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INTERNATIONAL NEWS

US slightly upgrades GDP estimate for 2021 2nd quarter to 6.6%

The US economy grew at an annual rate of 6.6 per cent in the second quarter of this year, slightly faster than the 6.5 per cent previously estimated, according to the second estimate released by the Bureau of Economic Analysis (BEA) that pointed to a sustained consumer-led rebound from the pandemic-induced recession. In the first quarter, real gross domestic product (GDP) increased by 6.3 per cent.

But concerns are rising over the delta variant's spread and a slowdown is being anticipated. In recent weeks, , many economists have been downgrading their GDP growth estimates for this quarter, and for 2021 as a whole with delta variant cases rising throughout the United States.

Goldman Sachs has cut its forecast for annual growth in the current July-September quarter from 9 per cent to 5.5 per cent, citing the effects of the delta variant. Likewise, Wells Fargo economists have downgraded their third quarter GDP forecast from an 8.8 per cent annual rate to 6.8 per cent, also because of the surge in COVID cases.

Many have also reduced their outlook for the full year, thought by smaller amounts, in anticipation that the economy could re-accelerate in the final three months of this year if COVID cases ease as vaccines are increasingly administered.

Source: fibre2fashion.com– Sep 01, 2021

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Manufacturing sector in China slows as export demand weakens

Factory activity in China slowed down in August as export demand weakened, according to a survey. The monthly purchasing managers' index (PMI) of the National Bureau of Statistics and the China Federation of Logistics & Purchasing declined to 50.1 in August from July's 50.4 on a scale of 100 on which numbers above 50 show rising activity.

A sub-measure of new exports fell by a full point to 46.7 in August from the previous month.

In a report on the latest manufacturing figures, researchers at the Chinese investment bank CICC said they expected “the slowdown in demand will continue," a global newswire reported.

Government officials warned demand for Chinese exports is likely to weaken in the second half of the year as factory and consumer activity dampened due to flooding in July and tighter anti-coronavirus controls, the news agency added.

Source: fibre2fashion.com– Sep 01, 2021

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Turkish apparel exporters witness strong demand

Turkish garment exporters are working at nearly full capacity to meet strong demand arising out of recovery in export markets. The sector's shipments to foreign markets grew by 27 per cent on an annual basis from January to July this year to reach more than $11.1 billion. Germany was the largest export market at $1.9 billion, followed by Spain at $1.5 billion and the United Kingdom at $1.2 billion.

In the first seven months of the year, the sector managed to boost exports to the Czech Republic by more than 200 per cent to $148 million and by 250 per cent to Tunisia to $63.5 million.

The industry's exports could hit $20 billion by the year end, Burak Sertbas, chair of the Aegean Ready Wear and Confection Exporters' Union, told a Turkish newspaper.
At the beginning of the pandemic, local companies started exporting more medical textile products, but in recent months, the shipment of those products declined fast, Sertbas said. Exporters are now producing mainly traditional outfits, such as suits, shirts, trousers, he added, lamenting that companies are having problems finding blue-collar workers.

Source: fibre2fashion.com– Sep 01, 2021

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US retailer Urban Outfitters to exit China

US brand Urban Oufitters will cease trading in China after it closes its Alibaba platform Tmall store on September 12 and removes all its online products. Its customer service, however, will be available till September 24. It said on its Weibo account that it would exit China as part of a new global strategy. It has 1.14 million followers on its online Tmall store.

Urban Outfitters also said that the move is 'temporary'. It is yet to set up any brick-and-mortar store in China and is not available through any other e-commerce channel.

Some days back, Urban Outfitters chief executive officer Richard Hayne, in a conversation with a global newswire, warned of trade disruptions and shipping delays of products from Asia to the United States and Europe. He expressed his concern over 'getting the inventory', and not when it is going to come in or how much it is going to cost.

The Philadelphia-based company said it would ship goods via air freight, a more costly but reliable route to ensure products are delivered to its retail network in time for the autumn and Christmas peak.

Several global mass market brands like Asos, New Look, Topshop and Old Navy have exited the Chinese market. Even C&A sold its China business last year. Three Inditex brands—Bershka, Pull & Bear and Stradivarius—closed all their physical stores and Mango has announced a moratorium on opening new stores.

Urban Outfitters Inc. operates the Anthropologie, BHLDN, Free People, FP Movement, Terrain, Urban Outfitters, Nuuly and Menus & Venues brands.

Source: fibre2fashion.com– Aug 31, 2021

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US, Pakistan Agree For Enhancing The Economic, Trade Ties

United States and Pakistan on Monday agreed for enhancing the economic and trade ties in different spheres of economy spheres and also decide to search new avenues of trade.

Adviser for Commerce and Investment, Abdul Razak Dawood and the United States Secretary Commerce, Gina M. Raimondo held a telephonic conversation to discuss issues for promoting trade and investment between the two countries, said press release issued by Ministry of Commerce here.

It was the second such engagement at the top level on trade and investment since the inauguration of the Biden Administration, first dialogue was held with United States Trade Representative (USTR) earlier in May this year.

The adviser highlighted the trade and investment opportunities for US enterprises in Pakistan in areas such as textiles, agriculture, IT, engineering, pharmaceutical, etc.

To this, the US Secretary Commerce showed interest in investment opportunities in digital economy in Pakistan.

The both sides underscored the importance of enhancing collaboration to remove the trade barriers and subsequently smoothen trade between the two countries.

Source: urdupoint.com– Aug 30, 2021

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Organizations Urge Covid-19 Protections for Bangladesh, Sri Lanka Workers

As the deadly Delta wave continues to devastate parts of South Asia, more than 50 trade unions and labor-rights organizations are urging multinational brands, factory owners and lawmakers to take "immediate action" to protect the lives and livelihoods of garment workers in Bangladesh and Sri Lanka.

In an open letter published Monday, organizations such as StandUp Movement Lanka, the Bangladesh Centre for Workers Solidarity and the Clean Clothes Campaign criticized the governments of both countries for exempting garment workers from lockdown measures for "economic reasons." By classifying them as essential, the groups said, undervaccinated workers are being made to toil in crowded factories, under the threat of contagion, in order to complete orders for brands headquartered in countries with high vaccination rates.

Longstanding calls from campaigners for governments, factory management and brands to provide workers with adequate occupational safety and health protections or social programs that would allow them to stay home have also gone unheeded, the organizations said.

"The failure to prioritize worker health and safety forces workers to choose between going into a factory without access to necessary PPE, with inadequate social distancing, and with minimal testing and vaccination or to face financial ruin without income or social benefits," they wrote. "It is untenable that Sri Lankan and Bangladeshi workers must choose between death and destitution."

To curb the spread of the virus, the letter implores decision makers to include the garment industry in lockdowns, expand on-site vaccination and testing of workers, and ensure the implementation of International Labour Organization Occupational Safety and Health protection standards such as the provision of personal protective equipment, physical distancing and the right of removal from danger. It further asks that workers who must skip work due to new Covid-19 restrictions continue to receive their full salaries. Workers who voluntarily refuse unsafe work, too, must not be excluded from unemployment, severance or other economic rights and benefits.

Brands, in particular, must extend lead times on orders during lockdowns to allow for reductions in workforce or temporary factory closures. Together with their suppliers, they must ensure that the people who make their clothes are able to do so safely and those who are prevented from coming to work are still paid in full, according to the letter.

“While this letter is focused on Bangladesh and Sri Lanka given the current immediate crisis, apparel brands need to do their due diligence by monitoring the safety and payment of workers during the pandemic in every country they source from, to ensure that workers do not have to risk their lives to complete brands’ orders,” the letter said.

“These steps are necessary actions that must be taken by international brands, national governments, and local factory managers to protect the lives and livelihoods of the workers whose labor they profit from,” it added.

Bangladesh, which has seen its number of Covid-19 cases double over the past month, has recorded 1.49 million infections and more than 26,000 deaths to date, though they appear to be on a downward trend. It exited its most recent lockdown on Aug. 11. Sri Lanka has been less fortunate, logging 4,600 new infections and 214 deaths from the contagion—its highest single-day death toll of the pandemic so far—on Friday, bringing its total to 426,000 cases and more than 8,770 deaths. The renewed surge has prompted the government to extend its lockdown by another week to Sept. 6.

Last week, the Joint Apparel Association Forum (JAAF), Sri Lanka’s leading industry body, moved to reassure the nation’s 350,000 garment workers by issuing a five-point framework that places worker safety as its top priority. As of August, JAAF said, 90 percent of the workforce has received their first dose of the vaccine, and up to 50 percent have received their second. The aim is to vaccinate all garment workers by the end of September, and then their families, the organization added.

Other points in the scheme include enhancing backward integration, collaborating with authorities to retain and improve export market access through bilateral trade agreements, positioning Sri Lanka’s apparel industry “globally for the future” and improving the competitiveness of small and medium-sized enterprises in the sector.

With the pandemic taking an extended bite out of Sri Lanka's biggest exporter, which accounts for roughly 7 percent of the country's $84 billion economy, all hands must be on deck, said JAAF secretary-general Tuli Cooray said.

"At this crucial juncture, the entire industry must collaborate if we are to effectively address challenges stemming from the pandemic and create conducive conditions for long-term growth of the sector," Cooray added. "This five-point plan is a framework which all industry stakeholders can use to collaborate in achieving our shared vision for Sri Lanka."

Source: sourcingjournal.com– Aug 30, 2021

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IMF delegation to visit Bangladesh in Dec, keen to work for RMG sector

A high-level International Monetary Fund (IMF) delegation will visit Bangladesh in December this year to hold discussions with the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and explore avenues of how the international financial institution can support the growth and development of the country's readymade garments (RMG) industry.

IMF resident representative for Asia and Pacific department Jayendu De has expressed the agency's willingness to support the development activities in the country's apparel sector. De met BGMEA president Faruque Hassan recently and discussed issues of mutual interest.

IMF is also interested to work closely for the betterment of the RMG industry, BGMEA was quoted as saying by Bangla media reports.

Source: fibre2fashion.com– Sep 01, 2021

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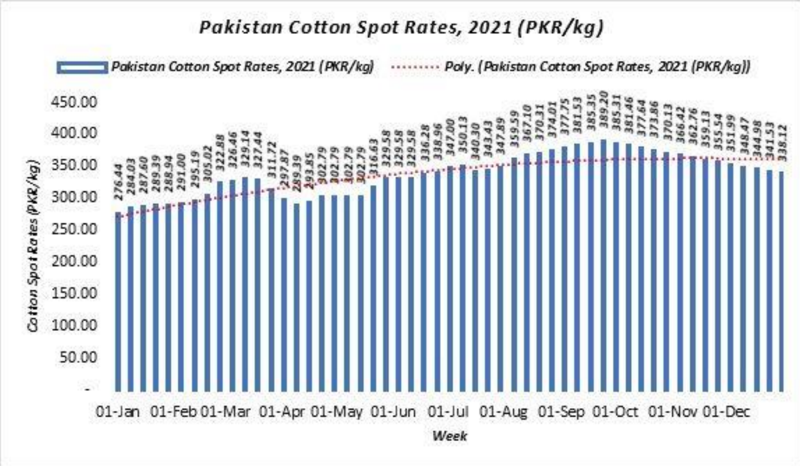
Here's why Pakistan's cotton spot rates will decline in near future



Pakistan's cotton spot rates are expected to decline in the coming months after experiencing a strong growth until the third quarter of 2021.

Some new textile mills are expected to be established in the Punjab region of Pakistan, which accounts for more than 65 per cent of the cotton production in the country.

The country's cotton crop of market year (MY) 2020-21 was attacked by white fly and pink ball worm and the country had to sign new agreements for importing approximately one million bales.

Thus, lower cotton production and delayed imports had boosted cotton spot rates. The consistently rising US dollar had also been supporting the spot rates.

However, the price rise will not be sustained, according to industry stakeholders. Cotton production in the current MY is expected to rise as farmers are ready to focus on cotton as they get good returns from the crop. According to the minister for national food security and research, the current condition of cotton is better in most areas of the country. Pakistan's cotton research agency has also developed a strategy to prevent the attack of white fly and pink ball worm.

The cotton spot rate in Pakistan was 276.44 PKR/kg in the first week of January 2021, which increased by 12.76 per cent to 311.72 PKR/kg in the last week of March 2021.

It further shot up by 8.74 per cent to 338.96 PKR/kg in the last week of June 2021, according to Fibre2Fashion's market analysis tool TexPro.

In the last couple of months, it showed a considerable rise of 10.34 per cent over the price in the last week of June 2021 due to lower availability of cotton and rising demand.

Now it is expected to decline in the coming months of 2021 to reach 338.12 PKR/kg in the last week of December 2021, recording a drop of 9.60 per cent.

Source: fibre2fashion.com– Sep 01, 2021

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Bangladesh: BGMEA again urges India to expedite, facilitate trade at land ports

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) recently again called on Indian high commissioner in Dhaka Vikram K Doraiswami to expedite and facilitate trade through land ports, including Benapole, to reduce time and cost. It body urged easing travel procedures, including visa, and resuming flights, especially for businessmen from the country.

BGMEA president Faruque Hassan made the request during a meeting with Doraiswami at the association's office in Dhaka.

Both sides discussed existing issues in export-import, especially in the readymade garments and textile industry, and possible ways to address them, according to a BGMEA statement.

They also discussed potential areas of further collaboration between Bangladesh and India to derive mutual trade benefits.

BGMEA leaders also sought the cooperation of the Indian high commissioner in exchanging knowledge and expertise in the apparel and textile industry.

Earlier this month, Hassan wrote a letter Doraiswami requesting New Delhi to expedite and facilitate export-import through the Bangaon-Benapole land port.

Source: fibre2fashion.com– Aug 31, 2021

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Pakistan: New export-driven economic paradigm

In early July 2021, the adviser to prime minister on commerce and investment posted a celebratory tweet that congratulated the exporters on their unprecedented performance and that too when major economies around the world were facing a significant slowdown.

Pakistan reported the highest-ever exports in FY21 as total exports exceeded $25.3 billion, beating the previous record reported in FY14 by approximately $200 million, according to trade statistics extracted from the Pakistan Bureau of Statistics (PBS).

The exports were 18.3% higher than the value reported for the previous fiscal year, ie FY20. Exports in June 2021 were at $2.7 billion, 63.3% higher than the value reported in May 2021 and 70.7% higher than the value reported in June 2020.

Although exports declined in July 2021 relative to June 2021, they remained above $2.3 billion, which was 16.4% higher than the value reported in July 2020. Exports of services, touching almost $6 billion in FY21, were up 9.1% year-on-year.

The exports seem to have recovered from the sharp drop in May 2021, which was likely associated with the Eid holidays and the nationwide lockdown during the month. Remittances have averaged more than $2.5 billion since January 2021.

In essence, exports of goods and services from Pakistan and the inflow of remittances have reached new heights at a time when the world economy is reeling under the burden of the pandemic.

The impact of global slowdown on exports from Pakistan was limited, contrary to the expectations when the pandemic first sparked tremors in early 2020.

Imports too increased in FY21, from $44.6 billion in FY20 to $56.4 billion. The year-on-year increase in FY21 was 26.6%.

Interestingly, imports in June 2021 increased by 72.2% year-on-year and by 20.4% month-on-month. Imports, greater in value, are following the trend in exports.

The trade deficit in FY21 increased by 34.3% year-on-year as it surpassed $31.1 billion. The monthly trade deficit has surpassed $3 billion since March 2021.

With gains in economic growth reported in the last fiscal year, the rise in imports and consequently the trade deficit should not be a surprise. The rising trade deficit will subsequently lead to challenges in terms of current account deficit.

Textile boom

In exports from Pakistan, textile products constitute the largest category and at the same time value-added products within this industry are increasing.

According to trade statistics available at the International Trade Centre's Trademap.org, exports of articles of clothing from Pakistan increased, on average, by around 6% per annum between 2016 and 2020.

There was a $550 million increase in exports of the aforementioned products to the European Union between 2016 and 2020 while exports to the United States rose by $380 million.

On the other hand, exports of intermediate goods and cotton raw material decreased by $850 million.

Imports of textile machinery were 35% higher in FY21 than those reported in the previous fiscal year. Similarly, imports of raw cotton and synthetic fibre showed a significant increase.

Therefore, the increase in imports of raw material, intermediate goods and capital goods by the textile industry and the shift towards value-added consumer goods are positive signs for the textile industry.

Pakistan also experienced an increase in exports of surgical goods by 20% in FY21 over the value reported in FY20 and an increase in exports of engineering goods by 31% in the same time period.

Although the increase in non-traditional products, particularly the engineering goods, is promising, the challenge is to ensure that the rise in exports is sustainable.

This will require not only to tap into global value chains by ensuring Pakistani producers receive products at the cheapest possible cost, it will also require the exporters to undertake measures to harmonise their quality of production to the global standards and innovate to ensure that the producers churn out products according to the shift in global trends.

Technological gaps

Adoption of latest technologies is likely to drive the capabilities of countries to innovate and improve their capacity to export.

According to the Unctad's Technology and Innovation Report 2021, the global market for 11 frontier technologies, which include AI, 5G, nanotechnology among others, is likely to increase approximately ninefold to $3.2 trillion in the next few years.

The Country Readiness Index ranks Pakistan in the lowest quartile. Low economic diversification and weak financial systems are among the major challenges that developing countries face in order to benefit from the technological innovation.

Job polarisation, loss of jobs due to automation and widening technological gaps are some of the potential adverse effects of the lack of technology adoption.

Hence, the government has to ensure maximum benefit from the technological change while minimising the associated losses so that Pakistan can tap into greater export potential.

Source: tribune.com.pk– Aug 30, 2021

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NATIONAL NEWS

Vice President appeals to people to treat Khadi as 'National Fabric'

The Vice President, Shri M. Venkaiah Naidu today appealed to the citizens to treat khadi as 'National Fabric' and promote its use extensively. Shri Naidu called upon celebrities from various fields to come forward and promote the use of Khadi in a big way.

The Vice President was speaking at the launch of 'Khadi India Quiz Contest' organized as part of 'Azadi ka Amrit Mahotsav' by the Khadi and Village Industries Commission (KVIC).

Urging everyone to take part in the 'Khadi India Quiz Contest', he said, the contest was an interesting way of taking us back to our roots as it recollects the historic moments of our freedom struggle and the unparalleled contribution of our great freedom fighters.

Recalling his visit to Dandi on April 6th this year to attend the concluding ceremony of the ceremonial ‘Dandi March’ organised as part of ‘Aazadi ka Amrit Mahotsav’, the Vice President said that interacting with the marchers who had participated in the ceremonial Dandi March gave him an opportunity to relive the moments of India’s past glory and termed it as "a very enriching experience".

Describing India’s freedom struggle as a saga of bravery, resilience and devout patriotism, the Vice President mentioned how the Father of the Nation, Mahatma Gandhi galvanized the masses across the length and breadth of the country in the fight against colonial rule. Observing that men and women from all sections and all hues participated in the freedom struggle, he said “It indeed was an unparalleled phenomenon in the annals of human history”.

Recalling the supreme sacrifice of our freedom fighters, the Vice President mentioned that freedom fighters like Matangini Hazra, Bhagat Singh, Pritilata Waddedar, Rajguru, Sukhdev and thousands of others, did not think twice before sacrificing their lives to realize their common dream of a free nation. He said, "These valorous men and women made paramount sacrifices despite knowing that they would not be alive to see their dream turn into a reality."

He said that our freedom struggle was a journey of resilience and hope "which inspires us to keep moving no matter how adverse the situation gets". He said that there was much to learn from our freedom fighters, especially the spirit of keeping the interests of our motherland ahead of everything else.

Shri Naidu expressed his happiness over the phenomenal turnaround of Khadi in the last 7 years and lauded the government, KVIC and all the stakeholders for accelerating the growth. "I am happy to note that KVIC has succeeded in establishing a pan-India reach and has connected people with sustainable self-employment activities even in the remotest corners of the country," he added.

The Vice President recalled the historical relevance of Khadi and said it was a binding force for the masses during the freedom movement. Shri Naidu mentioned how Mahatma Gandhi in the year 1918 started the Khadi movement to generate a source of income for the poverty-stricken masses and later turned it into a powerful symbolic tool against foreign rule.

Referring to the environmental benefits of Khadi, the Vice President mentioned that Khadi has zero carbon footprint as it does not require electricity or any kind of fuel for its manufacturing. He said, "At a time when the world is looking for sustainable alternatives in clothing, it should be remembered that Khadi as an eco-friendly and sustainable fabric certainly meets the requirement."

The Vice President called upon educational institutions to explore using Khadi for uniforms. He said that it will not only give students an opportunity to experience the many benefits of Khadi but will also help them connect with our great freedom fighters and freedom movement. "Due to its porous texture, Khadi is eminently suitable for our local climatic conditions," he added. He appealed to the youth to make Khadi a fashion statement and promote its use among everyone with passion.

Minister for Micro, Small & Medium Enterprises, Shri Narayan Rane, Minister of State for Micro, Small & Medium Enterprises, Shri Bhanu Pratap Singh Verma, Khadi & Village Industries Commission, Secretary, Micro, Small & Medium Enterprises, Shri BB Swain and others were present during the event.

Following is the full text of the speech:

“Dear sisters and brothers ,

I am extremely happy to be launching the 'Khadi India Quiz Contest' a part of 'Azadi ka Amrit Mahotsav' organised by Khadi and Village Industries Commission (KVIC).

Earlier this year, Prime Minister Narendra Modi had flagged off the 75-week long “Azadi Ka Amrit Mahotsav” to commemorate 75 years of India’s Independence. In the ongoing “Azadi Ka Amrit Mahotsav” festival, we as a country are celebrating the rapid strides our great nation has taken in the past 75 years.

On April 6th this year, I attended the concluding ceremony of the ceremonial ‘Dandi March’ organised as part of ‘Aazadi ka Amrit Mahotsav’ at Dandi. On that occasion, I interacted with the marchers who had participated in the ceremonial Dandi March and got an opportunity to relive the moments of our past glory. It was indeed a very enriching experience.
Dear sisters and brothers,

Our freedom movement is a saga of bravery, resilience and devout patriotism. The Father of the Nation, Mahatma Gandhi galvanized the masses across the length and breadth of the nation in the fight against colonial rule. Many other leaders and the nationalist press at that time played a stellar role in arousing patriotism and mobilizing the people to rebel against an alien rule. Men and women from all sections and all hues participated in the freedom struggle. It indeed was an unparalleled phenomenon in the annals of human history.

A common, transcendent emotion of love for the motherland binds us all when we recall the glorious chapters of our freedom movement. We must all revisit our magnificent past by informing ourselves of the immeasurable sacrifices made by our national icons to free the country from the colonial yoke and also by visiting places of historical importance.

Many a time, freedom fighters had to face inhuman, cruel and harsh treatment at the hands of the Britishers. Hundreds of them were exiled to ‘Kaala Pani’ and subjected to torture in savage prison conditions. However, the British could neither crush their indomitable spirit nor their determination to achieve their ultimate goal of attaining freedom to India.

Freedom fighters like Matangini Hazra, Bhagat Singh, Pritilata Waddedar, Rajguru, Sukhdev and thousands of others, did not think twice before sacrificing their lives to realize their common dream of a free nation. These valorous men and women made paramount sacrifices despite knowing that they would not be alive to see their dream turn into a reality.

Dear sisters and brothers,

Our freedom struggle was a journey of resilience and hope, which inspires us to keep moving no matter how adverse the situation gets. It was also a journey of unmatched unity, where people from all corners of our country came together with a singular resolve—to make the British quit India.

There is so much to learn from our freedom fighters, especially the spirit of keeping the interests of our motherland ahead of everything else.

Dear sisters and brothers,

During our freedom movement, slogans like 'Vande Mataram’, 'Jai Hind', 'Inquilab Zindabad' or objects like 'Charkha', ‘Rakhi’, 'Salt' or 'Khadi' acted as a binding force for the masses.

In 1918, Mahatma Gandhi Ji started the Khadi movement to generate a source of income for the poverty-stricken masses living in the rural areas, and from then began the wonderful era of Khadi.

'Khadar' or 'Khadi' as it is popularly called, is a cloth that is hand-spun and hand-woven. Gandhiji had foreseen the great potential Khadi had; he believed that Khadi could be a powerful, symbolic tool against foreign rule and an effective instrument in the reconstruction of society.

Gandhi Ji once said, and I quote, “I am a salesman of Swaraj. I am a devotee of khadi. It is my duty to induce people, by every honest means, to wear khadi.”

Dear sister and brothers,

Apart from its prominent role in our freedom struggle, Khadi has many positive aspects that make it stand apart from the rest of the fabrics. Due to its porous texture, Khadi is eminently suitable for our local climatic conditions.

At a time when the world is looking for sustainable alternatives in clothing, it should be remembered that Khadi as an eco-friendly and sustainable fabric certainly meets the requirement. It also has zero carbon footprint as it does not require electricity or any kind of fuel for its manufacturing. The water consumption for manufacturing Khadi is extremely low when compared to other fabrics produced by mills.

Adopting Khadi extensively is the need of the hour. I appeal to the people to treat Khadi as a 'National Fabric' and promote its use extensively. I would also like to call upon celebrities in various fields to come forward and promote Khadi in a big way.

I feel educational institutions must explore using Khadi in school uniforms. This will not only give students an opportunity to experience the many benefits of Khadi but will also help them connect with our great freedom fighters and freedom movement.

Dear sisters and brothers,

I am told that during the last 7 years, Khadi has undergone a phenomenal turnaround. The production of Khadi and Village Industries has recorded a growth of 133.36 %, while sales have gone up by 188.85%. These are remarkable achievements and I laud the government, KVIC and all those involved in accelerating this phenomenal growth.

I am happy to note that KVIC has succeeded in establishing a pan-India reach and has connected people with sustainable self-employment activities even in the remotest corners of the country.

It gives me immense joy to note that for the past many years, Khadi has emerged as a potential employment creator in rural India. The schemes and programs of KVIC have emphasized empowering the marginalized sections of society like the potters, Adivasis and unemployed youths, among others. A host of programs like Khadi Gramodyog Vikas Yojana, Khadi Reforms and Development Programme, Honey Mission, Kumhar Sashaktikaran Yojana, Leather Artisans' Empowerment Program and Prime Minister's Employment Generation program have brought about a sea change in the lives of the needy. The multipronged approach to give the Khadi sector a boost will surely ensure a bright and prosperous future for it.

Dear sisters and brothers,

It is very important to stay connected to our roots and our rich history. 'Khadi India Quiz Contest' curated by the Khadi and Village Industries Commission is a very interesting way of taking us back to our roots as it recollects the historic moments of our freedom struggle and the unparalleled contribution of our great freedom fighters in realizing the dream of self-rule for India. This Quiz Contest also seeks to create awareness on Khadi's multi-dimensional approach in fostering rural economic growth and realizing Gandhi Ji's dream of "Rural Resurgence" or Gramoday.

I am told that the questions have been structured to create awareness among the present generation not only about the important historic events and the supreme sacrifices of our freedom fighters, but also on the instrumental role Khadi played in the Swadeshi movement and its contribution to nation-building from the pre-independence era to the present day. I think everyone should participate in this quiz contest and learn about our glorious past.

My best wishes to the organizers for the success of this 15-Day long campaign and good luck to the participants. I would like to conclude with this bit of advice—participation in this competition is important; you do not lose, you either win or you learn. So give your best and enjoy the competition.

Source: pib.gov.in– Aug 31, 2021

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Beginning of online Portal & roll out of Central Sector Schemes is historic: Shri PiyushGoyal

"It's a new dawn for investment & business development in J&K" said Shri Amit Shah Union Home & Cooperation Minister, while launching online Portal for registration under the new Central Sector Scheme for Industrial Development of J&K. Shri Amit Shah said that investment of more than Rs 50,000 crore is now expected to take place in J&K"

Speaking on the occasion Union Commerce & Industry, Food & Public Distribution and Textiles Minister Shri PiyushGoyal said that the beginning of online Portal & roll out of Central Sector Schemes is historic.Shri Goyal said that this mechanism would further improve ease of doing business and bring all round transparency.

Lt. Governor of Jammu & Kashmir, Shri Manoj Sinha, Dr.Jitendra Singh, Union Minister of State (I/c) of Science & Technology and Earth Sciences, Minister of State for Home, Shri NityanandRai, Ministers of State for Commerce & Industry, Shri Som Prakash and Smt. Anupriya Patel and senior officials of the Government of India were also present on this occasion.

This on-line portal has been designed and developed for effective implementation of the scheme in transparent manner and with the objective of ease of doing business. The entire process under the scheme i.e. applying for registration, submitting claims and their processing within the Department, is through the portal deliberately done to avoid human interface.

After the launch, the ever biggest industrial scheme which is expected to bring about radical transformation in the existing industrial ecosystem of J&K to compete with other leading industrially developed States/ UTs of the country stands opened for registration of eligible units under the Scheme.

The Scheme aims to give fresh thrust to industry and services led development of J&K with emphasis on job creation, skill development and sustainable development by attracting new investment and nurturing the existing ones. The Scheme also supports employment to about 35,000 persons indirectly already working in existing units through Working Capital Interest subvention component of the scheme. It is expected that the

UT of J&K will have an additional investment about Rs.12,000 crore in establishment of about 1200 industrial units.

It is anticipated to generate direct employment opportunity for about 78,000 persons along with employment in primary sector including Agriculture, Horticulture, Sericulture, Animal Husbandry & dairy, inland fisheries etc. through backward linkage including gainful engagement of women at household in craft, handicraft and handlooms.

After Historic development of reorganization of Jammu & Kashmir with effect from 31stOctober, 2019 into the UT of Jammu and Kashmir under the J&K Reorganization Act, 2019. The Act paved the way for conducive environment for overall development of the UT including industrial development with main emphasis on job creation. To supplement the efforts for development in the UT, Department for Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce and Industry Government of India notified a "Central Sector Scheme for Industrial Development of Jammu & Kashmir" on 19thFebruary, 2021.

Total financial out lay of the scheme is Rs. 28,400 crore and envisages four types of incentives namely:

i. Capital Investment Incentive;

ii. Capital Interest Subvention;

iii. GST Linked Incentive; and

iv. Working Capital Interest Subvention.

The Scheme is attractive for both MSME (by Capital Incentive component) as well as larger units (by a liberal Capital Interest Subvention component).Further, it is simplified on the lines of ease of doing business by bringing one major incentive by way of GST Linked component that will ensure less compliance burden without compromising on transparency. It provides higher quantum of assistance as compared to the earlier Industrial Development Schemes in the past; as the 'GST Linked Incentive component' alone provides for a maximum of 3 times of investment made in P&M in addition to the other components of the Scheme.

Source: pib.gov.in– Aug 31, 2021

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What's missing in India's growth strategy?

The policy solution for India is not just passive opening up by lowering trade barriers; we also have to confidently integrate into the global economy

Inclusive growth is sustainable growth, as many large companies will recognise, if they are nudged towards that conclusion.

India is at a crossroads in its path to economic success. Of course, this is a statement that seems appropriate every few years, but perhaps there is a more fundamental choice now than any that has been faced since the late 1980s. That period saw an economic crisis that involved external pressures and domestic political flux.

Together, they led to the beginning of the period of 'reform', which continues in its own way. Great progress has occurred, but nowhere near the examples that made up the 'East Asian Miracle', and India is not even close to the income levels where a 'middle-income trap' is supposed to hold countries back.

In my last column, I pointed to work by Sajid Chinoy and Toshi Jain, which shows that total factor productivity growth (TFPG) has slowed, a sign of lack of enough innovation.

TFPG is related to tangible characteristics of the economy: public investment, openness to trade and effective financial intermediation. Fixing financial intermediation is urgent, and requires a big push in cleaning up existing messes, plus enabling new technologies and platforms to develop and be deployed quickly.

Public investment is a no-brainer: it has many champions, and just needs an urgent financial restructuring—selling unproductive state-owned assets to finance it. Trade openness is less well understood, or even accepted, because it is not as simple as it used to be, and has to be part of a much broader package of openness.

Economists' arguments for trade openness used to be based on classical theories of comparative advantage and static gains from trade. On this basis, one can easily argue for countries like India to produce and export labour-intensive products such as leather goods and garments.

Considerations of growth and innovation complicate matters, in terms of the theoretical case for trade openness. An enormous practical complication is the rise of global value chains (GVCs) or global production networks (GPNs)—the first term emphasises the outcomes (value addition) and the second the mechanisms (essentially, complex supply chains).

On top of this, there are the benefits of spillovers when a country is integrated into GVCs/GPNs. Swati Mehta, whose work on India's innovation system I mentioned in my last column, in newer research, has shown the value of GVCs for innovation, through backward linkages. The rise of India's auto components industry is an example of such linkages. In East Asia, South Korea benefited from Japan and China from Taiwan (indirectly) in similar ways.

This model of trade openness also requires openness to foreign investment, especially in the form of FDI by multinationals that dominate GPNs. India is making progress in recognising and encouraging this avenue for integration and growth, though perhaps not enough. And it is failing in recognising the importance of openness to people and ideas.

In 18th century Europe, pure mathematicians exchanged ideas across borders, and moved among patrons in different nations. Their discoveries and conceptual tools helped pave the way for modern applied science—physics, chemistry and engineering. Inventors also sought support wherever they could find it. By contrast, 14th century China, then the world's technology leader, closed itself off to the outside, including the world of new ideas and innovation.

India is a more recent example of this kind of disastrous closing off. In his book, 'Locked in Place', sociologist Vivek Chibber argued that "insufficient state capacity (for rapid industrialisation) stemmed mainly from Indian industrialists' massive campaign, in the years after Independence, against a strong developmental state."

In independent India's 75th year, a repeat of this process, abetted by an ideology of 'self-reliance' and cultural nationalism, is a real danger. This is why India is at a major crossroads.

As noted, the policy solution for India is not just passive opening up, by lowering trade barriers, though that is necessary too. Indian policymakers have to embrace a confident approach to integration into the global economy, including the GPNs and multinationals that govern them.

Infrastructure and education are vital parts of this mix, as is making sure that the masses have decent food and shelter. Inclusive growth is sustainable growth, as many large companies will recognise, if they are nudged towards that conclusion.

As India emerges from the pandemic, with its demographic dividend still available to be cashed in, and with MNCs and their host governments looking for strategic reconfigurations of GVCs to provide resilience in the face of pandemics and the rise of China, India's government cannot afford to take the wrong path.

Source: financialexpress.com– Sep 01, 2021

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Low-grade imports: DPIIT mulls quality control curbs for 45 more products

Many countries, especially the big economies, therefore, subject their imports to rigorous technical standards and sanitary and phytosanitary measures.

The commerce and industry ministry is considering quality control orders (QCOs) for 45 more products, ranging from electronics to industrial machinery, as it intends to harden a crackdown on imports of sub-standard products.

The move is part of the ministry's drive to formulate standards/technical regulations or put in place QCOs for 371 key products in the first phase. Imports of these products were to the tune of $128 billion, or a fourth of the total purchases from overseas, in FY19, well before the pandemic struck.

"Of the 371 products identified by the commerce ministry, 71 have been allocated to the department for the promotion of industry and internal trade (DPIIT) for the issuance of QCOs. Of these, the DPIIT has notified QCOs for 26 items and the remaining 45 are under consideration," an official source told FE.

However, keeping with the principle of free and fair trade and to ensure domestic consumers have access to quality products, both Indian manufacturers and foreign suppliers will have to conform to the same standard specifications.

Importantly, concerned about protectionism by stealth adopted by some nations, commerce and industry minister Piyush Goyal last week asked industry associations to flag non-tariff barriers faced by Indian exporters in various countries so that New Delhi can firm up appropriate responses wherever feasible. Industry sources say the responses could be in the form of subjecting imports to strict quality parameters.

So far, QCOs have been issued for a total of 100 products under the BIS Act, the source said. These include air conditioner, toys, footwears, pressure cooker and microwave. Separately, the QCOs for another 15 products, including gas cylinders, valves and regulators, have been notified under the Indian Explosives Act. The QCOs issued by the government are in sync with the WTO Agreement on Technical Barriers to Trade, said the source.

Apart from the QCOs, the government has already firmed up standards as well as technical regulations for hundreds of products across sectors, including consumer electronics, steel, heavy machinery, telecom goods, chemicals, pharmaceuticals, paper, rubber articles, glass, industrial machinery, some metal products, furniture, fertiliser, food and textiles.

Though the move isn't Beijing-specific, it could hurt China, as the second-largest economy is the biggest supplier of low-grade products to India. Government officials maintain that the idea behind the move to enforce standards is not just to curtail low-grade imports but to improve the domestic output of quality products as well. This will, in turn, help boost exports and substitute low-grade imports, in sync with Prime Minister Narendra Modi's push for Atmanirbhar Bharat.

Interestingly, India's move to develop technical specifications for products in recent years marks a shift in its approach to curb the inflows of substandard products (Its earlier approach was to raise tariffs).

Analysts have said India seems to have taken a cue from major developed and developing nations that have effectively employed various non-tariff measures to target non-essential and substandard imports. For instance, the US put in place as many as 8,453 non-tariff measures, followed by the EU (3,119), China (2,971), South Korea (1,929) and Japan (1,881), according to a commerce ministry analysis last year. In contrast, India has imposed only 504 of them.

Of course, non-tariff measures are not always aimed at curbing imports (for instance, safety, quality and environmental standards are put in place by all countries for imported products). But what have often worried analysts is that they can be abused for trade protectionism.

Since substandard products are usually imported at much cheaper rates, they not just pose risks to consumer health and environment but also hit domestic manufacturing because of the price-competitiveness.

Many countries, especially the big economies, therefore, subject their imports to rigorous technical standards and sanitary and phytosanitary measures.

Source: financialexpress.com– Aug 31, 2021

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Centre strengthening import monitoring system to strategise on lowering inflows

In line with the Centre's policy to check non-essential imports, the Commerce Ministry is strengthening its import monitoring system to identify and act on import surges by coordinating with other Ministries and Departments.

"The aim is to take instant note of a surge in imports of specific items and also identify goods that are being imported in large quantities. Possible measures to check imports of the identified items including import substitution could then be discussed with line Ministries and Departments concerned," a senior official said.

While the Commerce Department had created an import monitoring cell in 2019, it kept vigil on imports mostly on its own. Stakeholder Ministries and Departments, like steel or textiles, did put in place import reduction measures but since no information was available with the Department of Commerce on a regular basis, there is no mechanism to assess the impact of such an initiative/action on India's import, the official added.

"The proposed system would provide a better feedback system and information sharing based on specially designed formats that would enable impact evaluation in the Department of Commerce," according to a background note prepared by the Department.

Once import surges are identified, a number of actions could be taken to check imports. One option is to address supply rigidities, the paper noted. "In consultation with line ministries, steps could be taken to address supply rigidities so that domestic supply is increased and dependence on imports goes down. The Production Linked Incentive scheme for 13 sectors is an important step in that direction. More such measures could be taken," the official said.

Trade remedial action

Another method to check imports is to take timely trade remedial action. " The Department of Commerce and the line Ministries could quickly act to take remedial action by imposing safeguard duties or anti-dumping duties when an increase in imports is noticed," the official added. Timely imposition of import restrictions and prohibitions can also help to curb surges.

The third way to keep a control on imports is through mandatory imposition of technical standards, especially on items that are sensitive. Strict enforcement of FTA rules of origin, to ensure that imports from third countries (non-FTA partner countries) do not make their way into India at concessional norms, is another important way to check a rise in imports. “Exchange of information and joint evaluation by all Ministries and Departments concerned would indeed help in taking appropriate steps to check imports,” the official said.

India’s total imports in 2020-21 were at $394.43 billion as opposed to exports worth $291.8 billion.

The government has already been putting in place a number of measures to check imports of non-essentials and low quality items such as increasing customs duties, introducing quality control norms and taking timely action against dumping of goods from other countries. Import monitoring systems for coal and steel items are also in place.

Source: thehindubusinessline.com– Aug 31, 2021

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Resilient demand keeps driving India's world-beating growth

Annual growth outlook for the economy steady at 9.2 per cent, according to Bloomberg survey

The economic toll from a deadly second wave of Covid-19 that swept through India last quarter doesn't appear to be as bad as feared, with analysts still seeing the nation pulling off the world's fastest growth this year.

A better-than-expected manufacturing performance and a milder hit to services, combined with a robust pace of vaccinations, have helped keep the annual growth outlook for the economy steady at 9.2 per cent, according to a Bloomberg survey. That pace is the same seen in a poll last month and the quickest among major economies.

"The economic damage appears to be less than previously expected," said Rahul Bajoria, chief India economist at Barclays Bank Plc. "With the second outbreak brought under control, a rapid recovery appears underway," he said.

Data due later Tuesday will likely show gross domestic product grew 21 per cent in the three months through June from a year ago, according to the median of 45 estimates compiled by Bloomberg, mainly as a bounce back from last year's crash.

The big pop, however, will likely obscure a slowing from the previous quarter, caused by activity curbs to stem the second wave of the virus. While the government doesn't report an official quarter-on-quarter figure, Bloomberg Economics estimates the economy slumped sequentially, contracting 12 per cent from the January-March period.

Strong global demand

In recent months, India's annual growth forecast has gone from being upgraded to double digits to slashed by the steepest rate amid uncertainty about Covid's devastation on the economy. But recent data from high-frequency indicators have shown the impact of pandemic restrictions were less severe than last year, with demand staying resilient.

Factory managers in India saw a surge in activity in July, reflecting a pick-up in new orders, while a similar survey of services' purchasing managers showed the sector was inching back toward expansion. Exports, which account for nearly a fifth of the economy, have been growing for the past eight months, signalling strong global demand.

"The recovery from the second wave has been faster with activity indicators recovering lost ground in less than three months compared to 10 months in the first wave," said Gaura Sen Gupta, an economist with IDFC First Bank. "High frequency growth indicators show that the economic cost of the lockdowns was lower."

RBI stance

The milder hit to the economy coincides with India's vaccination rate picking up pace over the last few weeks. And there's room for further improvement, given that the country has managed to inoculate only just over 10 per cent of its population — a key vulnerability given risks from a possible third wave of infections.

The risks from the pandemic have also kept the nation's central bank from unwinding its ultra-easy monetary policy, with Governor Shaktikanta Das last week reiterating that policy makers wouldn't reverse course suddenly despite mounting inflationary pressures.

Prime Minister Narendra Modi plans to complement the monetary stimulus with fiscal measures. His government aims to raise $81.9 billion by leasing out state-owned infrastructure assets over the next four years to fund new capital expenditure without further widening the budget deficit.

Source: thehindubusinessline.com– Aug 31, 2021

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Proposed e-commerce rules could dampen super app plans of many Indian players

The proposed Consumer Protection (e-commerce) Rules, 2020 could impact super app strategies of many companies as rules on related parties, data sharing and cross-selling clauses could become a major hurdle.

As per the amendment, a related party or associated enterprise of an e-commerce marketplace which is directly or indirectly related to the marketplace will not be allowed as a seller on the platform.

According to Vaibhav Kakkar, Partner, Saraf And Partners, a super app will also be considered an e-commerce marketplace. The only difference is that this will be a common app integrating other individual apps and legally separate entities, each providing different services.

“The new guidelines do not allow related parties or associated enterprises to sell in the marketplace. The threshold (for stake holding) for an associated enterprise is as low as 5 per cent. While this change on its own does not have any impact on the consumer, it will create complications for various businesses,” Amarjeet Singh, Partner, KPMG in India told BusinessLine.

For companies like Tata Digital – which has actively acquired controlling stakes in start-ups like 1MG, BigBasket and Curefit among others to build its super app services – this clause leaves several uncertainties and complexities. Separately, Tata’s other entities such as Tata Consumer Products, which has a 50:50 joint venture with Starbucks, wouldn’t be allowed to sell their merchandise and products through its app.

All Tata manufactured-products from Tata Salt to a Voltas’ AC could become its ‘private labels’ if sold online through its marketplace.

Cross-selling restrictions

There are restrictions on cross-selling of services or products to the consumer too. Through cross-selling, e-commerce websites add related product suggestions to check out lists to increase revenue per order. “The disclosures and compliances required for cross-selling will make it difficult for e-commerce companies to increase the basket sizes of sale,” Singh said.
“When we talk about some conglomerates looking to launch super apps and wanting to sell various goods through one platform, if these guidelines come

in their current format, this will require them to rejig the strategy," he added.

FDI dilemma

"The proposed draft amendments to e-commerce rules tend to introduce disruptive measures which, if enacted in current form, would require existing marketplace entities to substantially restructure their business model and alter their current business practices. The ambit of proposed restrictions is also very wide," Kakkar told BusinessLine.

"For instance, the definition of e-commerce entities has now been made very expansive whereas restrictions are also placed upon 'associated enterprises' which are defined broadly with a low threshold of 10 per cent compared to a 26 per cent threshold under other laws including FDI Policy. While measures for ensuring adequate hygiene levels in conduct of marketplace business have been introduced under the FDI Policy in the past, it is worth noting that this time the Government is proposing to introduce restrictions under consumer protection laws," he added.

The FDI Policy issue will directly impact companies like Amazon and Flipkart which are foreign conglomerate-owned entities. Amazon recently ended its long-standing joint venture with Narayana Murthy's Catamaran Ventures, that ran Amazon's largest seller Cloudtail.

Ankur Pahwa, e-Commerce and Consumer Internet Leader, EY India concurred. "There appears to be some overlap or over-regulation regarding the draft e-commerce rules around matters which are already being looked at by other regulators or purported to be addressed by other laws or regulations," he told BusinessLine.
Restrictions on data sharing

The e-commerce industry will be further weakened when they won't be allowed to share data within sister entities, which forms the backbone of their business in many ways.

"Typically, with the consent of users, the e-commerce entity should be allowed to share data with sister companies. As long as the consumer is giving consent for such data sharing, the same is not likely to affect consumer interests. However, given the nature of proposed restrictions under draft e-commerce rules concerning data protection, there would be an overlap with the Personal Data Protection Bill which is being deliberated separately," Kakkar said.

Singh added, "For conglomerates which have separate data analytics setups or separate fulfilment company, the new guidelines will be challenging. This issue needs clarity and rationalisation."

Pahwa believes that while the reasoning behind rules is in the right place, there are gaps around how the proposals would be implemented on-the-ground. The compliance and registration burden proposed to be cast upon e-commerce entities could be a limiting factor for smaller home-grown players.

"Additionally, aspects relating to 'fall back liability', 'flash sale', and 'misrepresentation' appear to be very cumbersome for e-commerce entities (especially around 'flash sale' where there is no similar limitation per se for businesses operating under offline / 'brick and mortar' models)," he added.

Source: thehindubusinessline.com– Aug 31, 2021

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Plan your exports knowing India's trading partners

India is a South Asian nation with the largest market on the continent. Being a country with a massive population and abundance of resources, it is one of the emerging markets in the export industry. The value of exports from India to other countries has seen an upward trend, and there is a lot of scope for new sellers in the export industry.

Unlike earlier, India now exports to so many countries without any barriers. The presence of large eCommerce platforms like Amazon in almost every nation has allowed easy trade. India has also seen improvements in many sectors due to the international selling decisions of various exporters.

The Indian businesses have always delineated an impressive record of bringing profits to the country via exports. From textiles to pharmaceuticals and from minerals to fuels, the export from India to other countries has become a significant part of the economy's growth. Following are the top trade partners of India that you must know if you want to begin exporting.

Relations with the UAE

The middle east countries and India have shared trade links for many centuries now. After the dominance of traditional items for trade, including dates, pearls, etc., the countries now trade in crude oil. Major exports from India to other countries in the UAE include petroleum products, precious stones, gems, metals, jewelry, food items, textiles, machinery, engineering products, and chemicals.

The products involved in the bilateral trade are much diversified, and the deepening bonds of import and export have given India a pool of opportunities. UAE was the third largest export destination for India for the year 2019-20. The investments have also increased year after year, making India a stronger economy than before. Both the foreign direct and portfolio investments have improved job creation and hence helped the youth utilize their energy and skills to make India self-sufficient.

Relations with the USA

The United States of America and India have so much in common. The commitment to democratic principles, freedom, equality, and the rule of law, are very similar in both nations. It makes a tipping point of trade between the two countries. Intending to promote global security, economic prosperity, and stability, India had entered into trade relations with the USA. Since then, there is only an upward movement in investment and connectivity in both nations. The export of products from India to other countries of the USA has boosted the individual businesses and the country-wide growth. India and the USA cooperate much closely on the international front. The bilateral trade between the two economies stood at 88.75 billion dollars in the financial year 2019-20. The USA is a developed nation and has so many opportunities for growth and development for India.

Relations with the EU

The European Union is a transparent, robust, and non-discriminatory business environment for sellers from India. The EU offers Indian exporters to tap the locked potential of bilateral trade between the countries. The trade statistics show that the European Union is the second-largest destination for exports, with 14% of the total outward sale from India. Both goods and services are highly in demand in the countries of Europe.

The sale of goods took a 72% hike in the last decade, and the services exchanged between the two borders were 32.7 billion euros. Europe is a free trade market, and India has been a partner since 2007. The people living in Europe are open to new product launches from India and have become loyal buyers. This has given Indian sellers an excellent opportunity to export from India to other countries and flourish in the competition.

India has maintained cordial relationships with its fellow countries ever since the inauguration of the LPG policy. The buying and selling of goods and services across borders have given countries an open platform to thrive and move ahead in the competition. And unlike earlier, with the advent of eCommerce platforms like Amazon, trading has become easier and more profitable.

It offers a larger magnitude of trade and commerce from one country to another, establishing robust international relations. All big and small enterprises stand at the same front and have equal opportunities to start their exports from India to other countries in the world.

The global selling program enables sellers to open an account and freely sell to various countries from the comfort of their homes. Governments have become heavily reliant on imports and exports as a means of development.

Each nation has a distinct set of resources and skills scattered across different states.

They fulfill their deficit by buying from other countries and distribute their surplus by selling to other countries. This helps the government keep a check on the country's balance of payments. And international trade is inevitable, so now is always the right time if you want to invest in exports.

Source: dnaindia.com– Aug 31, 2021

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India removes anti-dumping duty on import of Nepali yarn

India has scrapped anti-dumping duty on polyester yarn exported from Nepal. The Indian authorities recently published a public notice in this regard.

Citing inbound shipments of the cheaper yarn from countries including Nepal, Indonesia, China and Vietnam, the Indian government since May 2020, had been imposing trade restriction measures also on Nepali products. After a number of Indian companies alleged the dumping of yarn produced in Nepal, Directorate General of Trade Remedies, an organ of Indian Commerce Ministry, had taken the step, according to the Indian newspaper 'The Economic Times'.

India, Turkey and Bangladesh have been the major markets for Nepali yarn, which is one of the main exportable goods of the landlocked country. Three years ago, Nepal faced a similar hurdle from the Turkish government when the European country suspended the generalized system of preferences on the import of the Nepali product, which later on was eliminated.

Likewise, Nepali yarn has also been facing non-tariff barriers from Bangladesh too. Time and again, Bangladesh has been creating difficulties to Nepali traders by not allowing transport of the goods through accessible entry points.

According to traders, about 80 percent of the polyester yarn manufactured in the country is exported. Records with Nepal Rastra Bank show that Nepal exported polyester yarn and threads worth Rs 7.34 billion in the last fiscal year. Of the amount, yarn worth Rs 5.77 billion was sold to India alone.

Source: myrepublica.nagariknetwork.com– Aug 29, 2021

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Exports from SEZs up 41.5 per cent to Rs 2.15 lakh crore during Apr-June 2021

Exports from special economic zones (SEZs) grew by about 41.5 per cent to Rs 2.15 lakh crore during the April-June quarter of the current fiscal on account of healthy growth in pharmaceuticals, engineering, and gems and jewellery sectors, as per official data. SEZs are key export hubs which contribute about one-fourth of the country's total outbound shipments.

According to commerce ministry data, exports from these zones dipped to Rs 7.56 lakh crore in 2020-21 as against Rs 7.97 lakh crore in 2019-20.

In the first quarter of the current financial year, SEZ exports rose about 41.5 per cent to Rs 2.15 lakh crore.

As many as 427 such zones have been approved by the government, out of which 267 are operational as on June 30.

The data showed that till June 30, Rs 6.25 lakh crore have been invested in these zones and a total of 24.47 lakh people are employed there.

Export Promotion Council for EoUs and SEZs (EPCES) is the nodal body, set up by the commerce ministry, to promote shipments from these zones.

The council has announced Bhuvnesh Seth as its new chairman and Srikanth Badiga as the new vice-chairman.

Seth said the council would work on taking the country's exports to USD 400 billion during the current fiscal.

The major export destinations include the United Arab Emirates, US, UK, Australia and Singapore.

Source: economictimes.com– Aug 30, 2021

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Biz activity continues to rise, now well above pre-pandemic levels: Report

Business resumption activity continued its northward journey and reached a new high, much above the pre-pandemic levels for the week ended August 29, a Japanese brokerage said on Monday.

The Nomura India Business Resumption Index rose to 102.7 for the week ending 29 August from 101.3 in the prior week, as per the brokerage.

The index, which compared business activity with the pre-pandemic levels of March 2020, had fallen steeply during the two waves of infections, which were accompanied by lockdowns.

Nomura said the index increased by 5.6 percentage points (pp) in August 2021, after 17.1 pp in July and 15 pp in June.

For the week ended August 29, Google retail and recreation and Apple driving indices rose by 0.6 pp and 10 pp, respectively, although workplace mobility surprisingly fell by 3.7 pp.

Power demand rose by 0.1 per cent as compared to the previous week, while the labour participation rate inched up to 40.8 per cent from 40 per cent.

There is, however, a mixed set of news on new infections, it said, pointing out that the 7-day moving average (MA) of cases rose by 9,200 from last week to 41,000, although this deterioration was led by Kerala. It warned that a potential third wave cannot be ruled out given the impending festive season.

On the other hand, the vaccination pace has risen to 7.1 million doses per day (7-day MA) from 4.7 million a week back, it said, adding that if this pace sustains, India would be on track to fully vaccinate roughly 50 per cent of the population by end-2021.

GDP growth will sequentially rebound in the September quarter, the brokerage said, maintaining its above-consensus GDP growth forecast of 10.4 per cent in FY22.

Source: business-standard.com– Aug 30, 2021

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'Any further cut in average GST rate to adversely impact Centre, states' spending'

However, system control by way of GSTR2 will further strengthen the system and avoid revenue leakage.

Once the pandemic settles down, the GST Council can merge the tax rates from the existing four slabs to three slabs so that the compliance burden is minimised for the taxpayers and ensure that there is no revenue loss to the government, opines Biswarup Basu, president, Institute of Cost Accountants of India. In an interview with Mithun Dasgupta, Basu says in the disruptive post-Covid scenario, cost & management accounting has acquired prime spot to ensure survival, continuity and sustainability of a business. Edited Excerpts:

As Covid has created significant challenges for financial institutions and companies, how has it changed the conventional roles of a cost & management accountant?

In the pandemic period, we developed two very important documents — "Conceptual Approach to Board Reporting Framework — A Post Covid-19 Corporate Governance Perspective" and "Post Covid-19 & Lockdown – Technical Guide on Business Continuity Plan" — that would certainly help in proper board-level monitoring and evaluation and in preparing right business continuity plans post lockdowns. We have also developed activity-based performance costing system that would assist the organisations to correctly and timely measure and assess the performance of different activities/ operations.

The GST collections in July crossed Rs 1-lakh-crore mark after the easing of Covid-curbs. Do you expect this to continue going ahead?

Yes, the relaxation of the restrictions has helped the industry come back to normalcy to a large extent in increasing the GST revenues for July 2021. Apart from these, the digitisation initiatives in the GST have also contributed a lot. I believe GST collections growth will continue as the ITC control measures are now in place i.e by way of matching with GSTR-2a data. However, system control by way of GSTR2 will further strengthen the system and avoid revenue leakage.

What are your views on the current GST rate structure? What have been the implications of the current regime in today's cost & management accountant functioning?

The current average rate of GST is a notch above 11%, which is very less than what it has been envisaged. Any further reduction will impact the collections and have an adverse impact on the central and state government spending, which will impact the growth. Once the pandemic settles down, the GST Council can merge the tax rates from the existing four slabs to three slabs so that the compliance burden is minimised for the taxpayers and at the same time ensure that there is no revenue loss to the government.

Source: financialexpress.com– Aug 31, 2021

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India's core sector output grows 9.4% in July on the back of low base

India's output of eight core industries grew 9.4 per cent year-on-year (YoY) in July on the back of a low base as all sectors, except crude oil, registered an increase in output.

On a month-on-month basis, output rose 5.4 per cent in July, after growing 1.5 per cent in June.

The data released by the Department for Promotion of Industry and Internal Trade on Tuesday revealed that the output of core sectors had registered a 7.6-per cent decline in July 2020 due to Covid-19-related restrictions.

The index grew 1.1 per cent, compared to July 2019, mainly on the back of a sharp jump in coal and cement production. Crude oil output, however, is yet to reach pre-pandemic levels.

The eight sectors - coal, steel, cement, fertiliser, electricity, natural gas, refinery products, and crude oil - comprise nearly two-fifths of India's total industrial production.

Production of cement, natural gas, coal, steel, electricity, refinery, and fertiliser witnessed a growth of 21.8 per cent, 18.9 per cent, 18.7 per cent, 9.3 per cent, 9 per cent, 6.7 per cent, and 0.5 per cent, respectively, in July, compared to last year. Crude oil production contracted 3.2 per cent, following the same trend for over a year.

The production levels of crude oil, natural gas, fertiliser, steel, and electricity saw higher levels of production, compared to pre-Covid levels.

Sunil Kumar Sinha, principal economist at India Ratings & Research, said the latest data depicts that the overall index had lost some ground in May and June on the back of Covid 2.0, but had crossed the two-year ago production levels in July.

Sinha further said that the recovery after the second wave has been swifter, compared to the first one. “Barring crude oil and petroleum refinery products, all other core segments have exceeded the two-year ago production levels. Interestingly, before the second wave, the production levels of only three core sectors had surpassed the two-year levels in March, which is half of what was observed in July," he said.

Given the uncertainty around an impending third wave, it is still early days in calling out a meaningful recovery from the latest numbers, he cautioned.

During April-July, core sector output grew 21.2 per cent, compared to the same period a year-ago. The government revised the final growth rate of the index for April to 62.6 per cent, from its provisional level of 56.1 per cent.

"The cumulative index for the period so far in 2021-22 is lower by 2.8 per cent than the index for the corresponding period in 2019-20 prior to the onset of the pandemic. This is indicative of the fact that even though the economy has been showing signs of improvement, it is still far from achieving the pre-pandemic levels of industry activity. Natural gas, steel, and cement have witnessed double-digit growth purely on account of a base-effect phenomenon," said CARE Ratings in a note.

Source: business-standard.com– Aug 31, 2021

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Covid loan scheme: FM calls for speedy implementation

Finance minister Nirmala Sitharaman on Tuesday called for expeditious implementation of the Rs 50,000-crore loan guarantee scheme for covid-affected sectors. The programme was announced in late June, as part of the Rs 6.29-lakh-crore relief package, to bolster healthcare infrastructure in non-metros to prepare for any exigency if a third Covid wave hits the country.

While nobody wants a third wave, "we can't just wish it away", the minister said, stressing the need to be on guard and to step up preparations to deal with any situation. "We need this (scheme) to be done within time. We need this to be done all over the country, especially in those parts where we have less medical infrastructure… I think there needs to be a lot more information sharing in local areas," she said in a webinar.

Sitharaman said she would, through the department of financial services, monitor the progress of the scheme on a weekly basis. She called on officials and lenders to sensitise all stakeholders — banks, medical fraternity, pharma industry or medical devices players — at the regional level and undertake various awareness campaigns.

SBI managing director CS Setty said about 2,800 applications have been received under the scheme and the average loan ticket size so far is Rs 1.2 crore. About 40% of the sanction and disbursement is to diagnostic centres, he added.

Under this Loan Guarantee Scheme for Covid-Affected Sectors (LGSCAS), credit of Rs 50,000 crore will be extended to private hospitals to expand their existing facilities or set up new units outside top eight cities.

Each investor can be granted a maximum of Rs 100- crore loan. The interest rate will be capped at 7.95% per annum. The guarantee coverage, available for three years, will be limited to 50% for expansion and 75% for new projects. However, the coverage will be 75% for both greenfield and brownfield projects in the 125 "aspirational districts" notified by the government.

Source: financialexpress.com– Sep 01, 2021

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Insolvency Board proposes amends in liquidation process, increases transparency

Major changes in the insolvency process have been proposed by the Insolvency and Bankruptcy Board of India. These changes are being brought about to increase transparency and address issues that have come up recently.

The Board (IBBI) is seeking public views till September 17, on the same.

Among other things, a code of conduct has been introduced for the Committee of Creditors (CoC). The 31-point code of conduct requires creditors to disclose any conflict of interest, maintain full confidentiality and not try to adjust funds of the corporate debtor against their dues during the resolution process. However, it does not mention how violations in the code will be addressed.

"The proposed changes to IBC regulations pertaining to both resolution and liquidation are timely and intend to plug the loopholes, which are affecting the timelines and value-maximisation. The measures also aim to bring in greater accountability and transparency in the conduct of key stakeholders driving the process," said UV Asset Reconstruction Company director Hari Hara Mishra to TOI.

The proposed amendments include capping revisions on bids to two times, banning unsolicited bids and empowering the CoC to decide on the timeframe and thresholds for improvement on the resolution plan in advance.

A separate paper on the liquidation process, the board has proposed that more powers should be given to the stakeholder's consultative committee. Besides, the board plans to ban liquidators from appointing commission agents in the sale of assets. The changes come even as the government is proposing to amend the Act by introducing a pre-packaged insolvency resolution (PIRP) for small businesses.

Source: economictimes.com– Aug 30, 2021

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India's Flipkart opens three new fulfilment and sortation centres

Flipkart has announced that it has strengthened its supply chain network in Karnataka with the addition of three new facilities ahead of the upcoming festive season. The new facilities will serve sellers of large appliances, furniture, mobiles, apparel, and electronics and are located in Kolar, Hubli and Anekal. Flipkart is India's digital commerce firm.

The new fulfilment centres will help create deeper capabilities to support thousands of sellers, MSMEs, small farmers from the state to cater to the growing customer demand, create more employment opportunities while enabling faster deliveries for consumers.

The addition of the new facilities is a testament to Flipkart's commitment to continue building the e-commerce ecosystem and serving customers and sellers from the state in a seamless manner while contributing to the state's economic growth and prosperity, the company said in a press release.

Fulfilment centres are specialised facilities where products are received from sellers across the region, processed and packed and then sent to sortation centres and delivery hubs for delivery to the customers. Collectively spread across nearly seven lakh square feet, the facilities have a storage capacity of 15.6 lac cubic feet helping more than 10,500 sellers. The expansion will further contribute to the state economy and create additional 14,000 direct and indirect job opportunities, as the sellers get national market access for their products.

Flipkart has nine supply chain facilities, including fulfilment and sortation hubs in Karnataka spread across nearly 23 lakh square feet area, creating more than 26,000 direct and indirect job opportunities.

With the region witnessing robust demand for e-commerce services, the addition of new facilities will also augment Flipkart's capabilities to take the value of e-commerce to thousands of sellers from the state and millions of first-time e-commerce customers across the country.

"As a committed corporate citizen, our endeavour is to create value for all our stakeholders as we onboard lakhs of MSMEs and small sellers to serve millions of consumers from all the country. In this journey, we have invested in a tech-enabled supply chain network that is helping create thousands of direct job opportunities across the country, and also aiding indirect job opportunities in ancillary industries.

The new state-of-the-art facilities will help in fuelling economic growth while setting a benchmark in the industry and make Karnataka even more attractive for e-commerce operations for all stakeholders, including sellers, MSMEs, small farmers, kiranas, and artisans," Rajneesh Kumar, chief corporate affairs officer at Flipkart said.

Source: fibre2fashion.com– Aug 31, 2021

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