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INTERNATIONAL NEWS

Made in USA Claims Spur New FTC Rule

The Federal Trade Commission (FTC) has finalized a new rule that will crack down on marketers that make false, unqualified claims that their products are Made in the USA.

Under the rule, marketers making such claims on labels should be able to prove that their products are "all or virtually all" made in the United States.

FTC commissioner Rohit Chopra was joined by chair Lina Khan and commissioner Rebecca Kelly Slaughter in a statement that noted the rule will especially benefit small businesses that rely on the Made in USA label, but lack the resources to defend themselves from imitators. The new rule codifies a broader range of remedies by the FTC, including the ability to seek redress, damages, penalties and other relief from those that lie about a Made in USA label.

It will enable the FTC, for the first time, to seek civil penalties of up to $43,280 per violation of the rule. While stiff penalties are not appropriate in every instance, they send a strong signal to would-be violators that they abuse the Made in USA label at their peril, the commission said.

"The final rule provides substantial benefits to the public by protecting businesses from losing sales to dishonest competitors and protecting purchasers seeking to purchase American-made goods," Chopra said. "More broadly, this long-overdue rule is an important reminder that the commission must do more to use the authorities explicitly authorized by Congress to protect market participants from fraud and abuse."

In 1994, after the North American Free Trade Agreement took effect, Congress enacted legislation authorizing the FTC to seek penalties and other relief for Made in USA fraud, but only after the commission issued a rule. However, there had long been a bipartisan consensus at the FTC that Made in USA fraud should not be penalized. The final Made in USA Labeling Rule changes course on that longtime approach.

The rule does not impose any new requirements on businesses. Instead, it codifies the FTC's longstanding enforcement policy statement regarding U.S.-origin claims.

By putting this guidance into a formal rule, the FTC can now increase deterrence of Made in USA fraud and seek restitution for victims.

The FCT issued a notice of proposed rulemaking for this rule in June 2020. It received more than 700 comments on the proposed rule, most of which either were supportive or sought changes that were not legally permissible. The final rule adds a provision allowing marketers to seek exemptions if they have evidence showing their unqualified Made-in-USA claims are not deceptive.

The Made in USA Labeling Rule, which will be published in the Federal Register, incorporates guidance in the commission's previous Decisions and Orders and its 1997 Enforcement Policy Statement on U.S. Origin Claims.

Consistent with this guidance, the rule will prohibit marketers from including unqualified Made in USA claims on labels unless final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the U.S. and all or virtually all ingredients or components of the product are made and sourced in the U.S.

The rule applies only to labeling claims. The FTC will continue to bring enforcement action against marketers that make deceptive U.S.-origin claims falling outside the rule under Section 5 of the Federal Trade Commission Act. The FTC is authorized to seek penalties for violations of the rule. It does not supersede, alter or affect any other federal statute or regulation relating to country-of-origin labels.

The commission vote approving publication of the final Made in USA Labeling Rule in the Federal Register was 3-2. Commissioner Christine Wilson also issued a dissenting statement on the rule.

Source: sourcingjournal.com– July 07, 2021

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‘Cargo Is Moving Again’: ‘Disruptive’ Restrictions Still Jamming South China Ports

Dwell times at major Shenzhen, China, ports tracked by Project44 remain disruptively high, despite trending downward in recent days, with the Port of Yantian at full capacity again.

Project44, a visibility platform for shippers and logistics service providers, said in a new report released Wednesday that data suggests the disruptions related to China’s Covid-19 quarantine efforts could extend well into the year, impacting seasonal shipments as far out as Christmas. Last month, Chinese authorities restricted operations at the Port of Yantian in an effort to slow a Covid-19 outbreak in the region, creating a massive cargo bottleneck at the port, the report noted.

Despite the port operating at full capacity again, the backlog is affecting the region’s manufacturing sector and consequently “presenting a headache for shippers,” said Project44, which connects, automates and provides visibility into key transportation processes to accelerate insights and shorten the time it takes to turn those insights into actions.

As of July 1, the rolling seven-day average dwell times were 12.9 days for outbound cargo and 4.2 days for inbound cargo. The report said while these numbers are high by pre-pandemic measurements, they are well below last month’s high of 25.4 days on June 22.

“High port of lading dwell times suggest that port workers are still working their way through a massive backlog of cargo that has built up over the last month, both at the port, and in factories and warehouses across the region,” Project44 said. “This corroborates reports that some factories have paused production due to lack of space, causing further supply chain delays that will be felt for months to come.”

While yard density in Yantian is said to be down to 65 percent and overall productivity has increased to 85 percent of normal levels, the impact on the Yantian port is also affecting some of the neighboring ports of Shekou, Nansha and Hong Kong, the report noted.

Figures for blank sailings, when a ship skips a particular port of call, are also on the rise, reaching 17 on July 1, and 12 on July 2. While these are well below last month’s high of 26 blank sailings on June 11, they represent

189,203 and 107,326 TEU (20-foot equivalent units) of total vessel capacity bypassing the port.

"While we can see that cargo is moving through the port again, this event is shaping up to be one of the most disruptive of the year," Josh Brazil, vice president of marketing at Project44, said. "This is yet another reminder to shippers that disruptions can happen at any point, and that it's increasingly important that they gain full visibility into their shipments, diversify and bolster their supply chains, and do everything possible to get ahead of events like these that are inevitable in today's world."

Source: sourcingjournal.com– July 07, 2021

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UK retailers want to upgrade e-com platforms: ISG report

UK retailers are seeking to upgrade their e-commerce platforms and improve customer experience in response to a pandemic-induced spike in online shopping, according to a new report by Information Services Group (ISG), a global technology research and advisory firm. Nearly 30 per cent of all retail revenue in the country in 2020 came from online shopping, with online sales jumping by 45 per cent from the previous year.

Growth was largely driven by the COVID-19 pandemic.

The 2021 ISG Provider Lens Retail Software and Services Report for the UK says retailers want to use more technology tools and services to improve online and in-store shopping. Many retailers here are applying data analytics, digital displays and shelf-monitoring technologies to their in-store shopping experiences. The aim is to enhance productivity, ease of customer access and personalization inside stores.

In addition, retailers are leveraging technologies across multiple supply chain touchpoints. For example, a robot can scan shelves for out-of-stock items, trigger a request for restocking, then prompt the backend system to dispatch a robot to fill the shelf with minimal human intervention. Retailers see these systems making the supply chain more agile.

“Before 2020, the U.K. already had one of the highest adoption rates of online shopping among western economies,” said Mike Witty, director in the ISG consumer services practice, said in a press release. “UK shoppers have been taking advantage of a mature logistics infrastructure and the ability to move across channels.”

UK retailers are also embracing drive-through pick-up locations after customers have ordered products online, the report says. Some small-format retail stores in residential areas are doubling as micro-fulfillment hubs.

Fashion retailers are using smart-fitting technologies to help shoppers choose the right size clothing, and grocery stores are beginning to look at automated picking and packing systems, coupled with artificial intelligence-based delivery logistics algorithms to expand online delivery.

The report sees UK retailers shifting to hybrid operating models, in which humans and machines work together to deliver services. Retailers are using this hybrid model in store operations, in customer-facing technology, in the supply chain and in online and backend operations.

The report also finds UK retailers embracing machine learning to obtain better views of customer behavior online. Retailers also are experimenting with algorithmic retailing, artificial intelligence and the Internet of Things for tracking inventory, enabling their workforces to better serve customers and make store spaces and processes more efficient and intelligent.

In the area of platform migration services, the report finds some large retailers are moving away from packaged technology offerings and investing in developing their own micro services-enabled platforms. These companies are focused on shaping technology tools from scratch and having complete control over their shopping technology environment.

Source: fibre2fashion.com– July 08, 2021

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Nigeria's NEPZA gets land to set up textile-garment park in Katsina

The Katsina state government has offered the Nigeria Export Processing Zones Authority (NEPZA) over 270 hectares of land to set up a textile and garments park in Funtua. NEPZA managing director Adesoji Adesugba said the Federal Executive Council recently approved N2 billion for projects in the park, out of which about N500 million has been spent on the site.

Alhaji Ibrahim Tukur, director general of Katsina state's investment promotion agency, handed over the certificate of occupancy of the proposed site of the park to Adesugba in Abuja.

The project, projected to generate 10,000 direct jobs and 60,000 indirect ones, will be completed in the next 18 months, according to Nigerian media reports.

Source: fibre2fashion.com– July 08, 2021

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Levi Strauss Joins US Cotton Trust Protocol

Levi Strauss & Co. and its brands Levi's, Dockers, Denizen by Levi's and Signature by Levi Strauss & Co., have joined the U.S. Cotton Trust Protocol.

More than 90 percent of Levi Strauss & Co's products are cotton-based. The company has committed to sourcing 100 percent more sustainably grown cotton focusing on decreasing water use, cutting carbon emissions, and reducing fertilizer and pesticide use. This corporate commitment to more sustainable and resilient cotton sourcing is part of a broader internal initiative designed to move the company toward a more sustainable and circular product strategy.

"At Levi Strauss & Co., the quality and sustainability of the cotton we use is critical to our business and important to our customers," Jeffrey Hogue, chief sustainability officer at Levi Strauss, said. "Membership in the U.S. Cotton Trust Protocol will be an important step and a key partnership in our efforts to source 100 percent more sustainably grown cotton."

The Trust Protocol will assist Levi Strauss & Co.'s efforts by providing verified data on sustainability practices from U.S. cotton growers and access to aggregate year-over-year data on critical metrics, including water use, greenhouse gas emissions, energy use, soil carbon, soil loss and land use efficiency. Levi Strauss will also participate in the pilot phase of the Protocol Credit Management System that provides its members with supply chain transparency through use of Textile Genesis' blockchain technology.

"Levi Strauss & Co. is a globally recognized and respected brand, and we are proud to welcome them as members," Dr. Gary Adams, president of the U.S. Cotton Trust Protocol, said. "During the past 35 years, the U.S. cotton industry has made significant progress in reducing our environmental impact and the Trust Protocol is aligned with the 2025 national goals to further those improvements. As a member, Levi Strauss & Co. will receive farm level data which will help them progress their sustainability efforts and achieve their cotton sourcing goals."

Hogue said on Levi's Unzipped blog that the Trust Protocol offers three crucial opportunities for the company "to drive more sustainable and transparent cotton cultivation."

"First, it focuses on ongoing efforts to make U.S. cotton production more sustainable," he said. "Second, it offers measurable, verified data for brands and retailers in six key sustainability metrics, such as carbon emissions and

water use. And third, it provides a fully transparent cotton supply chain for all members. This promises to help us track progress toward our water and climate targets and communicate the impact of this work to consumers and key accounts."

Hogue said the company will start the pilot with a number of mills it work with in the Americas that use U.S. cotton, which makes up about 10 percent of the cotton in Levi Strauss's supply chain.

"And it definitely fits with our broader approach to cotton, which involves working with partners to drive more sustainable methods of cotton cultivation around the world, along with greater traceability and a clearer sense of its impacts where it's grown," he said. "The Trust Protocol is of course U.S. focused, but the ideas behind it dovetail with our priorities globally. Most importantly, it will allow us to further diversify our more sustainable cotton portfolio, which is both necessary and prudent given how much cotton we use."

The Trust Protocol has added more than 450 brand, retailer, mill and manufacturer members since its launch in 2020. This includes Gap Inc. and its Old Navy, Gap, Banana Republic and Athleta brands, as well as global apparel manufacturer Gildan and U.K. retailers Tesco, Byford and Next Plc. Other Trust Protocol member announcements include the first 10 U.S. mills to join and the first members in Latin America.

The U.S. Cotton Trust Protocol is aligned with the United Nations Sustainable Development Goals, recognized by Textile Exchange and Forum for the Future, and part of the Sustainable Apparel Coalition, Cotton 2025 Sustainable Cotton Challenge, Cotton 2040 and Cotton Up initiatives. The Trust Protocol underpins and verifies U.S. cotton's progress through sophisticated data collection and independent third-party verification. Brands and retailers gain access to U.S. cotton with sustainability credentials proven via Field to Market, measured via the Fieldprint Calculator and verified with Control Union Certifications.

The U.S. Cotton Trust Protocol is overseen by a multi-stakeholder board of directors comprised of representatives from brands and retailers, civil society and independent sustainability experts, as well as the cotton-growing industry, including growers, ginners, merchants, wholesalers and cooperatives, mills and cottonseed handlers.

Source: sourcingjournal.com– July 07, 2021

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Will always stand firmly with Pakistan: Chinese FM

While affirming commitment to Pakistan, Chinese Foreign Minister and State Counselor Wang Yi has said China will always stand firmly with Pakistan no matter how the world changes.

Chinese Foreign Minister Wang Yi, through a video link, was addressing a conference titled "Pakistan-China At 70: A Unique Bilateral Partnership" arranged by the Pakistan-China Institute (PCI) in commemoration of 70 years of Pakistan-China relations. Foreign Minister Shah Mahmood Qureshi has also addressed the conference.

The conference brought together China and Pakistan's key government officials, academicians, journalists, students and civil society members under one roof. The conference featured 24 esteemed panelists from Pakistan and China, who talked with one voice about the importance of upholding Pakistan-China all-weather strategic partnership.

At the start, an exclusive 10-minute documentary production of the PCI was played for the audience titled "Pakistan-China at 70: A Unique Bilateral Relationship" along with national anthems of Pakistan and China.

Chinese Foreign Minister and State Counselor Wang Yi highlighted that China and Pakistan were all-weather friends, who understand and respect each other despite social and cultural differences.

He stressed the need for practicing multilateralism, saying the zero-sum game emanating from the Cold War mentality should be rejected, and all countries should work together. He also said moving forward, Pakistan and China should join hands in safeguarding international peace and encourage other countries to join hands against regional security threats. He also thanked Senator Mushahid Hussain for promoting Pakistan-China friendship.

Foreign Minister Shah Mehmood Qureshi talked about the Pakistan-China friendship, saying the cooperation between both the countries, especially during the coronavirus pandemic, was unprecedented.

He said China has so far donated 3.5 million doses of vaccine to Pakistan, adding Pakistan has always supported the Chinese core interests. He also talked about the educational cooperation between the two countries, which

will also ensure cultural collaboration as well. Qureshi highlighted numerous celebrations in commemoration of 70 years of bilateral relationship between Pakistan and China and especially thanked the PCI for arranging the event with a dedicated panel of experts.

During the opening session, Chairman of Pakistan-China Institute, Senator Mushahid Hussain Sayed extended his heartfelt felicitations to the people of Pakistan and China for being fraternal and time-tested brothers, who have always enjoyed good relations. He highlighted how China has changed the destiny of one-fifth of humanity by lifting 800 million people out of poverty.

He also highlighted how the BRI has brought together 140 countries of different continents together through connectivity, ports, pipelines, economy and energy. He also said Pakistan is fortunate that the pilot and flagship project of the BRI, CPEC, is at the centerpiece of this global initiative to promote Corridors, Culture and Connectivity.

Senator Mushahid said Pakistan and China relations are unique because they are not against any third country. After the opening session, first session on "A Model State to State Partnership-Historical context" was held.

Speaking on the occasion, Ambassador Sha Zukang expressed his sincere gratitude to Pakistan. He said China and Pakistan should focus on the CPEC and must ensure that the job is well done. He said CPEC is a two-way project of the BRI, which is inculcating new experience and expertise in both countries.

Lt-Gen (retd) Talat Masood highlighted how in the aftermath of 1965 war, China gave military assistance to Pakistan. He said as the two countries celebrate 70 years of their relationship, their shared future is bright and rests primarily on Pakistan’s own domestic matters. Muhammad Jehanzeb Khan, Deputy Chairman of Planning Commission, talked about how China is a great friend that has given Pakistan the opportunity to develop. He said it is remarkable how two culturally-diverse countries are able to maintain such a close relationship.

The second session was “People to People Connectivity-The foundation of Pakistan-China friendship”. Shakeel Ramay, Adviser, Asian Institute of Eco civilization Research & Development, moderated the discussion.

Mustafa Hyder Sayed, Executive Director, PCI, labeled people-to-people connectivity pivotal to Pakistan-China relations. He highlighted the role of PCI in enabling youth exchanges, bilateral discussions, and opening up dialogue on the dynamic relationship shared by both countries. Professor Li Xiguang, Chair of the Pakistan Studies Center at Tsinghua University, said that the origin of friendship between Pakistan and China started years ago. He traced the spread of Buddhism to Pakistan and labeled it an important country for a belief system that has a lot of significance for the Chinese people.

Ambreen Shah, Vice President Legal & Corporate Affairs, China Power Hub, Generation Company (Pvt) Limited, said in her experience, the Chinese people are very positive, progressive and humble. She said the Chinese value feedback and input and do not carry out any gender discrimination, keeping respect and loyalty as the main ethos of their work. She also said that in China women hold key positions in companies as Chinese reward hard work.

The third session “Pakistan-China’s Shared Interests in the Changing Regional Scenario” was moderated by Ambassador Khalid Masood, who highlighted the importance of understanding, changing regional scenario in the post-pandemic world, as global alliances are being reshaped.

His remarks were followed by Professor Dr Atta-ur-Rehman, Chairman of PM Task Force on Science and Technology, who said that Pakistan and China are collaborating on Covid research and also working for the educational exchanges. He also highlighted how the two countries will keep up their work in the field of medicine as well.

Lieutenant General (retd) Yaseen Malik highlighted how China is the only country in the region which has no historic baggage for Afghans. He said the China-Afghan relationship is likely to flourish once things are stabilized in Afghanistan.

During the fourth session, "China-Pakistan Economic Corridor: The Way Forward," Mustafa Hyder Sayed moderated the discussion between Muhammad Aurangzeb, President & CEO, Habib Bank Limited and Adviser for Commerce, Textile, Industry and Production, and Investment to the Prime Minister M Abdul Razak Dawood.

Abdul Razak Dawood, Adviser to Prime Minister for Commerce, Textile, Industry and Production, and Investment talked about how eight new honorary investment counselors have expressed interest in investing in Pakistan.

He also talked about the incumbent government's eagerness for promoting regional diversity under CPEC. Citing figures, Razak Dawood said during this fiscal year, Pakistan's exports to China have risen by 30pc to reach a value of 2.3 billion per annum, whereas Chinese work visas to Pakistan have increased by 42pc.

Source: thenews.com.pk– July 08, 2021

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Bangladesh: Exporters seek government help in resolving the container crisis

'The exporters, shipping agents and freighters should work in coordination with each other to resolve the problem'

Apparel and other export-oriented manufacturers on Wednesday requested the government to devise a way out for resolving the deepening container crisis.

They made their pleas at a meeting with Shipping Secretary Mezbah Uddin Chowdhury on the day.

An attendee of the meeting, requesting anonymity, said that the ministry and the port authorities will try to mitigate the crisis as much as they can, as it is a global crisis and there is not much they can do regarding that.

The exporters, shipping agents and freighters should work in coordination with each other to resolve the problem, said the attendee.
Port authorities have suggested revising the container use agreements of various MLO companies as it is unusual to carry containers of a MLO company by other companies.

Earlier, leaders of various exporters' associations, shipping agents, freight forwarders, and other stakeholders together held a meeting on Tuesday.

According to the meeting, shortage of empty containers and vessels, as well as congestion at regional transshipment ports have led to a severe crisis, hindering shipment of export cargoes to Europe and the USA.

Moreover, empty container vessels are taking time to return to Bangladesh from the European and US ports due to slow unloading there, causing container and vessel shortage in the Chittagong port, said the exporters.

At the meeting they decided to work together and seek the government's intervention to address the problem

They demanded the concerned authorities to not increase any charges fixed by freight forwarders/shipping lines during the pandemic.

Exporters urged to follow appropriate methods to solve the container crisis and maintain coordination among shipping line companies to ensure proper use of empty containers.

They also requested the port authority to allow more feeder vessels to berth at the port to address the container and vessel shortage and to arrange an export yard on temporary basis to facilitate loading-unloading of cargoes at the private inland container depots (ICDs).

Hundreds of trucks with exporting goods queue up in front of ICDs as the apparel exporters worry about whether they would be able to ship products on time.

BGMEA President Faruque Hassan presided over the meeting while leaders from BKMEA, BTMA, BGAPMEA, vice presidents, and directors of BGMEA were also present.

Responsible leaders from Bangladesh Freight Forwarders Association (BFFA), Bangladesh Inland Container Depots Association (BICDA), Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) were also present.
Exports from Bangladesh have been facing unexpected delays for the last couple of months owing to the global container crisis.

According to Chittagong port officials, this has been partly brought on by the excess congestion in many Asian transshipment ports, especially Singapore, Port Klang in Malaysia, and Colombo in Sri Lanka.

As a result, the inland container depots (ICDs) in Bangladesh are failing to transfer the products to the ports due to the acute shortage of containers. This problem has been amplified by delays in getting space on mother vessels in the transshipment ports, said port insiders.

The readymade garment (RMG) industry is suffering the most from this crisis as the largest part of the exporting containers are of apparel products.

Along with RMG products, other goods are also stuck in many consignments, leaving exporters worried about timely shipments and fearing order cancellations.

Syed Nazul Islam, first vice president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told Dhaka Tribune

that the freighters cannot book space on mother vessels and there is also a shortage of proper containers.

Buyers are likely to ask for discounts if they cannot get the products to their stores on time. This delay in shipping will have a long-term impact on Bangladesh's exports, he added.

However, attendees of Wednesday's meeting suggested increasing the number of ships, constructing new berths at the Chittagong port and to increase the draft suitable for mother vessels to avoid such crises in the future.

Source: dhakatribune.com– July 07, 2021

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Pakistan: Export 'boom' may not last long

Jubilation at a 24% growth in exports in US dollar terms is not entirely justified. About 15% of this 24 % is really not our doing and the other 9% is really covering a bit of lost ground. The fact is that the price of cotton went up from around the 60 cents/lb. mark last summer to over 90 cents in May. Even today it is about 87 cents/lb.

Pakistan is no longer a cotton surplus country. The demand for cotton by our textile industry is 11/12 million bales a year and we are now growing just about half that quantity. The rest is to be imported from Australia and the USA, as we are not on talking terms with the Indians. The Indians incidentally, have a huge cotton surplus.

Our cotton crop went from seven million bales twenty years ago to 13 million bales and then went back to six million bales. The Indian crop meanwhile soared from 13 million bales to 35 million bales, and stayed there. The price of cotton in Pakistan is the world price of cotton PLUS import expenses. Import expenses amount to about 4 cents per pound of cotton. In India, the domestic price of cotton is the world price (when the Government of India allows free exports) less export charges. The net result is that the Pakistani textile industry pays about 8 cents per lb. more for the cotton it uses than their Indian competitors.

The increase of about 27 cents per lb. for cotton this year translates into 30 cents/lb. for yarn and about 33 to 35 cents per pound of finished textiles when you allow for the waste factor in the process of manufacturing. This means about 75 cents per kg. Considering that the mean price of our finished textile exports is about five dollars this amounts to 15% of our FOB price. Obviously, the industry has to pass on this increase in cotton price to our customers so the prices went up by 15% just to pass on the extra cost. Hence out of the 24% increase this year about 15% is due to the increase in the price of cotton.

To our good fortune the Indian and Bangladeshi industrial units are still suffering from the pandemic. The factories are in disarray; they are struggling to survive. In these circumstances demand was diverted from India and Bangladesh to Pakistan as we have been lucky with the pandemic and managed it better.

To top it all the Chinese were black-balled by the major Western retail chains on the issue of Xinjiang cotton and its products. Most large retail chains now demand that goods supplied to them be completely free of any cotton or yarn from Xinjiang. So at the moment the Pakistani industry has a clear run in the world markets and that is why all our exporters are fully booked.

If we look at the data as published by the government the picture is a little more complicated. In terms of quantity knitwear is the only category which has shown a substantial increase in exports in 20/21 over say 2017/18. It goes from 106,000 dozens to 165,000 dozens approximately. Readymade garments are about where they were, in fact 10% lower now than 3 years ago; towels are up by 2% in quantity and bed linen is about 15% up. Cotton yarn and cloth are badly down. Yarn is down by 30% and fabric or cloth is less than half.

So overall the high price of cotton has decimated the lower value-added exports like yarn and cloth and given an edge to the higher value added exports. This may be considered beneficial by some but it has its drawbacks or downsides too. If we are losing our competitive edge in costs then what is the advantage we have over our other competitors? Quality, reliability, or better design? In fact Pakistan has a terrible country image. Foreign buyers do not like to travel to Pakistan and we have had negative travel advisory from most affluent countries due to our law and order problems. As such the only advantage we have is our lower prices and possibly some firms have developed a reputation of some reliability. Overall our country image is negative.

Most of all our biggest dis-advantages is our lack of skills, education and knowledge. Now all products require some element of skill in first producing the product, then labeling and packing it and then its presentation. The biggest export values are being achieved by “knowledge and skill- based” products and companies.

So a cell phone producer must have at its command skills and assembly lines and vendors beyond the reach of Pakistan. Our failure in educating our nation will now hold us back in the race for development. The pandemic will not last forever and the Indian and Bangladeshi suppliers will put their act together soon. Their tremendous cost advantage will work for them and the buyers will happily shift back to them soon.

Our export boom may not last long and some of the gains made may be lost in a year or so. I shall explore this aspect and its possible remedies in some other article.

Source: brecorder.com– July 08, 2021

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Pakistan: Official calls for boosting fashion, textile industry

Technology and globalisation have created lucrative opportunities for the fashion and textile industry of Pakistan and they should be tapped by concentrating on branding and marketing, said Lahore Chamber of Commerce and Industry (LCCI) President Mian Tariq Misbah.

Chairing a seminar titled “Latest Trends and Collaboration in Fashion and Textile Industry” on Tuesday, he said that the textile sector was the backbone of Pakistan’s economy and held great significance.

“Pakistan is the eighth largest exporter of textile products in Asia, fourth largest producer and third largest consumer of cotton,” he said. “Pakistan’s textile sector covers 46% of the total manufacturing sector of the country and provides employment to 40% of the total labour force.”

He pointed out that the sector also held 60% share in total exports and contributed 8.5% to the gross domestic product (GDP).

Misbah remarked that Pakistan’s fashion designing and textile industry had emerged as important components of national trade because of their export potential. He was of the view that the two segments had tremendous potential to secure a mammoth share in the international fashion market, which was worth billions of dollars.

“Pakistani entrepreneurs have successfully earned good name in the local fashion industry and developed various prominent brands with the passage of time,” he said. “Some of them have been able to establish their brands in the international arena as well.”

He appreciated local women entrepreneurs, saying they were lifting the textile sector to new heights.

“Pakistan can grab a significant share in fashion industry exports if it succeeds in attracting the attention of foreign buyers,” Misbah added.

He stressed the need for focusing on value addition because it would help enhance profit margins in the export market.

He was of the opinion that by enhancing collaboration and liaison between the textile sector and the fashion industry, Pakistan could get the desired results.

The LCCI president also talked about the importance of forecasting trends in apparel business and said certain techniques were required to safely anticipate the future.

LCCI Vice President Tahir Manzoor Chaudhry said that Pakistani entrepreneurs associated with the fashion industry should remain up to date with modern requirements and be aware of the changing trends in the global market.

Source: tribune.com.pk– July 07, 2021

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NATIONAL NEWS

Cabinet reshuffle: Full list of ministers in Narendra Modi's government

Hours after Prime Minister Narendra Modi effected a major overhaul of the Union cabinet, Mansukh Mandavia was appointed as the new Health Minister and bureaucrat-turned-politician Ashwini Vaishnaw the new Railway Minister on Wednesday.

Jyotiraditya Scindia has been made the Civil Aviation Minister, while Home Minister Amit Shah has been given the charge of the newly-created Ministry of Cooperation. Piyush Goyal will now be the Minister of Textiles, while Dharmendra Pradhan has been given the portfolios of Education Ministry and the Ministry of Skill Development and Entrepreneurship. Kiren Rijiju will be the Minister of Law and Justice while Hardeep Singh Puri will be the Minister of Petroleum and Natural Gas and Housing and Urban Affairs Minister.

Among the new ministers who were inducted into the Union Cabinet are BJP's Narayan Rane, Sarbananda Sonowal, Jyotiraditya Scindia, Ajay Bhatt, Bhupender Yadav, Shobha Karandlaje, Sunita Duggal, Meenakshi Lekhi, Bharati Pawar, Shantanu Thakur and Kapil Patil; JD(U)'s R C P Singh, LJP's Pashupati Paras, and Apna Dal's Anupriya Patel.

The seven ministers of state who were promoted are Anurag Thakur, G Kishan Reddy, Paroshottam Rupala, Kiren Rijiju, Hardeep Singh Puri, Mansukh Mandaviya and Raj Kumar Singh.

Meanwhile, ahead of the much-anticipated reshuffle, twelve ministers resigned. Among the big names to resign are IT Minister Ravi Shankar Prasad, Health Minister Harsh Vardhan, Environment Minister Prakash Javdekar, Education Minister Ramesh Pokhriyal Nishank and Labour Minister Santosh Gangwar.

Other ministers who are out of the Cabinet are Babul Supriyo, Sadananda Gowda, Debasree Chaudhuri, Rattan Lal Kataria, Sanjay Dhotre, Thawarchand Gehlot, Pratap Chandra Sarangi (MoS) and Ashwini Chaubey (MoS).

Here is the complete list of ministers who were newly inducted into the Union Cabinet on Wednesday:

Shri Narendra Modi	**Prime Minister** and also in-charge of: Ministry of Personnel, Public Grievances and Pensions; Department of Atomic Energy; Department of Space; All important policy issues; and All other portfolios not allocated to any Minister

CABINET MINISTERS

1.	Shri Raj Nath Singh	Minister of Defence
2.	Shri Amit Shah	Minister of Home Affairs; and Minister of Cooperation
3.	Shri Nitin Jairam Gadkari	Minister of Road Transport and Highways
4.	Smt. Nirmala Sitharaman	Minister of Finance; and Minister of Corporate Affairs
5.	Shri Narendra Singh Tomar	Minister of Agriculture and Farmers Welfare
6.	Dr. Subrahmanyam Jaishankar	Minister of External Affairs
7.	Shri Arjun Munda	Minister of Tribal Affairs
8.	Smt. Smriti Zubin Irani	Minister of Women and Child Development
9	Shri Piyush Goyal	Minister of Commerce and Industry; Minister of Consumer Affairs, Food and Public Distribution; and Minister of Textiles
10.	Shri Dharmendra Pradhan	Minister of Education; and Minister of Skill Development and Entrepreneurship
11.	Shri Pralhad Joshi	Minister of Parliamentary Affairs; Minister of Coal; and Minister of Mines

12.	Shri Narayan Tatu Rane	Minister of Micro, Small and Medium Enterprises
13.	Shri Sarbananda Sonowal	Minister of Ports, Shipping and Waterways; and Minister of AYUSH
14.	Shri Mukhtar Abbas Naqvi	Minister of Minority Affairs
15.	Dr. Virendra Kumar	Minister of Social Justice and Empowerment
16.	Shri Giriraj Singh	Minister of Rural Development; and Minister of Panchayati Raj
17.	Shri Jyotiraditya M. Scindia	Minister of Civil Aviation
18.	Shri Ramchandra Prasad Singh	Minister of Steel
19.	Shri Ashwini Vaishnaw	Minister of Railways; Minister of Communications; and Minister of Electronics and Information Technology
20.	Shri Pashu Pati Kumar Paras	Minister of Food Processing Industries
21.	Shri Gajendra Singh Shekhawat	Minister of Jal Shakti
22.	Shri Kiren Rijiju	Minister of Law and Justice
23.	Shri Raj Kumar Singh	Minister of Power; and Minister of New and Renewable Energy
24.	Shri Hardeep Singh Puri	Minister of Petroleum and Natural Gas; and Minister of Housing and Urban Affairs
25.	Shri Mansukh Mandaviya	Minister of Health and Family Welfare; and Minister of Chemicals and Fertilizers

26.	Shri Bhupender Yadav	Minister of Environment, Forest and Climate Change; and Minister of Labour and Employment
27.	Dr. Mahendra Nath Pandey	Minister of Heavy Industries
28.	Shri Parshottam Rupala	Minister of Fisheries, Animal Husbandry and Dairying
29.	Shri G. Kishan Reddy	Minister of Culture; Minister of Tourism; and Minister of Development of North Eastern Region
30.	Shri Anurag Singh Thakur	Minister of Information and Broadcasting; and Minister of Youth Affairs and Sports

Click here for more details

Source: indianexpress.com– July 07, 2021

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Second wave of shipping containers scarcity haunts exporters

After attaining crisis proportions earlier this year, shipping containers are again in short supply, which is increasing logistics costs for exporters and making businesses uncompetitive.

In April, the government had declared victory over the initial container crisis but now the shortage is back at a time when export volumes are more than ever before as industry is clearing inventory and global demand is rising.

The issue has been brought up by export-promotion councils and industry bodies have raised the issue in regular meetings with the government, which is quickly responding with steps to resolve the issue, an official said.

"This includes short-term solutions such as providing priority berthing to bulk carriers to reduce turnaround times, special drives to expedite clearance of unclaimed cargo and increase the availability of containers, as well as long term solutions such as ramping up container manufacturing," he added.

India's exports surpassed $95 billion to become the highest ever in a single quarter during the first quarter of FY22. Exporters are worried they will miss the bus at this crucial time.

"While freight increase is a global phenomenon, we may be suffering more as we have a fairly large MSMEs in exports, who have very less negotiating power. We require a large shipping company in India as we remit about $ 65 Bn every year as transport charges overseas and yet remain at the mercy of foreign shipping lines," Federation of Indian Export Organisations (FIEO) President A Sakthivel, said.

Currently, the public sector Shipping Corporation of India has a market share of less than 5 percent of the country's total shipping business. FIEO has suggested that the government provide some fiscal support either through liberal lending or through tax benefits to set up an Indian shipping line which may be looking at a $ 100 billion market.

The industry is also seeking freight subsidies. The demand has been more pronounced from manufacturers in hinterland states like Uttaranchal, Himachal or Assam without access to the sea and where transport costs are estimated to be 5-6 percent higher.

"Being away from the sea ports we are competing with companies in the coastal states. The high freight cost lowers our overall profit margins in the international market preventing us from going for capacity expansion. It is increasingly becoming difficult for us to penetrate new markets," said Arun Shukla, a functionary of Engineering Export Promotion Council India from Himachal Pradesh.

Skyrocketing freight charges

Freight rates have risen sharply. FIEO has told the government that the cost of sending a 40-feet container to the United States has soared to $6,200-$6,500 more than three times the pre-pandemic rate of $2,000. The average rate for Europe has jumped to $5,500 from $1,200-1500.

Freight rates for shipments to West Africa and other many destinations have also gone up by five to six times in the past year and a half. This has severely hit the profitability and competitiveness of exporters who quote a delivered price including freight.

The Container Shipping Lines Association (CSLA) (India), which represents the 25-largest foreign container shipping lines operating in India, says operations are being conducted under strict guidelines and prices have been reduced to offer some benefit to industry.

"We have received communication from the government regarding ways to lower the shipping costs, but prices have risen across all markets and global players have to factor that in," a senior CSLA functionary said.

Where it began

The majority of global merchandise trade is dependent on standard-size containers carried on mega seaborne vessels run by a relatively small number of shipping lines.

The crisis began in late 2020 due to a sharp mismatch in import and export volumes, leading to a shortage of containers available for exports, at ports

across India. The situation worsened as economies in the region and beyond began opening up at the same time after lockdowns.

As industries opened up, orders for goods poured in and exports began piling up broadly around the same time in all countries, leading to congestion at major ports.

Non-availability of space in vessels calling on Indian ports and delayed availability of certain destinations, particularly in East Africa, were the other issues affecting trade. As a result, both the demand, and prices for containers had skyrocketed.

Source: moneycontrol.com– July 07, 2021

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Goyal proposes Indo-Pacific wide services trade agreements

Commerce & Industry Minister Piyush Goyal has proposed an Indo-Pacific wide services trade agreement amongst friendly nations and more measures to improve trade facilitation for easing cross-border movement of goods to bolster trade and growth in the region.

"Given the prospects of services trade, an Indo-Pacific wide services trade agreement should also be considered amongst friendly nations. It can help liberalise domestic regulations and build capacity on e-commerce and IT-enabled services and other areas such as Artificial Intelligence," he said delivering the keynote address at the CII's Special Plenary with the Trade Ministers in the Indo-Pacific region.

The Minister pointed out that the abundance of trade agreements in Indo-Pacific has led to a decline in tariff rates over time but non-tariff measures continue to act as a major trade barrier in the region.

Trade facilitation can ease cross-border movement of goods, he said, adding that India had taken several measures, resulting in the simplification and rationalisation of many existing rules and regulations.

On the supply chain resilience initiative launched in September 2020 by Trade Ministers from India, Australia and Japan, Goyal said it was a firm step towards building resilient supply chains and other friendly countries may also be included in it.

Goyal also invited businesses of the region to avail incentives under India's Production-linked Investment Schemes, which cover 13 sectors and aim at creating global manufacturing champions. He also highlighted the measures taken resulting in the simplification and rationalisation of many existing rules & regulations.

Source: thehindubusinessline.com– July 07, 2021

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Fitch Ratings revises down FY22 real GDP to 10%

Fitch Ratings has revised down India's real GDP for FY22 from 12.8 per cent to 10 per cent, underlining its belief that renewed Covid-related restrictions have slowed recovery efforts and left banks with a moderately worse outlook for business and revenue generation.

The challenges posed by the pandemic to Indian banks have increased due to a virulent second wave in the first quarter of FY22, the global credit rating agency said in its 'Indian Banks 2021 Report Card' report.

"Localised lockdowns during the second wave kept economic activity from stalling to levels similar to those during 2020 (Q1/April-June FY21 real GDP growth: -24.4 per cent), but disruption in several key business centres has slowed the recovery and dented our expectations of a rebound to pre-pandemic levels by FY22.

"Our moderately worse 2021 outlook for Indian banks factors in muted prospects for new business due to our expectation of weak corporate and consumer confidence, banks' continuing high-risk aversion, and below-trend credit demand," according to the report.

Bad loans to peak

Regulatory relief measures have postponed banks' underlying asset-quality issues for now, but banks' medium-term performance will be dented without a meaningful economic recovery, cautioned the global credit rating agency.

Fitch emphasised that continued relief measures aimed at Covid-affected segments (such as micro, small and medium enterprises, retail and contact services) played a crucial role in deferring recognition of problems with asset quality.

Fitch expects impaired loans to peak after FY23 since stress is likely to manifest from the aforementioned pool over a fairly protracted time-frame. "The impaired loans ratio of 7.5 per cent in FY21 was moderately better than our expectations. The ratio was supported by declining fresh bad loans as well as high levels of write-offs," said Associate Director, Financial Institutions, and Saswata Guha, Director, Financial Institutions, in the report.

Asset quality

The agency said it remains cautious on asset quality, given renewed restrictions, medical exigencies and rising job losses.

The reintroduction of a restructuring scheme for retail, small businesses and MSMEs, together with a $20 billion increase in the ECLGS (Emergency Credit Line Guarantee Scheme) outlay, underscores the incipient stress as Indian banks potentially face another protracted asset recognition cycle similar to previous years, it added.

Fitch estimates that regulatory moratorium, Covid-specific restructuring, and state guaranteed refinance for MSMEs totalling around 10 per cent-plus of system loans had a significant role in suppressing stress.

The agency expects the suppression to continue in FY22 in the wake of new measures to deal with the second wave impact.

The report's authors opined that banks' exposure to stressed MSME and retail borrowers could rise further with the increasing relief outlay, and is likely to compel banks – especially state-owned ones – to slow regular lending in the absence of adequate core capital cushions and weak contingency buffers.

Fitch estimates aggregate potential stressed loans to be highest among large state banks, at 11.9 per cent of loans, followed by mid -sized state banks at 9.3 per cent, after factoring in total exposure to MSMEs that have availed ECLGS, based on available bank disclosures.

The agency observed that most private banks have significantly lower impaired loans and a higher share of state-guaranteed ECLGS loans (2.2 per cent) than state banks (1.2 per cent) in FY21, but they also have more retail loans.

"We consider MSME and retail loans (especially unsecured and loans to low and moderate income borrowers) to be most at risk, although retail loans have performed better than our expectations so far," the authors said.

Banks' impaired loans ratio dipped to 7.5 per cent in FY21 (Fitch estimate: 7.6 per cent), from 8.5 per cent in FY20, despite weak loan growth.

This was mainly because of lower recognition of new impaired loans (FY21: 2.2 per cent of loans, FY20: 3.3 per cent), but also high loan charge-offs (FY21: 1.9 per cent, FY20: 2.3 per cent). The report said sector loan-loss coverage has modestly improved (FY21: 68.9 per cent; FY20:66.2 per cent) with the increased provisioning of legacy bad loans.

However, contingency provisions were depleted in Q4 (January-March) FY21 as banks used them to cover moratorium loans that turned bad.

The agency observed that state banks, with the exception of SBI (State Bank of India), have used up their relatively small Covid-related buffers while private banks retain slightly better contingency buffers (FY21: 0.5 per cent - 0.9 per cent of loans), but not material enough to deal with the stress caused by the pandemic.

Fitch said the Reserve Bank of India's (RBI) recent regulatory directive has allowed banks to dip into floating reserves until FY22 but that alone may not provide much headroom unless banks are also allowed to dip into their standard reserves.

Market share

Fitch said Indian banks reported loan growth of around 5.5 per cent in FY21, moderately lower than 6.5 per cent in FY20. However, public sector (state-owned) banks expanded by only 2.2 per cent – significantly below 9.6 per cent loan growth by private banks – as per Fitch's estimate.

The authors underscored that private banks gained significant market share from public sector banks over the past decade as the latter have been hamstrung by higher impaired loans, larger losses and weaker capitalisation.

The government-led merger of state-owned banks has helped some to consolidate their market position, but Fitch believes state banks will continue to lose market share if they do not raise adequate capital to insulate against future stress and to support stronger growth.

Source: thehindubusinessline.com– July 07, 2021

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RBI notifies inclusion of retail, wholesale trade under MSME category

The Reserve Bank on Wednesday notified the inclusion of retail and wholesale trade under the micro, small and medium enterprises (MSME) category.

This will help retail and wholesale trade benefit from priority sector lending under RBI guidelines.

Earlier on July 2, the Ministry of Micro, Small and Medium Enterprises had decided to include retail and wholesale trade under MSMEs for the limited purpose of priority sector lending.

The revised guidelines will benefit 2.5 crore retail and wholesale traders. The move would also allow them to register on the Udyam portal for MSMEs.

Source: financialexpress.com– July 07, 2021

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Piyush Goyal to helm exports revival with added Textile portfolio

Piyush Goyal, who has been among the few ministers in Narendra Modi government holding charge of more than two ministries, has again been reloaded with an additional responsibility in Wednesday's Cabinet reshuffle. The Commerce and Industry, and Food, Consumers Affairs and Civil Supplies Minister has now been entrusted with charge of the Textile ministry.

While he has lost out on the all important charge of the Railways Ministry, the Textile portfolio is expected to complement his existing functions in the Commerce Ministry where the prime aim is to push the country's exports and build trade relations with countries across the globe.

The handling of the Textiles portfolio by Goyal gains significance as along with the Commerce Ministry, this combination may support boosting India's textile exports at a time when the government envisions to make India self-sufficient and a global manufacturing hub.

The textile industry, which has largely witnessed declining in export orders for conventional products, has seen a silver lining in the past one year as it has forayed in manufacturing and export of PPE kits. A boost to then textile sector through measures that support the industry gain competitiveness in the global markets would also hold the key to increase the country's overall exports.

India has recorded highest ever ever merchandise exports of $95 billion in April-June quarter of current fiscal year (FY22).

This is 85 per cent higher than exports of Q1 of 2020-21 and 18 per cent higher than the exports of Q1 of 2019-20. It is also 16 per cent more than the previous highest Q1 exports of 2018-19 ($ 82 billion) and is higher than the earlier peak of exports in Q4 of 2020-21 ($90 billion).

Based on improved performance, the government has now set exports target of $400 billion for FY22. To achieve this, Goyal would have see that sectoral momentum is maintained.

Source: livemint.com– July 07, 2021

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‘MSMEs are engines of growth’

Sundaram Finance and MSME Development Institute (MSME DI) - Chennai, Government of India, on Wednesday hosted the first webinar as part of its bi-monthly ‘MSME - Need to know information series’. The webinar series was organised to promote MSME registration in Udyam portal and to create awareness about various MSME schemes launched by the government.

S Suresh Babuji, IEDS, Joint Director, MSME DI Chennai, said that in addition to the huge contribution to India’s GDP, exports and employment, MSMEs, as the engines of economic growth, play a crucial role in promoting equitable distribution of development.

“Tamil Nadu is among the top five economically and industrially developed States, and it was possible because of financial support by lenders, technical support by players like MSME DIs and the entrepreneurial attitude of people of Tamil Nadu,” Babuji added.

Moahan Venkatesan, Sr VP and Head of TN, Sundaram Finance said, “We have been associated with the MSME sector right from the launch of Sundaram Finance in 1954 and want to continue to make a difference to the sector.

Soon, we will be launching a MSME related micro-site on the Sundaram Finance website to provide information about the sector, the benefits of Udyam registration and our offerings for this sector.”

KM Balajee, Asst Director, MSME-DI Chennai, made a presentation with step-by-step process for registration in Udyam portal. He also highlighted that Udyam registration is free and cautioned entrepreneurs to register only through the government website and not fall prey to agents who are charging a hefty fee for securing Udyam Registration.

Promoting entrepreneurship

Senthil Kumar, IEDS - Deputy Director, MSME DI, Chennai, made a presentation explaining the various training and mentorship schemes of the government to promote entrepreneurship and skill development.

In the concluding session, K Narayanan, GM and Head- Corporate Finance, Sundaram Finance, made a presentation highlighting products on offer and added that the company has made Udyog Aadhaar or Udyam Registration mandatory for all the SME customers who seek loans.

Jeevan Jose, Zonal Head, TN West, Sundaram Finance delivered the welcome address. BusinessLine was the media partner for the event.

Source: thehindubusinessline.com – July 07, 2021

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Jharkhand Cabinet nod to new Industrial and Investment Promotion Policy 2021

The Jharkhand government on Tuesday gave its nod to new Industrial and Investment Policy 2021 to attract fresh investments in the state, Chief Minister Hemant Soren said. The approval was given to the policy at a meeting of the state cabinet, chaired by Soren.

"Cabinet has approved a new industrial policy to attract investments in the state in a better manner," Soren said after the cabinet meeting. Earlier in March this year showcasing Jharkhand as one of the most attractive investment destinations, the state government had urged industry players to come forward to invest in proposed projects with investment potential of Rs 1 lakh crore and reap rich dividends.

Promising that the Jharkhand government did not believe in selling "glass as diamonds", it said it was ready to offer lucrative sops to industry players for investing in the state that alone houses India''s 40 per cent of mineral wealth with 33 percent of forest cover.

Making a strong case for investment in the state, Soren had said, "If you are looking to invest in agro and food processing, textiles, automobile, electric vehicles, pharmaceuticals and electronic system design and manufacturing to name a few areas, Jharkhand promises exciting opportunities."

He was addressing a meeting to come out with a Jharkhand industrial investment and promotion policy in consultation with stakeholders. "Jharkhand has huge potential in all the areas, be it in mines and minerals, forest produce, textiles or vegetables....Entire country knows Tatas...This is the region where he set his foothold...This is the place which saw gigantic establishments like HEC, steel, coal, power and fertiliser and other plants.

"Unfortunately soon after taking charge as CM, the entire country faced this pandemic...Now it is the mission and vision of this government to take it forward on the path of progress with steely resolve," Soren had said. Apart from being a mineral-rich state, Jharkhand ranks second in the country in production of tomatoes, fifth in peas and beans, sixth in cabbage, okra and cauliflower and has over 175 minor forest produce with 33 per cent forest cover.

The policy entails subsidy, sops and land for investors. The Jharkhand cabinet also okayed a proposal to provide incentive amount equivalent to one month''s honorarium to outsourced personnel deputed for coronavirus related work in the control rooms of COVID hospitals among others.

Source: outlookindia.com – July 06, 2021

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Govt assures ironing out issues in Surat mega projects

Industry leaders of Surat have requested that one of the seven mega investment textile parks of the country announced by the central government be set up in Surat.

The request was raised during an open house meeting with the industries commissioner Rahul Gupta and M. Thennarsan, vice-chairman and managing director of GIDC in the city on Wednesday. The team of industries department was on a one-day tour to Surat to discuss various issues with the stakeholders.

Dr Rajiv Kumar Gupta, additional chief secretary, industries, said, “The textile and diamond hub Surat is witnessing rapid industrial development. We are working proactively to ensure that some of the big and world-class projects like DREAM City, world’s largest diamond bourse and others are completed in the time-bound manner and all issues of various stakeholders are ironed out.”

The Union budget this year had an announcement of setting up seven mega investment textile parks in the country in the next three years. “Their demand was valid since Gujarat is one of the textile hubs in the country, so we have already pitched the idea to the central government,” said Dr Rahul Gupta, industries commissioner.

Sources at Southern Gujarat Chamber of Commerce and Industry (SGCCI) said that they have been asked by the government officials to identify land parcel for the textile park.

The Union budget mentioned that the parks will be set up over 1,000 acres of land with world-class infrastructure and plug-and-play facilities.

Gupta said that among the other issues during the meetings there were some minor ones pertaining to GIDC and textile policy of 2019.

Source: timesofindia.com– July 08, 2021

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11 million avail Rs 2.75 lakh crore under govt's credit guarantee scheme

The industry said the initiative has helped companies avoid bankruptcy, but called for more direct support and demand-boosting measures to revive their businesses.

More than 11 million businesses and individuals have availed nearly ₹2.75 lakh crore under the government's credit guarantee scheme to provide working capital and emergency funds to help overcome the economic stress caused by the pandemic.

Banks have so far disbursed ₹2.13 lakh crore under the ₹4.5 lakh-crore Emergency Credit Line Guarantee Scheme (ECLGS) wherein the government guarantees repayments, latest available data shows.

The government is heavily backing on this scheme to prevent stress, particularly among businesses that would have otherwise found it difficult to raise funds under current circumstances, and provide some stimulus to the economy.

The industry said the initiative has helped companies avoid bankruptcy, but called for more direct support and demand-boosting measures to revive their businesses.

"Banks have been told to focus on new lending and not just repayment of old loans," a finance ministry official said.

Last month, finance minister Nirmala Sitharaman announced a 50% increase in the limit under ECLGS to ₹4.5 lakh crore from ₹3 lakh earlier and included more sectors within its fold.

Private sector banks have lent the most (₹1.08 lakh crore) under the scheme, data up to July 3 shows, followed by state-run banks (₹90,315 crore) and NBFCs (Rs 14,047 crore).

As per data up to February 28, over 85% of these guarantees have gone to micro-enterprises – those with turnover of less than ₹5 crore and below Rs 1 crore investment in plant and industry.

Sectors that have used this scheme are diverse from trade to services to even small manufacturing companies which are mostly micro or small enterprises.

“The money has been used to restart businesses hit due to the lockdown, or, more importantly, as a liquidity means for working capital requirements,” said Suresh Khantanhar, deputy managing director at IDBI Bank.

According to a senior Uco Bank executive, the services sector has received over 90% of the loans given by the Kolkata-based lender under the scheme while the balance has gone to small and medium-sized manufacturing units.

Services and the contact-based sectors have been most impacted by the pandemic.

Indranil Pan, chief economist at Yes Bank, thinks the scheme has worked well and prevented many smaller companies from going bust. The guarantee-led scheme allows the government to make a targeted attempt at revival while minimising its losses, he said.

“If the government had opened a direct window, banks would have lent without checks and balances and if things didn’t pick up, these loans would have gone bad,” Pan said.

The scheme has now been extended to 30 sectors which will be valid till guarantees for the whole corpus are issued. The last date of disbursement under the scheme has been extended to December 31, 2021.

Source: economictimes.com– July 07, 2021

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MPIDC identifies 7000 ha land to attract investments

The Madhya Pradesh Industrial Development Corporation (MPIDC), Indore, has identified around 7,000 hectares to create land bank attracting investment from industries on developed and raw land. The industry department is aiming to create a land bank to offer land to industries on locations suitable as per the industry type, availability of raw material, workforce and connectivity.

Rohan Saxena, executive director, MPIDC, Indore said, "We are working on creating a land bank in the region to offer to investors. Recently, we have observed a spike in demand for raw land from investors and have allotted undeveloped land to over a dozen industries in Ujjain, Mohana and Jetpura."

One leading garment manufacturing industry has recently taken a raw land in Ujjain, while another textile giant has also finasiled the deal for an undeveloped land in Ujjain. Many large-scale industries ranging from textile, packaging and others have shown interest in taking up undeveloped land in Ujjain, Mohana, Jetpura, Chirakhan.

Industries taking up the raw land will have to get the basic infrastructure such as road, water and electricity at their own cost. According to MPIDC, around 13 investors have taken up undeveloped land at Mohana and two at Ujjain.

Saxena said, "We are in the process of developing a land bank and will continue identifying potential locations for industries. Also in undeveloped land banks, we do not have to carry out the development work because that is carried out by the industry taking the raw land."

The department has applied for transfer of land in multiple districts of Indore and Ujjain divisions of which around 50% land has already been transferred to the industry department.

Recently, the department has applied for transfer of around 122 hectares in Shajapur close to the National Highway-3.

Source: timesofindia.com– July 08, 2021

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Drip Capital partners with SBM Bank India to empower MSME exporters

Drip Capital, a fintech provider of cross border trade finance, has partnered with SBM Bank India to offer trade financing solutions — customised for small and medium-sized exporters in India.

With this partnership, MSME exporters will be able to avail collateral-free working capital at competitive rates.

Commenting on the collaboration, Pushkar Mukewar, co-Founder and CEO, Drip Capital, said in a statement, "By partnering with SBM Bank India, we aim to provide collateral-free working capital to MSME exporters through our invoice discounting facility. This association is an example of how fintech companies are eager to partner with banks and other financial institutions to grow collectively by using technology to its very core."

Focus on MSMEs

Neeraj Sinha, Head - Retail and Consumer Banking, SBM Bank India, said, "The Indian MSME sector is one of the largest exporters in the country. With India being rapidly ascending onto the map of the global supply chain, the MSME sector is set to play a major role in the coming years.

It is therefore critical to design and deliver #smartbanking solutions to this segment that offer accessibility, affordability, and adaptive to the ever-changing demands. Towards this, it is our pleasure to partner with Drip Capital. We are sure, together, our solutions will help the Indian MSMEs become more competitive and resourceful."

Unlike traditional financial institutions, Drip Capital leverages data analytics and technology to underwrite its transactions, allowing it to scale rapidly and provide a seamless financing experience to small businesses.

In the past, Drip Capital has partnered with several local and international banks to offer its financing solutions to SMEs in developing markets like India and Mexico as well as the US. Since its inception in 2016, the company has worked with over 1,500 sellers and buyers spread across 80+ countries.

Source: thehindubusinessline.com– July 07, 2021

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