TEXPROCIL NEWS CLIPPINGS

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INTERNATIONAL NEWS

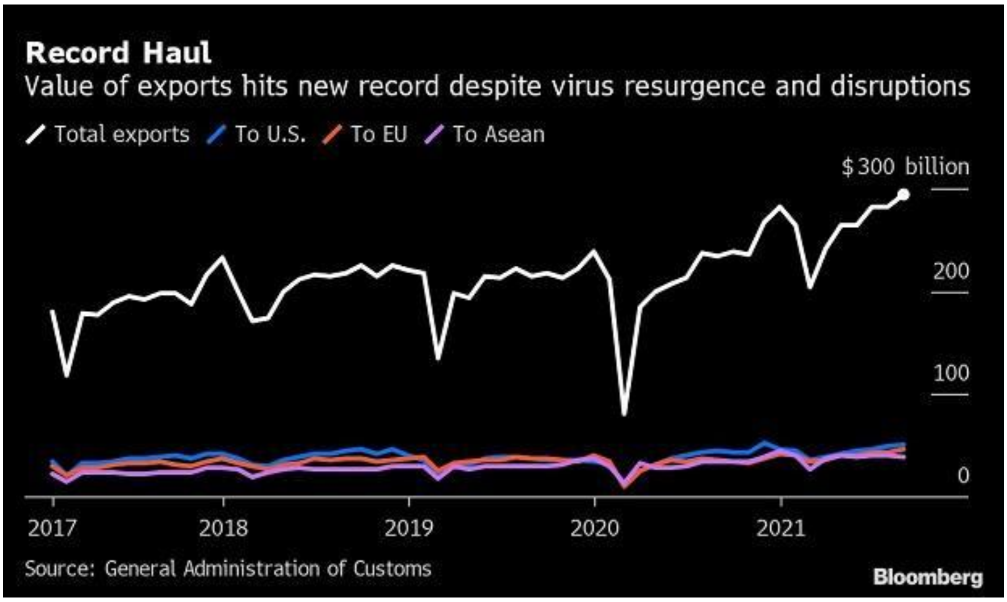
China trade unexpectedly surges to new records on strong US, EU demand

China's export growth unexpectedly surged in August as suppliers likely boosted orders ahead of the year-end shopping season, offsetting any port disruptions due to fresh outbreaks of the delta virus.

Exports rose 25.6% in dollar terms from a year earlier to a record $294.3 billion, more than $10 billion above any previous month. Imports grew 33.1% to $236 billion, also the highest level ever, leaving a trade surplus of $58.3 billion for the month, the customs administration said Tuesday.

The pickup came despite disruptions at China's second-largest port last month due to fresh virus outbreaks, which caused congestion and pushed up shipping costs. Global demand remained resilient, especially from the U.S. and Europe, as retailers probably brought forward their Christmas shopping orders.

"The hot season for Christmas came earlier than previous years," said Xing Zhaopeng, senior China strategist at Australia and New Zealand Banking Group Ltd. in Shanghai. New products from Apple Inc. created demand, while delta virus outbreaks in Southeast Asia probably caused orders to be diverted to China, he said. "It will remain strong before November," he said.



The top three exports by value were electronics, high-tech products, and clothing and clothing accessories, while the top imports were electronics and high-tech products, the data showed.

What Bloomberg Economics Says...

The strength likely reflects robust external demand as well as diverted orders from Covid-disrupted rival exporters. Looking ahead, though, export growth could cool in the fourth quarter as weaker new export orders hit shipments and the year-earlier base becomes less favorable.

Signs of a slowdown are starting to emerge globally as Covid cases rise, and officials in China have warned of weaker export growth for the rest of the year as risks build.

Manufacturing surveys last week showed a contraction in new export orders for a fourth consecutive month in August, which may signal a slowdown in the future. Beyond trade, the economy is taking a knock from a plunge in services activity related to Covid restrictions, a tightening in property curbs and lower infrastructure spending.

China's effective control of virus cases may have led suppliers to divert orders from other Asian countries, which are battling delta outbreaks and struggling to keep manufacturing operations going. That advantage could ease though once the pandemic is contained elsewhere.

"A possible reason for strong exports is that given the logistics bottlenecks, exporters brought forward shipments for the coming Thanksgiving & Christmas season," said Michelle Lam, Greater China economist at Societe Generale SA in Hong Kong. She expects trade to slow down given the contraction in the PMI export orders and the loss in momentum in U.S. consumption.

The Meishan terminal at Ningbo port was shut for two weeks in August to contain a virus outbreak there, and even though it was reopened late in the month, it will likely take a while for congestion at the port to ease.

China's continued export strength should provide some support to the economy amid a slowdown in domestic demand after tighter restrictions on the country's real estate sector and a slower pace of sales of local government special bonds, which are mainly earmarked for infrastructure construction.

Policy makers have vowed to ramp up financial support for small businesses and pledged better use of local government bonds as the economy shows further signs of a slowdown. The People's Bank of China will provide 300 billion yuan ($46.4 billion) of low-cost funding to banks so they can lend to small and medium-sized companies, China's State Council said last week. It also pledged to "reinforce its policy options," improving the ability to cope with challenges to ensure a stable economy and employment.

"This data may ease the worry about a more abrupt and sharper slowdown in the third quarter although they reinforced the uneven recovery momentum," said Liu Peiqian, China economist at Natwest Markets in Singapore. "We maintain our view that targeted easing are preferred policy options, such as relending, targeted liquidity operations as well as targeted fiscal easing, and we do not expect any benchmark rate cut in 2021."

Source: business-standard.com– Sep 07, 2021

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Sri Lankan forex crisis worries exporters

Of course, Lankan importers haven't yet defaulted on payments but such issues will surface soon if the forex crisis there isn't stemmed swiftly, Indian exporters fear.

Although Sri Lanka and Afghanistan are still small markets for India, expeditious resolution of any trade issues with these countries will help those, especially small businesses, that are supplying to these nations.

Even as the turmoil in Afghanistan continues to worry Indian exporters, a worsening foreign exchange crisis in Sri Lanka — a larger market with imports of $3.5 billion from this country in FY21 — has multiplied their challenges.

Exporters that FE spoke to said they could soon represent to the government to explore various options to address any payment issue that may emerge from the Sri Lankan crisis. These options include a temporary mechanism under which Lankan importers may be allowed to pay up in their local currency.

This can then be used by Indian importers to buy merchandise from the island nation, some of the exporters said. However, the problem with such a plan is that India has a decent trade surplus ($2.9 billion in FY21) with Sri Lanka, an official source said.

Of course, Lankan importers haven't yet defaulted on payments but such issues will surface soon if the forex crisis there isn't stemmed swiftly, Indian exporters fear.

"Sri Lankan importers have the ability to pay in their domestic currency but not in dollar," said Raja M Shanmugham, managing director of garment firm Warshaw International and president of the Tirupur Exporters' Association.

Another option could be to provide some sort of a line of credit (in Indian rupee) to Sri Lanka to enable it to pay for the goods.

Ajay Sahai, director general and chief executive at apex exporters' body FIEO, said the exporters and the government will have to hammer out a solution to this emerging challenge fast.

The Sri Lankan economy — which depends heavily on tourism and exports of commercial crops like tea — was battered by the pandemic, as travel restrictions hit tourism. Its GDP contracted by a record 3.6% in 2020 and its foreign exchange reserves plunged by over a half in one year through July to just $2.8 billion. This has led to a 9% depreciation of the Sri Lankan rupee against the dollar over the past one year, making imports more expensive.

The island nation is heavily dependent on New Delhi for the supply of a broad range of goods. These include mineral fuel, pharmaceuticals, steel, textiles (mainly fabric and yarn), food products and automobiles. In the first quarter of this fiscal, India shipped out goods worth $1.1 billion to Sri Lanka, up 106% from a year before, albeit on a sharply-contracted base. But its imports from the tiny neighbour stood at $266 million in the June quarter, up 208%, again on a favourable base.

Meanwhile, the exporters said supplies to Afghanistan have stopped and prospects of trade with Kabul now hinges on whether New Delhi is going to recognise any government formed by the Taliban. Payments of `700-1,000 crore are stuck since the Taliban takeover of Kabul, they added.

India's exports to Afghanistan dropped 17% last fiscal to $826 million, mainly due to the pandemic. In the first quarter of FY22, the exports jumped 79% to $216 million, aided by a favourable base. The Islamic nation mainly sources food and pharmaceutical products, textiles and garments from this country.

India has set an ambitious $400-billion export target for FY22, buoyed by impressive growth so far this fiscal. Outbound shipments in the first five months of this fiscal rose to $164 billion, recording a jump of 67% year on year and 23% from the pre-pandemic (same period in FY20) level.

Although Sri Lanka and Afghanistan are still small markets for India, expeditious resolution of any trade issues with these countries will help those, especially small businesses, that are supplying to these nations.

Source: financialexpress.com– Sep 08, 2021

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Eastman, Milliken & Company join steering committee for U.S. textile circularity initiative

Accelerating Circularity, which is piloting a program to bring textile circularity to scale in the U.S., has expanded its steering committee.

Eastman and Milliken & Company are joining the U.S. committee, which provides strategy and guidance to the project. Members also include Gap Inc., Giotex, Gr3n, Lenzing, Nike, Target, VF Corp., and Unifi. The new members, which have both made investments in and commitments to the transition to circular, textile-to-textile supply systems, will support a wider range of chemical recycling options and textile manufacturing capabilities as the project moves into the trial phase.

Eastman's general manager for textiles, Jon Woods, said of the decision to join, "With Eastman Naia Renew cellulosic fiber, we are committed to making sustainable textiles accessible to all. We are thrilled to join Accelerating Circularity and see this collaboration as key to shaping and scaling up the recycling infrastructure needed to achieve a circular textiles industry."

According to Chad McAllister, president of the textile division and EVP of Milliken & Company, "We have invested in the ability to explore innovative materials through our Rapid Prototype Center. It's perfect for validating new circular feedstocks to scale into commercial production. Joining Accelerating Circularity allows us to collaborate with a wide range of industry stakeholders with similar goals."

Potential circular system trial feedstocks, fibers, technologies, and finished goods have been identified through extensive consultation with collectors, sorters, preprocessors, recyclers, yarn spinners, fabric mills and brands and retailers for the pilot. Collection, sorting, and preprocessing of targeted trial feedstocks will begin this month.

Source: hometextilestoday.com– Sep 07, 2021

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Global fibre production likely to rise 34% by 2030: Textile Exchange

Global fibre production, hit by the COVID-19 pandemic, decreased from 111 million tonnes (MT) in 2019 to 109 MT in 2020 after years of growth, according to the Preferred Fiber & Materials Market Report 2021. While it is not yet clear how the pandemic and other factors will affect future development, production is expected to rise by 34 per cent to 146 MT by 2030 if the industry builds back business as usual, it said.

The overall fibre and materials market continues to grow.

The report was recently released by global non-profit Textile Exchange, whose members span 15 nations.

While the overall fibre production declined in 2020, the market share of preferred fibre and materials is increasing. But even with this growth, preferred fibres still only represent less than a fifth of the global fibre market.

This number includes—in descending order—recycled polyester (8.4 MT), preferred cotton as defined by a list of recognised standards (7.8 MT), FSC/PEFC certified man-made cellulosic fibres (nearly 3.9 MT) and other recycled and bio-based fibres produced according to recognised standards (0.57 MT).

The market share of recycled fibres increased from 6.9 per cent in 2016 to 8.1 per cent in 2020, with the majority (7.6 per cent) coming from recycled PET bottles and only a minor part (0.5 per cent) from other recycled feedstock.

Overall, less than 0.5 per cent of the global fibre market was from pre- and post-consumer recycled textiles in 2020.

The global fibre production has almost doubled in the last 20 years from 58 MT in 2000 to 109 MT in 2020.

In absolute numbers, virgin fossil-based fibres also increased from 55.7 MT in 2016 to 59.7 MT in 2020.

While overall cotton production remained relatively stable over the last few years with a production volume of 26.2 MT in 2020 (i.e., the 2019/20 ICAC harvest year), the market share of preferred cotton increased from 24 per cent in 2018-19 to 30 per cent in 2019-20, the report said.

With a production volume of 57 million tonnes, polyester was the most used fibre accounting for 52 per cent of the global fibre market in 2020. The market share of recycled polyester increased from 13.7 per cent in 2019 to 14.7 per cent in 2020.

Due to low prices of fossil-based polyester, the recycled polyester market has been growing slowly in the past years. The new 2025 Recycled Polyester Challenge was launched in 2021 by Textile Exchange and the UN Fashion Industry Charter for Climate Action to accelerate the recycled polyester market.

By July 2021, over 100 brands and suppliers (including subsidiaries) signed the challenge and committed to jointly increasing the share of recycled polyester to 45 per cent by 2025.

Due to increasing competition for reclaimed plastic bottles from the packaging and plastics industry, systems for textile-to-textile recycling are in development but most recycled polyester is currently still made from plastic bottles.

The interest in and use of ocean or ocean-bound plastic is also increasing.

The market share of biobased polyester fibre remained very low at around 0.03 per cent of the polyester fibre market. Key reasons are prices, availability and also questions around the sustainability of bio-based polyester.

Polyamide (nylon) had a market share of 5 per cent of the global fibre market in 2020. Due to technical challenges and low prices for fossil-based polyamide, the market share of recycled polyamide is only 1.94 per cent of all polyamide fibre.

Most recycled polyamide is currently made from pre-consumer waste, some also from discarded fishing nets. Increasing the use of post-consumer textiles is needed, the report said.

The market share of bio-based polyamide fibres in 2020 remained low at around 0.4 per cent of the global polyamide fibre market.

Production of man-made cellulosic fibres (MMCFs) decreased to 6.5 MT in 2020 due to COVID-19. While the overall production volume of MMCFs decreased, the market share of preferred MMCFs increased.

The market share of recycled MMCFs is estimated at around 0.4 per cent. However, it is expected to increase significantly in the following years, the report added.

Source: fibre2fashion.com– Sep 08, 2021

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Bangladeshi investors to 'get tax exemption' in Uzbekistan

Bangladeshi investors will get tax exemption and duty free facilities if they invest in Uzbekistan, Sardor Umurzakov, deputy prime minister of Uzbekistan, said on Monday.

Bangladeshi businesses will also get policy supports for joint ventures, Umurzakov added.

Umurzakov offered the benefits to Bangladesh at a view exchange meeting between the leaders of FBCCI, the top business association of Bangladesh, and the representatives of business community of Uzbekistan at the International Trade Centre in Tashkent.

Umurzakov also assured of offering easy visa facilities to the investors and tourists from Bangladesh.

Attending the meeting, Salman F Rahman, private industry and investment affairs advisers to the prime minister, said it is high time the two countries enhanced the bilateral trade between them.

Salman F Rahman also said there are many textile products that are not being produced in Bangladesh but Uzbekistan is producing, hinting at scopes of cooperation in textile sector.

Moreover, as Bangladesh imports fabric and raw materials to make garment items, Uzbekistan can take the advantage, Salman F Rahman added.

Highlighting Bangladesh's success over the past decade, the adviser said Bangladesh has had a steady climb in the rankings of progresses in South Asia.

On behalf of the FBCCI, Bangladeshi investors discussed the possibility to accelerate investment and cooperation in six sectors -- pharmaceuticals, IT, textile, construction agriculture, and ceramics.

Source: theindependentbd.com– Sep 07, 2021

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Pakistan: Traders seek to import cotton, yarn from India, Turkey

Textile exporters have voiced concern that they continue to face difficulties in production due to cotton and yarn shortage coupled with a spike in their prices.

They urged the government to allow duty-free import of the two commodities from Turkey, India and Uzbekistan through the land route.

In a statement on Tuesday, Pakistan Yarn Merchants Association (PYMA) Senior Vice Chairman Hanif Lakhany requested Prime Minister Imran Khan to take steps for reducing the cost of production for the value-added textile industry.

“If duty-free import of cotton and yarn from Turkey, India and Uzbekistan is approved, the exporters will be able to compete in the ongoing price race in the international market,” he said.

“If the present crisis continues, not only will it become difficult for the traders to fulfill export orders but they will also be unable to compete in global markets, which could have a grave impact on the country’s exports.”

In the statement, PYMA office-bearers added that exporters in the value-added sector were reluctant to accept new orders due to difficulties in procuring the basic raw material.

They lamented that export orders were being diverted to other countries due to the problem.

Topline Securities analyst Saad Ziker said that yarn merchants wanted the government to take bold steps to end the shortage of raw material and arrest the hike in prices of cotton yarn.

“The two-faceted problem has led to inefficiency in the value-added production process and has resulted in a loss of potential orders from foreign players, which will dent exports from the country,” he told The Express Tribune.

“These types of loopholes in the value-added system can damage the overall economy because textile contributes 60-65% to the overall exports.”

He, however, said that approval of the import of raw material from India was highly unlikely until the unilateral decision taken by India on August 5, 2019 was reconsidered.

In an appeal to the prime minister, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Committee on Yarn Convener Farhan Ashrafi said that the value-added sector of Pakistan was facing immense difficulties due to shortage and hike in prices of cotton and yarn.

He added that the price of cotton yarn had hit record levels due to its unavailability.

Ashrafi appealed to Prime Minister Imran Khan to help exporters in fulfilling the present export orders in time and securing new orders besides issuing directives to allow duty-free import of cotton and yarn from Turkey, India and Uzbekistan via land route. “This will help reduce the freight cost,” he said.

Arif Habib Limited analyst Arsalan Hanif said that currently textile companies were operating at maximum capacity on the back of excessive export orders but shortage of cotton and a surge in freight cost were acting as hurdles in the way of smooth functioning.

Source: tribune.com.pk– Sep 08, 2021

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How diaspora can support Bangladesh's development

An estimated 13 million Bangladeshis are living abroad, temporarily and permanently, in as many as 162 countries. With the number, Bangladeshis are the sixth-largest group of migrants in the world.

They migrated for a varied number of reasons – jobs, education, improved standard of living etc. Whatever might be the reasons for their departure, they still feel connected to their roots- their country of origin, their motherland Bangladesh.

They may be a thousand miles away from Bangladesh, but their homeland occupies a special place in their hearts. With this deep attachment and connection comes interest and passion for the development of their homeland.

A recent example would aptly mirror the fact. Bangladeshis living in Australia have applied to the parliament of the country to send 50 million vaccines to Bangladesh as a gift. They are leaving no stone unturned to help Bangladesh at a time when the country has been battling to cope with the surge in Covid-19 infections.

They are making efforts out of their true love for Bangladesh, for their friends and families still living in Bangladesh and the fellow countryman. This type of assistance from the non-resident Bangladeshis (NRBs) is essential for prompt recovery from the pandemic of the century.

In another instance, the Bangladeshi community living abroad strongly protested when an English web series included a dialogue that unjustifiably undermined the "Made in Bangladesh" brand. This is also a testimony to their deep attachment, pride and love for Bangladesh.

Bangladeshi expatriates, particularly those who are living aboard on a temporary basis as migrant workers, have been playing a crucial role in the development of Bangladesh by sending their earned money back to their home country.

Not only this money is supporting hundreds of thousands of families in Bangladesh but also contributing to the country's economic development.

The remittances they sent pushed Bangladesh's foreign currency reserves past $46 billion this year. Foreign reserve is important to pay import bills and maintain the balance of payment, and it's one of the important factors of the country's credit rating.

Despite the impacts of Covid-19, which adversely impacted remittance flows globally last year, Bangladesh received $24.78 billion in the last fiscal year as remittance.

On the other hand, many Bangladeshis and their off-springs are permanently residing in different countries, and they have become an essential part of the host nations. Many NRBs have higher levels of education, special skills, technical expertise, and significantly higher incomes.

Many of them are well-established businesspeople having considerable investments in their countries of residence, while many hold influential positions in governments as politicians and members of parliaments.

Besides, a lot of Bangladeshis are renowned scientists, academicians and researchers. They proved their mettle and established themselves as successful in their respective fields.

Even the second and third generation of NRBs are securing laudable positions in many countries across the globe.

For instance, we can pompously mention three Bangladeshi women living abroad who have made us feel proud, honoured and delighted in the recent weeks: Sadia Khanom, who invented a disinfectant spray that kills pathogens; Kishwar Chowdhury, a Bangladeshi contestant who secured third place in the MasterChef Australia competition; and Azmeri Haque Badhon, who stole the limelight at the Cannes Film Festival for her movie, "Rehana Maryam Noor". All of these achievements were inspiring and proud moments for us.

Their accomplishments and success have earned them a personal reputation and brought pride for Bangladesh in their countries of residence as they helped place Bangladesh on the global map in a favourable light.

However, NRBs can play a significant role in shaping Bangladesh's financial, social and economic conditions. Therefore, we need to sincerely and seriously think about and explore avenues to engage them in a well-coordinated and effective way.

NRBs can also play a key role in the development of Bangladesh as major direct investors in important and emerging industries. Bangladesh is an ideal place for investments in emerging industries, including high value-added textile.

Bangladesh has succeeded to increase the capacity of its primary textile industry, especially for knitted fabrics. But the capacity of the woven textile industry remains insignificant as it meets only 35-40 per cent of our export demand. So going forward, we need more capacities in the woven and non-cotton textiles.

Other potential areas for investment are artificial fibre-based yarns and fabrics, functional fabrics like polyester, viscose, spandex, and mélange.

Apart from textiles, there are tremendous investment opportunities in other sectors like ICT, light engineering, jute, leather, pharmaceuticals, ceramics, bicycle, and shipbuilding.

In the era of the 4th Industrial revolution, the ICT sector is a high potential sector for investment in Bangladesh. Currently, a few companies in Bangladesh are working with artificial intelligence-based technology, data analytics and business intelligence.

NRB engineers who are working for the world's renowned IT companies can invest in this sector. They can also play a crucial role in developing the human capital of Bangladesh through knowledge spillover and technology transfer. Since Bangladesh is going through the golden period of demographic dividend, these efforts will be accommodating in developing a more upskilled workforce.

Bangladeshi missions abroad can engage the diaspora community with an aim to develop the human, cultural, social, and economic capital of Bangladesh.

Migrant Bangladeshis can also be a great help in terms of bilateral transactions since they are well aware of the regulation and policies of a particular country.

A database of researchers, entrepreneurs, skilled professionals and policymaker NRBs can be generated for increased inter-connectivity.

However, the government needs to pave the way for NRBs in a favourable manner to create an enabling environment so that they feel encouraged to invest in Bangladesh. The government can think of creating a special economic zone for the NRB investors where they should be given preferential treatment.

The Bangladesh Bank has created the opportunity for NRBs to invest in various bonds. This is undoubtedly a wonderful initiative. Also, the capital market of Bangladesh could attract foreign direct investment where the NRB community can become the key investors.

But all these need strict compliance, financial discipline and accountability where investors can feel that their investment is safe. Moreover, a one-stop service centre can be set up to make the process more NRB investor-friendly.

NRBs can play a significant role in brightening the image of Bangladesh internationally. Bangladesh has a lot of success stories and potential to tell the world. But we are still lagging in this regard. On the contrary, vested quarters have always been active globally to tarnish the reputation of Bangladesh by spreading propaganda based on misinformation and fabricated information.

If our Bangladeshi brothers and sisters come forward to counter such ill attempts, the vested quarters will not be able to damage the image of Bangladesh.

Moreover, Bangladeshis living abroad can promote Bangladesh from their respective positions. NRBs holding influential positions can play a role in promoting Bangladesh's interests, including at policy-making levels.

Millions of Bangladeshis living in different parts of the world also make up a huge consumer group who buy garments, among many other products.

If they give preference to "Made in Bangladesh" garments while shopping and present them as gifts to their foreign friends, it will significantly impact our apparel exports. It will also contribute to promoting the "Made in Bangladesh" brand.

We have to recognise the value that NRB populations bring to development efforts. Government assistance in terms of harnessing this largely untapped area by creating a healthy environment and a policy mechanism is absolutely crucial so that Bangladeshis living abroad can be engaged with the development of Bangladesh.

Experience can be gathered from countries such as India, Japan and the Philippines about making the best use of the diaspora network.

The author is president of the Bangladesh Garment Manufacturers and Exporters Association.

Source: thedailystar.net– Sep 08, 2021

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NATIONAL NEWS

Cabinet may approve PLI scheme for MMF, technical textiles on Wednesday

The Union Cabinet is likely to approve on Wednesday a production linked incentive (PLI) scheme for man-made fibre segment and technical textiles with a financial outlay of Rs 10,683 crore over five years to boost domestic manufacturing and exports from the sector, an official said.

The proposal is expected to come up before the Union Cabinet meeting on Wednesday, the official added.

The Cabinet had earlier approved PLI schemes in 13 key sectors for enhancing India's manufacturing capabilities and exports.

After the approval, the textiles ministry would come with detailed guidelines of the scheme for these sectors.

The prime objective of the scheme is to make manufacturing in India globally-competitive by removing sectoral disabilities, creating economies of scale and ensuring efficiencies. It is designed to create a complete component ecosystem in India and make India an integral part of the global supply chains.

The scheme is expected to attract global investments, generate large scale employment opportunities and enhance exports substantially. It will also help Indian firms to grow into global champions.

India's export of man-made fibre (MMF) garments constitutes only 10 per cent of its total apparel exports, which was about USD 16 billion in 2019-20.

Former President of Federation of Indian Export Organisations (FIEO), S K Saraf, said that both MMF and the technical textiles sectors need support from the government because at present their exports' share in the world market is low.

"PLI will help in boosting manufacturing and exports. This push is required," Saraf said.

Sharing similar views, Apparel Export Promotion Council (AEPC) Chairman A Sakthivel said that the council has requested the government for the PLI scheme for both these segments as it would help in increasing India's share in world trade.

"India is doing 80 per cent cotton and 20 per cent MMF, while the world is doing is other way round. We need to promote these sectors and PLI is a welcoming step in that direction," he said.

Source: business-standard.com– Sep 07, 2021

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India, Australia begin negotiations on early harvest free trade package

India and Australia have started full-fledged negotiations on an early harvest free trade package, covering select items, with meetings between various group heads taking place through the virtual mode, an official familiar with the matter has said.

"Both sides seem to be quite serious about having an early harvest trade package in place by December end. The negotiations done in the past, before the talks stalled over differences on key issues, are also being used as reference," the official told BusinessLine.

The negotiations follow a video conference between Commerce & Industry Minister Piyush Goyal and his Australian counterpart Dan Trehan on August 27, where the two decided to announce an early harvest package by December 2021 and instructed their officials to meet as often as possible.

A Comprehensive Economic Cooperation Agreement (CECA) would follow the early harvest package and would be aimed at expanded trade and investment flows to the benefit of both the economies and peoples, a joint statement issued by the two Ministers after the meeting pointed out.

Liberal visa regime

Some of the items for which Australia wants greater market access in India include agriculture produce, fruits, dairy, cosmetics & personal care products, minerals and processed food items. India, on the other hand, wants more openings in Australia for products such as refined petroleum, pharmaceuticals, gems and jewellery, auto components and textile items. India is also keen on a more liberal visa regime for its workers in Australia.

India and Australia had started talks on a CECA way back in 2011, but the negotiations were suspended in 2015 as India was not willing to meet Australia's demands for farm and dairy products while its own demands of visa liberalisation were being ignored.

"Because of the past bitter experience, both sides are now aware of the areas of interest of the other and the existing red lines. There is a general hope that the negotiators would not repeat the mistakes of the past," the official said.

The two governments are taking inputs from their industry for drawing up their negotiating strategies.

India was Australia's seventh-largest trading partner and sixth-largest export market in 2020, driven by coal and international education, according to the Australian government. India's total trade with Australia in 2020-21 was at $12.29 billion with exports at $4.04 billion and imports at $8.25 billion.

Source: thehindubusinessline.com– Sep 07, 2021

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To reach containers to exporters faster, govt mulls rail movement of empties

Shipments hit by shortage of boxes; returns by road not fast enough

The government may not have a handle on the steep freight rates, but it can speed up movement of empty containers from ports to the hinterland for loading export goods and stop empty boxes from being taken out of the country to help improve the availability of containers. India's exporters are facing a huge shortage of empty containers in the wake of disruptions in the global supply chain.

"There is hardly anything we can do on freight rates," said a source in the Ministry of Ports, Shipping and Waterways.
The government is veering around to the view that all empty containers from ports to hinterland locations in the North should move by rail only, which typically takes about three days from the western region.

How boxes move

Some 25- 35 per cent of the import containers head for the northern hinterland after being cleared of the goods. Upon landing at one of the west coast ports, some of the import containers are de-stuffed at warehouses and the empties are handed over to transporters to be hauled to the hinterland for loading export cargo. The shipping lines pay as little as possible to the transporters for the trip.

To recover their cost, the transporters pick local cargo and drop them at various locations en route to the inland container depots (ICD) in the North nominated by the shipping lines for delivering the empty container.

"This trip takes about two weeks," says TS Ahluwalia, President, Northern India Shipper Association. "If the empty containers are moved by rail, they can reach the northern hinterland in three days," he says. This mode is also cheaper.

Concor scheme

From September 1, the state-run Container Corporation of India Ltd (Concor) introduced a volume-based rebate on rail freight for repositioning of empties in a bid to ensure sufficient availability of containers at hinterland ICDs to boost exports and cut logistics costs.

Concor said the existing scheme for repositioning of empty containers from gateway ports to hinterland terminals with a rebate of 50 per cent on rail freight will continue till March 31. The scheme has been extended to repositioning of empties from portside Concor container freight stations (CFSs) to ICDsalso for export purposes, the company said in a trade notice.

Exporters have also urged the government to extend the time limit for keeping empty containers in the country without paying import duty from 6 months to 12 months.

Currently, empties can be kept in India for six months, per a convention followed by the Customs Department. Shipping lines take them out just before the expiry of six months to avoid the import duty.

Source: thehindubusinessline.com– Sep 08, 2021

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Piyush Goyal appointed as India's Sherpa for G20 meet

The government on Tuesday appointed commerce and industry minister Piyush Goyal as India's Sherpa for the G20.

Goyal who is the union minister of consumer affairs, food and public distribution and textiles, replaced former union minister Suresh Prabhu as the sherpa for the meet.

According to the ministry of external affairs, India will hold the G20 presidency from 1 December 2022.

G20 is a major international grouping that brings together 19 of the world's major economies and the European Union, with its members accounting for more than 80 per cent of global GDP, 75 per cent of global trade and 60 per cent of the global population.

Prime Minister Modi has been leading India's representation at G20 Summits since 2014.

The next G20 Summit is scheduled for 30-31 October 2021 under the Italian Presidency.

"India has been a member of the G20 since its inception in 1999. India will be holding the G20 Presidency from 1 December 2022 and will convene the G20 Leaders' Summit in 2023 for the first time. India will be part of the G20 Troika (preceding, current, and incoming G20 Presidencies) from 1 December 2021 till 30 November 2024," an official statement said.

Source: business-standard.com– Sep 08, 2021

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Commerce ministry notifies procedure for imports under India-Mauritius trade pact

The commerce ministry on Tuesday notified tariff rate quota (TRQ) for certain items including pineapples, tunas, beer made from malt, rum and procedure for imports of those goods under India-Mauritius free trade agreement. The India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA), a kind of free-trade pact, came into effect from April 1.

The pact covers 310 export items for India, including food and beverages, agricultural products, textile and textile articles, base metals, electricals and electronic items, plastics and chemicals, and wood. Mauritius benefits from preferential market access into India for its 615 products, including frozen fish, speciality sugar, biscuits, fresh fruits, juices, mineral water, beer, alcoholic drinks, soaps, bags, medical and surgical equipment, and apparel.

"TRQ for items...on India-Mauritius CECPA and procedure for such imports is notified," the Directorate General of Foreign Trade (DGFT) said in a public notice.

Items that are permitted under TRQ under the pact include pineapples (1,000 tonnes at 30 per cent duty), lichi (250 tonnes at 10 per cent duty), tunas (7,000 tonnes at zero duty), and beer made from malt (20 lakh litres at 25 per cent duty), rum (1.5 million litres at zero duty).

The DGFT said all applications must accompany a pre-purchase agreement from one of the eligible exporters of specified items in Mauritius.

"At the time of clearance of the import consignment, the importer in India must produce a certificate of origin issued by concerned authorities in Mauritius," it said adding that the year in respect of these imports will be from April to March 31.

Allocation will be made equally among the eligible applicant subject to the quantity applied.

Source: timesofindia.indiatimes.com– Sep 08, 2021

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Daily generation of e-way bills rise on-month in early September

The daily average e-way bills for the first five days of September were, however, marginally lower (1.4%) than the daily average of 21.26 lakh for the full month of August. The daily average was 19.5 lakh in the first eight days of August.

Thanks to easing of lockdowns, e-way bill generation by businesses rose to 6.59 crore in August from 6.42 crore in July and 5.5 crore in June.

Daily e-way bill generation for goods transportation under the Goods and Services Tax (GST) system came in at 20.97 lakh in the first five days of September, 7.5% higher than the daily average for the first eight days of August, indicating continued momentum in economic recovery.

The daily average e-way bills for the first five days of September were, however, marginally lower (1.4%) than the daily average of 21.26 lakh for the full month of August. The daily average was 19.5 lakh in the first eight days of August.

Going by the recent weekly trends, the daily average is expected to pick up further for September when data for the full month is captured. Between September 1 and 5, as many as 1.05 crore e-way bills were generated.

Thanks to easing of lockdowns, e-way bill generation by businesses rose to 6.59 crore in August from 6.42 crore in July and 5.5 crore in June.

The gross GST collections came in at Rs 1.12 lakh crore in August (largely July transactions), up 30% on year but down 3.8% on month, signalling an ongoing economic recovery but suggesting that activities aren’t picking up evenly across sectors. GST collections, after posting above Rs 1-lakh-crore mark for eight months in a row, had dropped below Rs 1 lakh crore in June 2021 due to the second wave of Covid-19.

Source: financialexpress.com– Sep 08, 2021

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CBDT allows taxpayers time till Sept 30 to file application for settlement

Those who have already filed application for settlement on or after February 1 will not be required to act again

With the Income-Tax Settlement Commission ceasing operations from February 1, the Central Board of Direct Taxes (CBDT) on Tuesday announced it will provide an opportunity for eligible income taxpayers to file application for settlement up to September 30.

“In order to provide relief to the taxpayers who were eligible to file application as on January 31, 2021, but could not file the same due to cessation of ITSC vide Finance Act, 2021, it has been decided that applications for settlement can be filed by the taxpayers by September 30, 2021, before the Interim Board,” CBDT said in a statement.

Conditions for filing application before interim board prescribe the assessee eligible to file application for settlement on January 31, and all the relevant assessment proceedings are pending as on the date of filing the application for settlement. It clarified that taxpayers who have filed such applications will not have the option to withdraw.

Further, the taxpayers who have already filed application for settlement on or after February 1, as per the direction of the various High Courts and who are otherwise eligible to file such application will not be required to act again.

Interim Board

In order to dispose of the pending settlement applications as on January 31, the Central government had constituted Interim Board for Settlement on August 10.

The taxpayers, in the pending cases, have the option to withdraw their applications within the specified time and intimate the Assessing Officer about such withdrawal.

Many taxpayers represented that they were in advanced stages of filing their application for settlement before the ITSC as on February 1.

Further, some taxpayers have approached High Courts requesting that their applications for settlement may be accepted. In some cases, High Courts have given interim relief and directed acceptance of applications of settlement even after February 1.

“This has resulted in uncertainty and protracted litigation,” the board said and accordingly new mechanism has been announced.

Source: thehindubusinessline.com– Sep 07, 2021

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Export body seeks SEZ inclusion in duty remission scheme

The Export Promotion Council for EOUs and SEZs (EPCES) on Tuesday sought the benefits of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to be extended to special economic zones and also urged the government to allow them to sell goods in the domestic tariff area.

“We have submitted a proposal before the government to cover SEZs and EOUs too under the new RoDTEP scheme,” said EPCES chairman Bhuvnesh Seth, adding that the government has assured that a committee is being set up to look at the issue.

The scheme was notified for 8,555 products including employment-generating marine, agriculture, leather, and gems and jewellery sectors in August and aims to refund exporters duties and taxes such as VAT on fuel used in transportation, Mandi tax and duty on electricity used during manufacturing, that were so far not being refunded.

On the issue of sales to DTA, Seth said the goods can be sold on duty foregone basis rather than the present arrangement of payment of full customs duties.

At present, SEZs are allowed to sell their products in the domestic market but after payment of customs duty.

The council has also sought that SEZ units be allowed to do job work for DTA units, grant of infrastructure status to get to priority lending at cheaper rates, simplification of norms for de-notification of zones and exit processes and flexibility of utilization of non-processing areas by developers for creation of social infrastructure.

EPCES expects exports from SEZs to touch Rs 8 lakh crore in FY22 from Rs 7.55 lakh crore in the previous fiscal. As on August 31, there were 379 notified SEZs of which 267 are operational and 5,559 approved units.

Source: economictimes.indiatimes.com– Sep 07, 2021

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Centre examining stakeholders' views on draft e-commerce rules

Will come out with best formulations from the perspective of the consumer
The Consumer Affairs Ministry is examining views received from stakeholders on the proposed amendments to the Consumer Protection (E-commerce) Rules and will come out with the best formulation from the consumer perspective, a senior official said on Tuesday.

Speaking to media persons, Consumer Affairs Secretary Leena Nandan said, "We have received a lot of suggestions and views. We will now have to come out with best formulations from the consumer perspective, taking into account the wide and varied diverse views received on the draft rules."

"We are going into great detail on each provision of the rules as there are many wide views. It has to be calibrated and finally a balanced perspective has to be arrived at. We are in that process," she said, adding that it would be difficult to give a timeline.

Changes proposed

The Ministry has proposed various changes in the draft e-commerce rules under the Consumer Protection Act, including norms for ban on fraudulent flash sales and fallback liability besides additional compliance provisions for e-commerce players, evincing mixed views from the industry.

Nandan said the Ministry is also examining public comments received on draft rules for the direct selling industry and on draft guidelines for the prevention of misleading advertisements under the Consumer Protection Act, 2019.

Meanwhile, the Consumer Affairs Ministry said the National Test House, the government's quality assurance body, will be bolstering its testing services for packaged drinking, e-vehicle batteries, LED lamps, solar panels, domestic electronic items, helmets and constructions materials. NTH currently has six laboratories.

Nandan said that a complete food testing laboratory is being planned in Kolkata. In addition, a test facility for air-conditioners in Mumbai, test facilities for toys at Mumbai and Jaipur and strengthening of helmet testing for assessing strength, safety and accidental impacts are also among the future plans of the Department of Consumer Affairs.

Nearly 25,000 samples or products are being received for quality assurance by NTH laboratories annually of which around 60 per cent are from government agencies, 20-25 per cent come from private players and 15-25 per cent from consumers, a statement added.

Source: thehindubusinessline.com– Sep 07, 2021

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Amazon signs pact with Gujarat to boost state MSMEs' e-commerce exports

Amazon India has signed a Memorandum of Understanding (MoU) with the Industries and Mines Department, Government of Gujarat, to help drive e-commerce exports from the state. As part of the MoU, Amazon will train and onboard MSMEs (micro, small and medium enterprises) from the state on Amazon Global Selling, enabling them to sell their unique Made in India products to millions of Amazon customers across over 200 countries and territories.

Amazon Global Selling lowers the entry barrier for motivated Indian MSMEs to expand their business and launch their brands globally, from anywhere in India. With this program, homegrown businesses get instant access to global markets from Day 1, benefiting from Amazon's distribution capabilities and global footprint to scale rapidly and build sustainable exports businesses.

Abhijit Kamra, director, global trade, Amazon India said the Amazon Global Selling program has already enabled more than 70,000 Indian exporters to cross $3 billion in cumulative exports, showcasing millions of Made in India products to customers across the world.

"The program is witnessing tremendous momentum with increasing interest from exporters across India," said Kamra. "We remain committed towards making exports easy for Indian businesses and empower them to tap into their true potential."

Amazon will conduct training, webinars and on-boarding workshops for exporters from key MSME clusters like Ahmedabad, Vadodara, Surat, Bharuch and Rajkot. The workshops will focus on sharing expertise and providing training to MSMEs about B2C e-commerce exports and selling to over 300 million people worldwide through Amazon's 17 foreign marketplaces. These courses are designed to provide MSMEs with the knowledge and tools they need to launch their brands and expand their businesses internationally using Amazon Global Selling.

Vijay Rupani, Chief Minister of Gujarat said Gujarat has a vibrant gems and jewellery, apparels and textiles and handicraft sector which is held together by lakhs of MSMEs. He said one of the key priorities of the government has been to boost exports from Gujarat.

“Through this partnership with Amazon, we aim to empower lakhs of MSMEs in Gujarat to embrace e-commerce exports,” said Rupani. “It will help them leverage Amazon’s global presence to showcase their products to customers across the world. MSMEs taking their local products to global customers will play a critical role in supporting the local economy and display the strength of the state’s manufacturing and innovation prowess.”

In January 2020, Amazon made three important commitments to India – digitally enabling 10 million MSMEs in India, enabling exports worth $10 billion and creating 1 million new jobs – by 2025.

However, the Confederation of All India Traders (CAIT), which represents 70 million traders has strongly criticized Gujarat Chief Minister Vijay Rupani for the act of Gujarat Government entering an MOU with Amazon to take help of Amazon to boost its exports through Amazon Global selling .

CAIT said besides the traders of Gujarat, the traders across the country felt cheated at the hands of Gujarat Government for shaking hands with a known law offender company. CAIT said it will oppose such MOU and will take decision at a meeting of National Trade Leaders to be held on 9th September 2021. The conference will be attended by trade leaders from all States, for finalising a strategy for a national campaign ‘Halla Bol on E-Commerce.’

CAIT National President B.C.Bhartia and Secretary General Praveen Khandelwal while strongly criticising the Gujarat Government alleged that the Union Government's statutory bodies Competition Commission of India and Enforcement Directorate are conducting investigation against Amazon for indulging into anti-competitive practices and violation of e-commerce rules as also violation of FEMA (Foreign Exchange Management Act). But the Gujarat Government is shaking hands with Amazon for boosting sales of its products.

Bhartia and Khandelwal said that this act of Gujarat Government is leading to make products of Gujarat captivate at the hands of Amazon. “Does Gujarat Chief Minister know the on-ground operations of Amazon or before taking such a decision, has he gone through various charges levelled against Amazon. Has he consulted the Union Government before taking such a decision,” alleged Bhartia and Khandelwal.

Bhartia and Khandelwal said that they will raise this issue with BJP President J.P.Nadda and Union Commerce Minister Piyush Goyal and apprise them with the political consequences of this act of Gujarat Government.

Source: business-standard.com– Sep 08, 2021

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