904.49 crore in 2020-21, as compared to Rs 2,292.44 crore in 2019-20, it added.

The production and sales in the Khadi sector, however, slightly declined as spinning and weaving activities across the country took a major hit during the pandemic, the ministry said.

"The overall production in the Khadi sector in 2020-21 was recorded at Rs 1,904.49 crore as compared to Rs 2,292.44 crore in 2019-20, while the overall Khadi sales stood at Rs 3,527.71 crore as compared to Rs 4,211.26 crore in the previous year," it added.

However, the ministry said, Khadi and Village Industries Commission (KVIC) has recorded a gross annual turnover of Rs 95,741.74 crore in 2020-21 as against Rs 88,887 crore in 2019-20.

The production activities remained suspended for more than three months during the nationwide lockdown announced on March 25 last year.

"During this period, all Khadi production units and sales outlets too remained closed, which severely affected the production and sales," the ministry said.

Compared to the production worth Rs 65,393.40 crore in 2019-20, the output in the village industry sector increased to Rs 70,329.67 crore in 2020-21.

Similarly, in 2020-21, the sales of village industry products stood at Rs 92,214.03 crore as compared to Rs 84,675.29 crore in 2019-20.

Source: .business-standard.com– June 17, 2021

HOME

****

PPE protects Gokaldas Exports from impact of pandemic

Apparel and garments player, Gokaldas Exports' entry into personal protective equipment (PPE) business came to its rescue during Covid-19 hit FY21.

"We seized the opportunity to design and manufacture PPE and became one of the largest producers of the product during the early pandemic. This brought in revenue to the extent of ₹80 crore during the year and substantial cash flows to tide over the financial deficit during the early part of the year," Sivaramakrishnan G, MD & CEO of Gokaldas Exports told analysts.

Explaining FY21, he said during the year, the company managed to cut costs, rationalise capacity, streamlined operations.

"When the first Covid-19 wave struck, we had order cancellations and realignments, payment deferral and operations closure, resulting in a stressed H1 of FT21. The third-quarter (Q3) saw a constrained order flow as the customers were holding excess inventory from spring 2020," explained Sivaramakrishnan.

To tide over the Covid-19 crisis, the company also consciously reduced its exposure to Indian retail customers to minimise credit risk.

"We then returned to business normalcy from Q4 onwards. With all these efforts we could contain an overall export sales drop to just about 9 percent over the previous year," he said.

He added "We ensured high efficiency in our manufacturing process, controlled our cost well, contained working capital deployed, and improved connection with our customers. Thus, despite a drop in revenue the company delivered a superior EBITDA margin for the year as compared to the previous one."

Source: thehindubusinessline.com– June 16, 2021

HOME

****

Impact of Atmanirbhar package on MSMEs minimal: Telangana

The Telangana government has said that the impact of the much talked about ₹20-lakh crore Atmanirbhar package has been minimal for the micro, small and medium enterprises (MSMEs) sector, which bore the brunt of the Covid-19 pandemic.

In a letter to Union Finance Minister Nirmala Sitaraman on Thursday, Telangana IT and Industries Minister KT Rama Rao said that over 80 per cent of the MSMEs in the State faced a negative impact due to the lockdown last year. "Over 25 per cent of them suffered significant loss in revenues," he said.

He asked the Union Government to review the Aatmanirbhar relief package and make it work more realistically for the most affected constituents, including the MSMEs. Stating that 'one size fits all' kind of scheme is not the answer to the unique challenges of MSMEs, he felt that a solid financial grant would help the small firms that suffered heavy revenues in the pandemic.

"The manufacturing MSMEs continue to face challenges like supply chain disruptions, severe shortage of labour, and in some cases, a complete disruption in their customers preferences," he said. He said two of the schemes that targeted MSMEs (one for the stressed ones and the other for innovate firms) were complete non-starters.

PLI scheme

He felt that the PLI (Production-Linked Incentive) scheme needed to be tweaked in order to benefit the MSMEs.

"In its present form, the scheme will only benefit large manufacturing companies. We need to mandate the large companies to establish a supply chain of domestic MSMEs and share the PLI benefits with them," he said.

Source: timesofindia.com– June 17, 2021

HOME

****