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INTERNATIONAL NEWS

US 2020-21 cotton exports highest in 15 years

Spurred by record global imports, US cotton exports in 2020-21 were the highest in 15 years at 16.4 million bales. China eclipsed Vietnam as the largest destination for US cotton for the first time in 6 years at more than 5 million bales, accounting for roughly one-third of US shipments, according to the US department of agriculture (USDA).

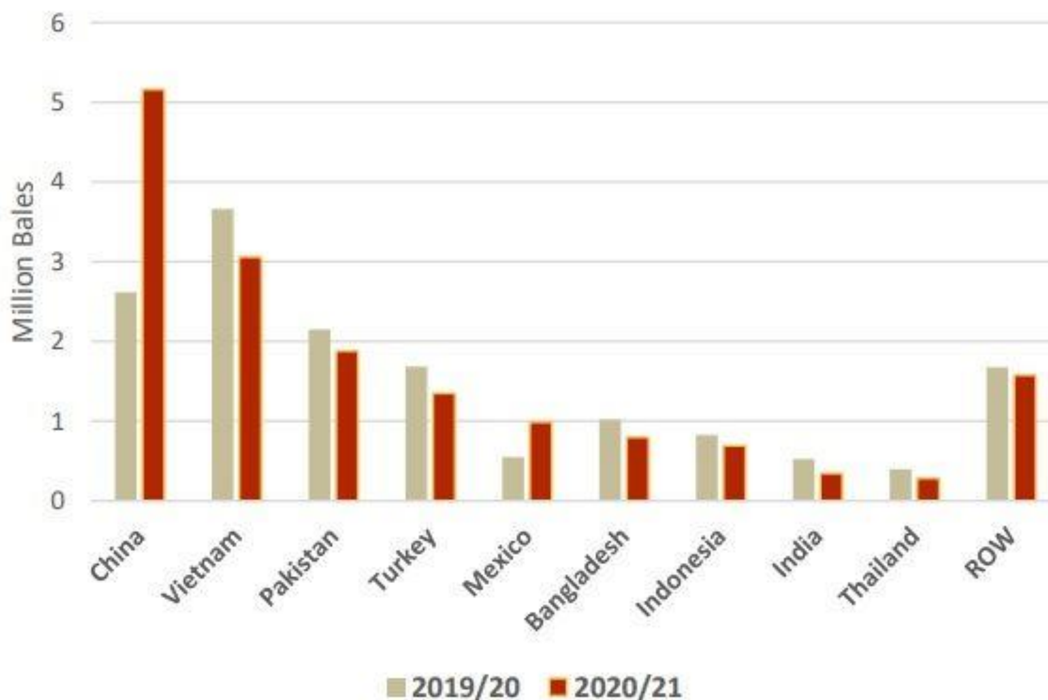
However, US exports to eight of its ten largest markets were down from the previous year, the foreign agriculture service (FAS) of the USDA said in its September 2021 report on 'Cotton: World Markets and Trade'.

"Record US shipments through December boosted total exports as early season shipments were buoyed by the highest beginning stocks in 12 years. Shipments were strong, especially to China, despite US 2020-21 production falling 5.3 million bales from the previous year," the report said.

US exports to China were the largest in 8 years with demand for US cotton mostly led by China's State Reserve. US cotton was estimated to account for almost 90 per cent of State Reserve imports and nearly one-half of China's total imports in 2020-21. Instead of sourcing from Brazil, the primary supplier in the previous two marketing years, the State Reserve returned to the United States, in part facilitated by the Phase One Agreement.

Relative prices (i.e., China cotton prices compared with US cotton prices) also played a role. China's spot price (CC3128B) was significantly higher than imported prices (US origin) in 2020-21 compared with the previous year. Although higher domestic prices prevented the Reserve from purchasing domestic cotton, imports were an especially attractive option compared with the previous year. Imported US cotton averaged 10 cents higher than domestic China cotton in 2019-20, but in 2020-21 was approximately 8 cents cheaper (on average).

Higher prices in China relative to international were likely due to: (1) higher agricultural prices in China (e.g., corn and wheat), (2) quality issues with China's 2020-21 cotton crop, and (3) the yuan appreciating roughly 10 per cent against the U.S. dollar.



While 2020-21 US cotton exports were the largest in 15 years, it was also a record year for global imports. Bangladesh, Vietnam, Pakistan, and Turkey, rounding out the top 5 largest global imports (China being the largest), were all estimated to have had record imports in 2020-21. Higher yarn prices and rising global demand for cotton products spurred imports and cotton consumption.

Brazil and India helped supplant US exports in these respective markets; Brazil's 2020-21 exports exceeded the previous year's record by roughly 2 million bales, and India is projected to register its highest exports in 7 years.

US 2021-22 exports are forecast down from the previous year at 15.5 million bales, despite a larger crop at 18.5 million bales, with both lower US carry-in and global imports more than offsetting, the FAS report said.

China is once again forecast as the world's largest importer at 10.0 million bales, but down more than 2.8 million from the previous year, it added.

Source: fibre2fashion.com– Sep 28, 2021

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World Bank lifts China view, slashes Asia outlook on Delta wave

The World Bank lifted its China growth forecast, while slashing its outlook for the rest of the East Asia and Pacific region as the spreading delta variant hammers manufacturing and tourism, and low vaccination rates hamper the recovery.

The lender now expects China to grow 8.5 per cent this year compared to the 8.1 per cent it forecast in April, though it cautioned the recovery is losing momentum. It slashed its outlook for East Asia and Pacific, excluding China, to 2.5 per cent from the 4.4 per cent previously expected. Overall regional growth is seen at 7.5 per cent, lifted by China.

Higher unemployment and inequality in the East Asia and Pacific region are emerging as key legacies of the crisis, the World Bank said.

"Covid-19 threatens to create a combination of slow growth and increasing inequality for the first time this century in the EAP," the lender warned. "The result could be deprivation to an extent that the region has not seen in the last two decades."

After weathering earlier pandemic waves better than other regions, the fast-spreading delta variant has thrown into turmoil factories and ports in countries that were once among the most successful at containing the virus. That's compounding supply-chain blockages of manufactured goods.

Border and travel restrictions in the region continue to upend tourism and delay a full recovery, even as other parts of the world reopen.

In its report, the World Bank warned the pandemic will do lasting damage to economies by curbing public and private investment and through the loss of human and intangible capital. There is a risk of long-term economic scarring if the disease persists, the lender said.

"Policy actions must help economic agents not just to adjust today but also to make choices that avert deceleration and disparity tomorrow," the lender said in its report.

The economies of several Pacific island countries and Myanmar have been hit the hardest, with Myanmar expected to contract by 18 per cent while the

Pacific island countries as a group are anticipated to shrink 2.9 per cent, the World Bank said.

Myanmar will see the biggest contraction in employment in the region and the number of poor people in the country will rise, it added.

“There is no doubt the military takeover (in Myanmar) has led to a disruption of economic activity combined with the civil disobedience movement which means fewer people are going to work," said World Bank East Asia and Pacific Chief Economist Aaditya Mattoo.

Source: business-standard.com– Sep 28, 2021

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No Place to Turn as Shipping Woes Go Coast to Coast

Port congestion has been a major symptom of the gridlocked global supply chain stemming from the pandemic-induced e-commerce buying boom—and in the U.S., both coasts are feeling the burden.

On Monday, The Port of New York and New Jersey reported the highest number of container ships at anchor for all of 2021. Off the coast of New York, approximately 24 cargo ships and oil tankers were stuck waiting to dock due to a surge in demand for consumer goods and short-staffed ports.

Of the 97 container ships in-port at the Ports of Los Angeles and Long Beach on Tuesday, 67 are stuck at anchor or in drift areas, according to the Marine Exchange of Southern California, which tracks ship traffic in the area. On Sept. 20, the ports reached an all-time record of 70 container ships stuck at anchor.

The Port of Los Angeles' Signal platform, which includes a public-facing dashboard view of how many shipments will be arriving at the port over the next three weeks, indicated that anchorage average for these ships was 9.8 days.

The port's executive director is calling on the U.S. federal government to deploy more funding to combat the ongoing problem. The government has invested approximately $11 billion in the Eastern Gulf Coast compared with roughly $1 billion in the West Coast over the past decade, Port of LA executive director Eugene Seroka said in a Bloomberg Television interview.

Seroka has been a major proponent of federal intervention, particularly at home, declaring at Sourcing Journal's Hong Kong Sourcing Summit that the U.S. freight system was "long overdue for federal investment."
Costco charters three ocean vessels

Ahead of an assuredly hectic holiday season, another major retailer is renting its own container ships to protect its expenses and shorten lead times.

Costco has joined the likes of Walmart, Target, Ikea and The Home Depot as retail giants chartering their own ocean vessels to import freight, renting three ships to import products from Asia to the U.S. and Canada. This would help Costco avoid spending six times the normal price on shipping or

containers through a third party, chief financial officer Richard Galanti said in the retailer's fourth-quarter earnings call.

Galanti said Costco leased "several thousand containers" for use on the ships. Every ship can carry 800 to 1,000 containers at a time, he noted.

The warehouse club is expected to make 10 deliveries over the next year using these ships, accounting for approximately 20 percent of its imports from Asia.

"I feel very good with the job that our merchants, our traffic department and our operators have all been doing in order to get the products that we need, pivot when and where necessary and keep our warehouses full," Galanti said on the call.

Galanti estimated that Costco's price inflation for its products is now in the 3.5 to 4.5 percent range, which represents an increase from last quarter's estimate of 2.5 to 3.5 percent.

West Coast ports expand hours as infrastructure deal awaits vote

The California ports are taking new measures to improve the situation on their own, with both hubs expanding weekend operating gate hours and the Long Beach destination testing a 24/7 pilot program that would expand the hours for cargo pickup to times when there is less traffic in the region.

"We are in the midst of an historic surge in cargo, and our terminal operators and other supply chain partners are giving their all to keep it all moving," Port of Long Beach executive director Mario Cordero said in a statement.

Both ports said that approximately 70 percent by tonnage of all U.S.-international trade moves by water through the nation's ports. The San Pedro Bay ports move approximately 40 percent of all containerized cargo entering the U.S. each year and roughly 30 percent of all containerized exports.

Seroka's pleas for federal intervention are making headway, albeit not at the pace the supply chain disruptions can be eased in the near-term. The Biden administration released a multipronged strategy in June to secure critical supply chains in products from medicines to microchips, establishing a supply chain disruptions task force. In August, it appointed former deputy

Transport Secretary John Porcari as port envoy to the task force looking at easing congestion.

The administration also negotiated a record $17 billion in investments in port infrastructure as part of the bipartisan infrastructure deal that will likely go to a vote by the House on Thursday. The funds would help reduce congestion and supply chains over time by investing in repair and maintenance backlogs and helping address congestion and emissions near ports.

FedEx reroutes 600,000 packages per day as labor shortages exacerbate domestic supply chain issues

Today's issues within the supply chain go deeper than the situation out at sea. The U.S. is also dealing with a labor shortage that is impacting not only the warehousing and distribution centers, but the trucking industry that transports the goods intermodally. In August, the Bureau of Labor Statistics said that the truck transportation industry lost 6 percent of its pre-pandemic labor force of 1.52 million workers throughout the Covid-19 pandemic.

Alongside an announcement that it will increase shipping rates after the holiday season, FedEx is rerouting more than 600,000 packages a day as it scrambles to cope with the labor shortages at its hubs.

"Our Portland, Ore. hub is running with approximately 65 percent of the staffing needed to handle its normal volume," said Raj Subramaniam, president and chief operating officer at FedEx, during the delivery company's first-quarter earnings call.

"This staffing shortage has a pronounced impact on the operations, which results in our teams diverting 25 percent of the volume that would normally flow through this hub because it simply cannot be processed efficiently to meet our service standards. And in this case the volume that diverted must be rerouted and processed, which drives inefficiencies in our operations and in turn higher costs."

Worldwide, the congestion has only gotten worse, with ocean carrier schedule reliability tallying 21.94 days on the worst-hit China-U.S. West Coast routes, while these delays are up to 30 days on the worst-hit China-European Union (EU) routes, according to supply chain visibility provider Project44.

If there's a slight positive to take related to the congestion, after 22 consecutive weeks of increases, Drewry's World Container Index (WCI) composite index remained steady at $10,377.19 per forty-foot equivalent unit (FEU) for the week ended Sept. 23. The pause comes after ocean carriers CMA-CGM and Hapag-Lloyd halted the increment of spot rates as container prices on most trade lanes are at record highs.

Source: sourcingjournal.com– Sep 28, 2021

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China's energy crisis is latest supply chain threat to world

China's energy crisis is shaping up as the latest shock to global supply chains as factories in the world's biggest exporter are forced to conserve energy by curbing production.

The disruption comes as producers and shippers race to meet demand for everything from clothing to toys for the year-end holiday shopping season, grappling with supply lines that have been upended by soaring raw material costs, long delays at ports and shortages of shipping containers.

Chinese manufacturers warn that strict measures to cut electricity use will slash output in economic powerhouses like Jiangsu, Zhejiang and Guangdong provinces -- which together account for almost a third of the nation's gross domestic product -- and possibly drive up prices.

Local governments are ordering the power cuts as they try to avoid missing targets for reducing energy and emissions intensity, while some are facing an actual lack of electricity.

Clark Feng, whose Vita Leisure Co. buys tents and furniture from Chinese manufacturers to sell overseas, said electricity curbs in the eastern province of Zhejiang, where the company is based, have dealt another blow to businesses. Fabric makers in the province that are suffering production halts have started to hike prices and postpone taking new overseas orders, he said.

"We were already struggling to ship goods overseas, and now with the production capacity restriction, it's definitely going to be a huge mess," said Feng. "We already had to deal with so many uncertain factors, and now there's one more. It will be harder to deliver orders, especially for the holiday season."

Yiwu Huading Nylon Co. Ltd., a maker of synthetic fabric nylon in Zhejiang, suspended half of its production capacity since Sept. 25 in response to the local government's order to cut electricity consumption, according to a stock exchange filing Monday. The company expects output to resume from Oct. 1 and said it will look to minimize the impact of the closure.

Port Disruptions

The power problems come after recent port disruptions in China rippled across global supply chains. Part of Ningbo port, one of the world's busiest, was idled for weeks last month following a Covid outbreak, while Yantian port in Shenzhen was shut in May.

The energy crunch will weigh on China's economy at a time when it's already slowing because of factors such as stringent virus control measures and tighter restrictions to rein in the property market. Nomura Holdings Ltd., China International Capital Corp. and Morgan Stanley have either downgraded GDP growth forecasts or have warned of lower growth because of the power disruptions.

"Global markets will feel the pinch of a shortage of supply from textiles, toys to machine parts," said Lu Ting, chief China economist at Nomura Holdings Inc in Hong Kong. "The hottest topic about China will very soon shift from "Evergrande" to "Power Crunch."

To be sure, the full impact on production remains to be seen.

iPhone assembly operations in China are beginning to reduce their energy consumption, Pegatron Corp., a key partner for Apple Inc. and one of the assemblers of its iPhone, said on Monday. The company said it's taking energy-saving measures to comply with local government policies.

Yet the firms responsible for producing the Apple handset have avoided drastic cutbacks in production so far and appear to be getting preferential access to energy in order to keep operations going, according to people familiar with the situation.

Authorities are watching for disruption, with the People's Daily, the official newspaper of the Chinese Communist Party, saying in an Sunday editorial that the shortages would force companies to raise the prices of goods for Chinese consumers. The government of northeast Liaoning province urged local regulators to prevent power curbs from impacting production and residential use, state broadcaster CCTV reported.

With the power crisis moving from the factory floor to people's homes, electricity utility State Grid Corporation of China said Monday it will try its best to avoid power cuts to meet basic residential demand.

Analysts say the power shortages will inevitably impact both heavy industries such as aluminum and steel right through to downstream sectors.

In the industrial hub of Guangdong, the provincial energy administration issued a notice Sunday that said large-scale cuts to factories have already been implemented.

“No one knows when the supply chain bottleneck will be overcome," said Hao Hong, head of research and chief strategist at Bocom International. “But it is looking ominous for this winter."

Chen Yubing, manager at Suzhou Berya Textile Technology Co. Ltd., an exporter of polyester and nylon fabric based in Zhejiang, said his company has suffered “huge losses" due to the suspension. The company’s production lines were only allowed to operate three days a week starting from early September and the latest order on Monday means it will be allowed to operate every other day. Half of the company’s sales come from overseas clients.

“We have problems delivering some orders already," Chen said. “All we can do now is wait and negotiate with customers."

Source: livemint.com– Sep 28, 2021

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Turkish textiles set sights on US market

Turkish textile manufacturers will have a chance to showcase their products at the second 'i of the World' exhibition, set to open this week in New York City. Organized by the Istanbul Textiles and Raw Materials Exporters Association (İTHİB), the event is expected to draw a number of leading US apparel producers, designers and distributors.

In hopes of raising their share of the US textiles market, the representatives of 28 Turkish textiles firms are expected to attend the event. "Every year, the US imports $43 billion worth of textiles, making it the world's largest textiles market," İTHİB President Ahmet Öksüz says. "Turkey, meanwhile, represents the world's fifth largest exporter of textiles, and the second largest exporter to the EU."

According to Öksüz, Turkey's share of the global textiles market stood at 3% last year, but accounted for only 1.6% of the total US market. "Turkey's formidable production capacity has the potential to realize a much larger share of textile imports to the US," he says.

"Textiles represent the main component of the $100-billion trade target between the two countries," Öksüz adds. "The Turkish and US economies don't compete with each other; rather, they complement one another, providing an excellent example of a win-win model."

Last year, İTHİB organized the first 'i of the World' exhibition in New York, in cooperation with the Turkish Trade Ministry and the Turkish Exporters Assembly.

"Last year's event was extremely productive for Turkish textiles," Öksüz recalls. "Despite the pandemic, Turkish textiles exports to the US rose by 8% in 2020 to reach an all-time high of $628 million." And during the first eight months of 2021, according to Öksüz, Turkish textiles exports to the US rose by 51% to reach $547 million, accounting for 2.7% of the total US textiles market.

"Next week's exhibition will help us sustain these notable increases and achieve our ambitious bilateral trade targets," Öksüz says. "We're planning to carry out several more promotional activities and B2B projects in the US," he adds. "We hope to eventually hold the exhibition in other parts of the US

as well, with the aim of achieving $1 billion in exports by the end of this year."

Hoping to realize $12 billion in global exports in 2021, Öksüz is quick to point out that Turkey's textiles and apparel industry represents the county's leading industry in terms of exports.

"Our textiles industry is a global leader in terms of integrated production capacity, qualified human resources, logistics, R&D investment and sustainability," he says. "It has remained a safe harbour – despite the pandemic – for the supply chains of several internationally-recognized garment brands."

Turkey, Öksüz concludes, "is rapidly approaching its medium-term goal of becoming one of the world's top-three exporters of textiles."

Source: knittingindustry.com– Sep 28, 2021

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Sri Lanka: Losing GSP Trade Status Would 'Be Like a Funeral For Us'

These are tense times in Sri Lanka.

A European Union (EU) delegation arrived in the capital city of Colombo Monday to review what has become a source of additional stress for a nation already beleaguered by a shortage of foreign exchange reserves, and reeling under Covid-19 related challenges. Trade privileges linked to the Generalized System of Preferences Plus (GSP+) have recently come under scrutiny by the EU for human rights violations.

This envoy comes at a key moment for Sri Lanka, which has been facing dipping foreign reserves leading to an alarming situation that Sri Lanka's finance minister deemed a "dangerous foreign exchange crisis." The president declared a state of emergency as most private banks ran out of foreign currency to finance imports of essentials, triggering food shortages. The government had already banned imports of cars and other goods in a bid to save currency.

Dropping from $7.5 billion in November 2019 to $2.8 billion at the end of July, the foreign exchange reserves have also been badly hit by a lack of tourism.

The EU delegation's visit is of particular concern to those in the apparel industry, with garment exports accounting for more than 50 percent of total exports this year.

The EU is Sri Lanka's second-largest trading partner after China and its second main export destination.

Alarm bells went off when the proposal to withdraw GSP+ benefits in Sri Lanka passed in the European parliament. The resolution urged the withdrawal of the temporary GSP+ benefits granted to Sri Lanka by the EU in 2017.

Conversations regarding the consequences across the industry reflect concern and contention from both sides.

"Last week when I was speaking with the workforce in my factory which is in a remote area, this was one of the questions they asked me: what will

happen if GSP is withdrawn? I didn't tell them how grave the consequences would be for us, but said that we will counter things as they happen," said Janaka Botejue, chairman of Botejue Industries, which manufactures for Next and Marks & Spencer. "It will be like a funeral for us, and for all of the workers who are supported by our factory, more than 90 percent of whom are women."

"As an exporter, GSP+ is a big tool. When it comes to pricing it is a level playing field with Bangladesh and Vietnam. Otherwise, why would a customer look at Sri Lanka?" he said.

More than 15 percent of the country's workforce is employed in this sector—approximately 400,000 workers. Apparel exports in 2020 were $4.2 billion, down from $5.3 billion in 2019.

"This year we have seen 12 percent growth and expect to reach $5.1 billion by year-end, still missing the 2019 level, mostly due to the expenses of maintaining extensive health protocols, testing expenses, etc. Even though factories have been working, they are now only at 80 percent capacity taking into account quarantine, family Covid issues, transport issues because of lockdown, etc.," said Felix Fernando, executive member of the Joint Apparel Association Forum (JAAF), and group director Omega Line Ltd, a company that employs 14,000 people.

"Our hands as regards to the outcome of these discussions are tied because these are political and government to government. We have been having discussions with the government since this issue came up earlier in the year and trying to find the best way forward. It is going to be disastrous if it is removed," he said.

The EU delegation plans to meet President Gotabaya Rajapaksa, Prime Minister Mahinda Rajapaksa, Foreign Minister Gamini Peiris and other officials.

To participate in the GSP+ pact, which allows zero tariffs on exports from low and lower-middle-income countries, signatories must meet commitments on human labor rights and environmental protection.

Source: sourcingjournal.com– Sep 28, 2021

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'No Quick Fix' for Freight Rates, Project44 Warns

Ocean carrier schedule reliability continued to tumble through August, with delays of up to 30 days on the worst-hit China-European Union (EU) routes, and 21.94 days on the worst-hit China-U.S. West Coast routes, according to container tracking data from Project44, a specialist in real-time supply chain visibility.

"If current circumstances hold, we're going to see many more empty shelves heading into the holiday shopping season and beyond," Adam Compain, senior vice president of data insights at Project44, said.

At the same time, maritime short-term contract rates between carriers and beneficial cargo owners (BCOs) and freight forwarders have continued their multi-year rise across major trade lanes, with average China-EU container rates rising by triple digits year-over-year across major port pairs, reaching $12,977 per 40-foot containers or equivalent units (FEU) in August.

For China-U.S. West Coast routes, short-term contracted rates were up 102 percent year-over-year to $6,570 per FEU last month, according to Xeneta, an ocean and air freight rate benchmarking and market analytics platform.

"There's no quick fix here," Josh Brazil, vice president of data insights at Project44, said. "Unless demand drops significantly after the holiday rush, this could be a multi-year problem."

However, some slowdown in rate hikes seems to be occurring. After 22 consecutive weeks of increases, Drewry's World Container Index (WCI) composite index stopped rising last week.

Drewry's composite WCI remained steady at $10,377.19 per FEU for the week ended Sept. 23, but was 299 percent higher than the same week in 2020. This comes following the announcement by CMA-CGM and Hapag-Lloyd to put a halt in increment of spot rates as container prices on most trade lanes are at record highs.

Project44 said while many factors causing the delays are market and pandemic-driven, such as increased demand for consumer goods and pandemic-related bottlenecks, carriers are cashing in on record revenues at the expense of shippers and a global economy where rising prices are ringing inflation alarm bells.

"Shippers can no longer absorb the costs," Brazil said. "Sustained astronomical shipping rates coupled with a delayed supply are already causing inflationary pressures in the broader economy.

Between August 2020 and August 2021, delays for containers moving between the Chinese port of Yantian and the West Coast U.S. port of Los Angeles increased from a monthly median of 2.46 days to 12.93 days. Over the same time, the monthly average market price for China-West Coast U.S. routes for a, FEU increased to $6,570 to $3,247.

In the same period, delays for containers moving between the Chinese port of Shanghai and the U.S. West Coast port of Long Beach decreased from a monthly median of 6.62 days to 4.92 days.

Delays for containers moving between Shanghai and the Netherlands' Rotterdam port increased from a monthly median of 1.88 days to 15.19 days. Over the same time, the monthly average market price for China- EU routes for an FEU increased to $12,877 from $1,650.

Drewry reported that freight rates from New York to Rotterdam dropped 8 percent to $1,107 per FEU. Similarly, rates on Los Angeles to Shanghai and Shanghai to New York fell 3 percent and 2 percent to reach $1,404 and $15,849 per FEU, respectively.

Rates on Shanghai to Rotterdam, Rotterdam to Shanghai, Shanghai to Los Angeles and Rotterdam to New York remained stable at previous weeks level. Drewry expects rates to remain steady this week.

Source: sourcingjournal.com– Sep 28, 2021

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Vietnam to ratify RCEP by November

Vietnam is scheduled to complete the ratification of the Regional Comprehensive Economic Partnership (RCEP) by November, according to deputy minister of industry and trade Tran Quoc Khanh.

At a recent economic ministers' consultation between the Association of Southeast Asian Nations (ASEAN) and dialogue partners, member nations also agreed to maintain the current market opening commitments relevant to trade and investment and increase trade facilitation measures, Khanh told a news agency.

Aside from implementing these initiatives, Vietnam and other ASEAN countries have also actively discussed the continuation of the economic cooperation initiatives proposed by Vietnam as the chair of the bloc in 2020.

The RCEP agreement, gathering the 10 ASEAN member nations and Australia, China, Japan, New Zealand and South Korea, will make up nearly 30 per cent of the world's gross domestic products and create a market covering nearly one-third of the global population.

It was signed last November and will come into effect 60 days after it is ratified by at least six ASEAN members and three other signatory countries.

Source: fibre2fashion.com– Sep 29, 2021

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Asian pavilions to return at Intertextile Apparel in China this Oct

Intertextile Apparel, the ready-to-wear fabrics fair, to be held from October 9-11 in China will mark the return of four Asian country pavilions — Japan, Korea, Hong Kong and Taiwan. With its large population and the increased popularity for quality products, the business opportunities in China are substantial for the overseas supplier, according to the organisers.

"We've seen a growing sense of product value among consumers, which generates increasing demand for higher quality products in the Chinese market. In other words, quality and value are prevailing over price, which we consider a good thing," Hiroomi Fujinami, product planning division at Iris Co Ltd, said in a press release.

At the spring edition in March 2021, numerous Chinese buyers visited the Japan Pavilion generating contracts worth an estimated total of around JPY 3.5 billion ($31.9 million) over three days, according to the pavilion organisers, Japan Fashion Week Organization (JFW).

The Japan Pavilion will consist of 36 companies, including two brand new exhibitors. The very best of original Japanese designs will be on display along with exclusively produced natural and polyester fibres. Stand-out qualities for Japanese suppliers has often comprised of their acceptance of small quantity orders and their handling of stock orders with quick delivery times.

Some key exhibitors to look out for include: Iris Co Ltd (Stand number: 2.1-G65); Marusa Co Ltd (Stand number: 2.1-J57); Nikke Textile Co Ltd (Stand number: 2.1-G57); Suzuki Bleach & Dyeing Co Ltd (Stand number: 2.1-F58); and, Uni Textile Co Ltd (Stand number: 2.1-E56).

The Taiwan Pavilion will feature 15 exhibitors displaying the latest innovative textile and accessories. Highlighted products include world famous lace and embroidery pieces for wedding and high-end dresses, and functional fabrics with antibacterial and hygienic features. Exhibiting companies include: Keen Ching Industrial Co Ltd (Stand number: 2.1-C34); Shu Hong Co Ltd (Stand number: 2.1-C32); and, Wedtex Industrial Corp (Stand number: 2.1-C46).

The Hong Kong Trade Development Council (HKTDC) are the organisers of the Hong Kong Pavilion which will showcase ladieswear, casualwear and functional wear from eight suppliers, with a variety of quality embroidery and high-grade knitted fabrics to be discovered. Two stand-out exhibitors are: HongKong Bonvor Industrial Limited (Stand number: 2.1-J52), and Xiang Tai Textile (HK) Limited (stand number: 2.1-K52).

Organised by the Korea Trade-Investment Promotion Agency (KOTRA) and the Korea Fashion Textile Association (KFTA), the Korea Pavilion members will mainly focus on ladieswear, casual wear and functional wear. A variety of fancy and functional fabrics can be found among the 14 exhibitors' collections, along with velvet, modal, metallic, tencel, nylon, rayon, cotton, jacquard, linen, wool, polyester, coated, printed and mixed woven fabrics. A highlighted exhibitor is Frog Co Ltd (stand number: 2.1-D66).

Rounding off the country and region pavilions, Milano Unica can also be found in SalonEurope alongside suppliers from Switzerland, Turkey, France and the UK to name a few. Milano Unica is returning to Intertextile for the first time since the start of the pandemic and will be formed of 38 exhibitors showcasing products from wool, cotton and functional fabrics to suiting and shirting fabrics. Meanwhile, the very best of made-in-Germany fabrics will be on display at the German zone with a focus on raw materials, finishings, functional textiles and more.

Intertextile Shanghai Apparel Fabrics – autumn edition will take place alongside Intertextile Shanghai Home Textiles – autumn edition, Yarn Expo Autumn, CHIC and PH Value, at the National Exhibition and Convention Centre (Shanghai).

Source: fibre2fashion.com– Sep 28, 2021

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Bangladesh: UNCTAD praises growth but sees wide inequality

Bangladesh has recorded sustained growth over the decades following restructuring but the structure of the country's economy remains concentrated on a few sectors and products that may prove counterproductive when its trade preferences go.

A UN agency rings the alarm that such narrow focus or concentration may adversely affect Bangladesh when it graduates from the LDC category, currently scheduled for 2026, that leaves it to play in an open field of international trade.

The United Nations Conference on Trade and Development (UNCTAD) made the observations in the Least Developed Countries Report 2021, released on Monday evening in Geneva.

"Despite dispiriting picture of the impact of international and domestic policies to boost the development of Least Developed Countries (LDCs), some successful cases indicate that the paths to development can be differentiated," says the report.

"As of the 1970s, Bangladesh accelerated its development as it undertook trade liberalization and started developing an export-oriented garment industry," it noted, indicating structural adjustments carried out as per donor recipes in a shift from the country's journey with state-controlled economy.

While mentioning that Bangladesh also invested in other economic sectors, such as the pharmaceutical industry, by creating a conducive national innovation system, the report sounds a note of caution about fallout from less diversification of the country's export basket as well as overall economic activities.

"However, Senegal, by contrast, has followed a different development strategy path, and has achieved a diversified economic structure between agriculture, industry and services," the UN trade body mentions in its report as a case of virtues of diversity.

"It also has a correspondingly more diversified export structure, which is less vulnerable to the consequences of graduation."

The report, however, adds that despite a poorly diversified export structure, largely hinging on ready-made garments, Bangladesh recorded 'steady and sustained growth'.

The theme of the latest UNCTAD report on world trade situation is 'The least developed countries in the post-COVID world: Learning from 50 years of experience'.

The United Nations established the LDC category 50 years ago. The grouping of the world's weakest economies has expanded from an initial 25 countries in 1971, peaking at 52 in 1991, and stands at 46 today, with only six countries having graduated -- stopped being an LDC -- to date.

UNCTAD also says that the merchandise-export structure of LDCs differs substantially as some countries can better take advantage of available international preferences than others.

"Bangladesh is an example of an LDC that has exercised its state capacity to substantially benefit from ISMs," it adds.

ISMs means International Support Measures, developed for the LDCs.

The UN agency also points out that usually rapidly growing LDCs increased their total wealth more substantially than other LDCs, as occurred in Bangladesh, Cambodia, Ethiopia, Lao People's Democratic Republic, or Rwanda.

It especially focused on two LDCs -Bangladesh and Senegal- currently engaged in the process of graduation out of the LDC category, which largely 'reflects the success that they have achieved in their development policies.'

According to UNCTAD, "These countries have adopted contrasting development strategies, but which each has shown success (though to different extent) in overcoming some of the major structural barriers to LDC development."

Both countries were recommended for graduation in 2021 and expected to no longer be an LDC in 2026.

Senegal is in an earlier phase of the graduation process, as it pre-qualified for graduation in the 2021 review of the LDCs.

The report further shows that structural transformation and economic growth in Bangladesh have taken the form of expansion of the manufacturing and services sectors.

"The development of global value chains (GVCs) in Bangladesh has been somewhat limited, especially when compared to the progress made by Cambodia and Lao People's Democratic Republic, as well as other Asian countries, such as China and Vietnam," it added.

"Bangladesh stands out for having relatively high backward participation and low forward participation in its GVC, driven by a textile and clothing industry accounting for 83 per cent of domestic value added in exports," it forecasts.

The report praises the country's effort on poverty reduction, despite gaping inequality.

"Economic growth, driven by export and remittance expansion, has accelerated since 2002," it said, pointing out a downside facet of the growth -- gaping inequality.

"Bangladesh's growth over the period 1983-2016 occurred in the midst of worsening inequality; a period in which the Gini index rose from 25.6 to 32.4, before plateauing again as rural development and employment creation made growth more inclusive.

"Despite these increases, the Gini index remains relatively low by international standards. Bangladesh has reduced income-poverty rates and incidence. Between 2000 and 2016 the incidence of poverty halved 24.6 percentage points."

The UNCTAD report further says Bangladesh needs to maintain the momentum in structural transformation with focus on economic diversification and execution of bold industrial policies for sustainable LDC graduation.

At the virtual launch of the report, global experts termed Bangladesh's economic growth resilient one but that resilience is highly dependent on international support measures or ISMs.

But the economy needs to mainstream the graduation into industrial policy framework building its competitiveness to avert any shock when the path of ISMs will be getting thin soon after its graduation, they said.

They also suggested putting more investment in targeted areas like human capital, social protection, revenue mobilisation and reform in the financial sector. At the same time, they also called upon international communities to come up with their investment in facilitating Bangladesh's economic progress in a sustainable way.

Economist at UNRC Office Mazedul Islam moderated the country event where Secretary of the Ministry of Commerce Tapan Kanti Ghosh was the chief guest.

Sharing the summary of the report, UNCTAD Economic Affairs Officer Giovanni Valensisi said the agency found Bangladesh's growth performance relatively resilient. The country even in the time of the pandemic maintained some positive level of GDP growth.

"What is critical is to maintain investment, not only physical investment but human capital as well because we know that the education sector is badly affected by the pandemic. Vulnerable groups also need to be protected," he said.

Highlighting the importance of maintaining the momentum of structural transformation, he said it is important to focus on economic diversification and adopt and implement bold industrial policies.

Sharing his third thoughts for sustainability of the economy, he said Bangladesh's progress relied heavily on ISMs, especially preferential market access.

He suggested mainstreaming graduation into the industrial policy framework by trying to gradually build up the competitiveness, which will be a key to absorbing the phasing out of the ISMs in the coming days.

Chief of UNCTAD's LDC section Rolf Traeger noted that LDCs need to spend 40 per cent of the GDP on meeting SDGs areas like health, education, social protection and biodiversity conservation.

"Currently, LDCs spend only 10 per cent of the GDP. So, enormous investment will be needed and this shows how tall the challenge is," he said.

Bangladesh like of other LDCs that are set to graduate to developing nations needs to transfer labour force to more productive sectors, which have higher incomes.

Terming domestic efforts for economic sustainability a key, he said domestic efforts will not be enough. So, ISMs will also be essential in the areas of trade, finance and technology.

CPD Distinguished Fellow Professor Mustafizur Rahman pointed out that Bangladesh economy is shifting from agriculture to non-agriculture sectors, mainly services, while manufacturing is still a nominal contributor to GDP.

"If we look at agriculture, 43 per cent of the labour are contributing 13 per cent of the GDP. So we can understand what the labour productivity in agriculture is. We will have to have structural transformation," he said.

After the graduation beyond 2026, he said, Bangladesh will have to make a transition from predominantly preferential market-driven competitiveness to productivity-and skill-driven competitiveness.

"If we want to do that, we will have to have more investment on productivity enhancement and skill upgradation," he said.

Speaking as chief guest, Commerce Secretary Tapan Kanti Ghosh said the country will have to face multiple challenges ahead like pandemic fallout, climate change-related events and the loss of ISMs after the graduation.

"We're aware of that and the government already formed six committees to successfully identify the challenges and turn them into opportunities. Bangladesh is actively working with UN bodies concerned to make a holistic plan to ride a graduation journey smoothly," he told the meet.
UN Resident Coordinator in Bangladesh Mia Seppo said LDCs, including Bangladesh, have faced many challenges because of adverse impact of Covid-19 pandemic and climate crisis.

She suggests that Bangladesh diversify exports alongside mproving private-sector competitiveness, business climate to get over the hurdles.

Source: thefinancialexpress.com.bd– Sep 28, 2021

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Bangladesh mulling regulatory body, new law for e-com sector

The Bangladesh government is mulling over forming a regulatory body and enacting a new law to strictly monitor the e-commerce sector amid reports of fraud, commerce minister Tipu Munshi told reporters after a meeting on recent problems in the sector. This regulatory authority will register e-commerce firms and a central complaint cell will also be set up.

"We will try to ensure that these companies cannot cheat customers anymore. Every company must obtain a unique business identification number from the commerce ministry," Munshi was quoted as saying by Bangla media reports.

He also urged people to control their greed to buy products at lower prices from e-commerce platforms to keep themselves safe from fraud.

Referring to allegations against some e-commerce firms, the minister said the government cannot shut down the entire e-commerce sector for the fraud committed by 10-12 companies as thousands of people are involved in the sector.

He promised tough action against e-commerce fraudsters. The Digital Security Act and the Money Laundering Act will be suitably amended to ensure legal action against fraudulent companies.

Source: fibre2fashion.com– Sep 29, 2021

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NATIONAL NEWS

Measures to reduce compliance burden have multiplier effect on ease of doing biz: Goyal

Union Minister of Commerce & Industry Piyush Goyal said that all efforts and measures to reduce compliance burden of several laws can have a multiplier effect on ease of doing business.

All efforts and measures to reduce compliance burden by means of simplification, elimination and decriminalisation of several laws can have a transformative impact and multiplier effect on ease of doing business, Commerce and Industry Minister Piyush Goyal said on Tuesday. He said reduction of compliance burden is about trust in every business, person and citizen.

"Reduction of compliances which include simplification of compliances, elimination of several compliances, decriminalisation of several laws...Collectively when you look at it, it can have a transformative impact and there is a multiplier effect on the ease of doing business," he said at the National Workshop On Reducing Compliance Burden here.

In the last seven years, several such measures have been taken due to which there is an improvement in competitiveness, innovation, and ease of doing business.

Secretary in Department for Promotion of Industry and Internal Trade (DPIIT) Anurag Jain said all the reforms related to compliance burden were put in four different buckets - simplification, rationalisation, digitisation and decriminalisation.

"By June 2021, almost 23,000 processes have been put in these four buckets. So 23,000 reforms have happened out of those 70,000 odd which were listed out (by a third party)," he said.

To reduce these burdens, every ministry, department and states were asked to conduct a comprehensive review of compliances under their purview to understand their relevance and rationale and undertake a complete process re-engineering to eliminate burdensome compliances.

The objective set for this comprehensive exercise was to improve ease of living and ease of doing business by simplifying, rationalizing, digitizing and decriminalizing government to business and citizen interfaces across all ministries/departments and states/UTs.

This is being done by a four-pronged strategy, including elimination of compliance burden, digitization: creation of online interfaces and decriminalisation of certain laws.

According to a progress report on reduction of compliance burden, released by the minister, the Centre is focused on decriminalization of minor offences to remove fear of prosecution for law abiding corporates and boost investment.

Total 46 penal provisions of the Companies Act, 2013 have been decriminalized.

Citing an example, it said the coal ministry is in the process of reviewing 10 more rules to be considered for abolition under Coal Mines (Conservation and Development) Act, 1974 and Coal Mines (Conservation and Development) Rules, 1975 and Department of Land Resources has also proposed to repeal Land Acquisition (Mines) Act.

Source: economictimes.com– Sep 28, 2021

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Industry may find $400 billion exports target a struggle with the FTP extended till March 2022

In a move that further added to the uncertainty among the exporter fraternity, Commerce and Industry Minister Piyush Goyal on Monday said that the Foreign Trade Policy (FTP) will be extended for another six months till March 31, 2022.

This is the third time that the policy has been extended. The government had extended the FTP 2015-20 on March 31 last year till March 31, 2021 in the wake of the deadly virus outbreak. It was extended again by six months till September 30, 2021 and the new policy would have come into effect from October 1.

Exporters and industry stakeholders, however, are not so gung ho about the new announcement. Pushkar Mukewar, Co-Founder and CEO of trade finance company Drip Capital says that the industry was looking forward to the new FTP and regarded it as a much-needed change to get the ball rolling in post-pandemic recovery.

"While Indian exports stagnated for a better part of the last decade, the Covid-19 pandemic further added to the exporters' woes. The new FTP would have promoted the ongoing export momentum. A well-formed policy could have created positive sentiments and helped India push way above the $400 billion exports goal for FY22," he said.

India's exports have been $185 billion during the April - September period, fuelling hope that the target of $400 billion for exports would be achievable in the current financial year. The FTP is a set of guidelines and instructions by DGFT pertaining to the import and export goods of India. Its aim has been to facilitate the growth in exports of goods and services in the country.

Mukewar feels that the export target for FY 22 may now be a struggle with the delay in the policy that has come to the fore. "With all the uncertainties and recent happenings like the semiconductor shortages, congestion at different ports worldwide, the latest virus variants and their consequences, rising prices of raw materials, etc., a robust FTP would have proved to be a solid backing to shield the trade community from further challenges," he added.

Container shortages and delay in shipments amid severe supply chain constraints have acted as major deterrents for exporters re-starting operations in a post pandemic world.

Other industry representatives are of the view that a status quo is better at this point in the aftermath of the Covid-19 outbreak which upended normal living. “It is only recently that the government has settled exporter claims and the RoDTEP rates. Bringing in a new FTP right now would have amounted to confusion,” Ajay Sahai, DG & CEO, FIEO said.

The Centre had notified the RoDTEP rates on August 17 this year after missing numerous deadlines. But it had led exporters largely unhappy citing the low rates that had been notified in the various sectors.

Sahai added that the schemes within the new policy would have to meet the WTO compliances and hence the support measures would be limited. “By and large, they can provide rebates on taxes and duties only as WTO does not permit beyond that. There is no further scope to provide support on non- refund of duties and taxes,” he stated.

Big ticket items, Sahai highlighted, such as using ecommerce to unfold the potential of exports, R&D and how India should take advantage of realignment of Global Value Chains can be looked at in the new policy.

Echoing similar sentiments, Vikas Singh Chauhan, Director, Home textile Exporters Welfare Association (HEWA) said such a decision will give time to both exporters and the government to study in detail the impact of many schemes and trade-related developments taken recently.

“If the government would have brought any big policy change, then exporters would have no option but to again go back to the drawing room and start all the planning afresh - that too at multiple levels,” he stated.

Chauhan said this in the context of the announcement of RoDTEP rates, the PLI scheme as well as the scheme to rebate all embedded State and Central Taxes/levies (RoSCTL) schemes which got extended for three years. In July, the Cabinet had approved the continuation of the RoSCTL scheme under which garment exporters would continue to get a rebate on central and state taxes on their outward shipments till March 2024.

Exports have been on an upward trajectory this year, showing a robust performance month-on-month since the start of the fiscal. What remains to be seen is whether this momentum is maintained and exports can be the proverbial saviour of the economy in a Covid-ravaged nation.

Source: economictimes.com– Sep 28, 2021

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Explained: How the PLI scheme for textiles works

The government has notified the Rs 10,683-crore Production Linked Incentive (PLI) scheme for textiles, specifically aimed at boosting the production of man-made fibre (MMF) fabric, MMF apparel and technical textiles. We examine the details of the scheme which is set to provide incentives from FY25 to FY29.

Which product lines are being incentivised by the scheme?

The scheme is incentivising production of 14 categories of MMF fabrics, 10 categories of technical textiles and MMF apparel. The MMF fabrics for which production is being incentivised include woven fabrics containing nylon, polyester and other manmade fibres.

Technical textiles that are set to be covered under the scheme include defence textiles such as bulletproof vests, fighter aircraft and submarine clothing and tents, mobile textiles such as safety airbags and tyre cords and protective textiles such as personal protective equipment and fire-retardant fabrics and clothing.

The scheme also incentivises the production of smart textiles embedded with active devices for medical, defence, and special purposes.
MMF fabrics, apparel and technical textiles currently account for about two-thirds of the international trade in textiles, and the PLI scheme is aimed at boosting India's share in these segments, commerce minister Piyush Goyal had said while announcing the PLI scheme.

Which producers are eligible for incentives under the scheme?

The first phase of the scheme will be open to producers that invest at least Rs 300 crore in plant, machinery, equipment and civil work (excluding land and administrative building cost). Such producers will receive incentives under the scheme once they achieve a turnover of at least Rs 600 crore.

In the second phase of the scheme, producers investing Rs 100 crore and generating a turnover of at least Rs 200 crore will receive incentives.

Projects that enhance the value of integrated fibre or yarn by at least 60 per cent in processing to fabric, garments or technical textiles will be selected under the scheme. Independent processing houses, however, will have to

meet a lower value enhancement threshold of 30 per cent to be eligible for selection under the scheme.

What are the incentives for producers under the scheme?

Participating companies are expected to achieve the minimum turnover requirements after a gestation period of two years and starting FY25 are entitled to 15 per cent incentive on attaining the required turnover in the first phase of the scheme.

Incentives in subsequent years will be contingent on turnover being increased by at least 25 per cent each year up to FY29, with incentives falling by 1 per cent each year to 11 per cent in the final year of the scheme.

In the second part of the scheme, in which producers with lower investment and turnover thresholds will be selected, incentives will start at 11 per cent for the achievement of the required turnover and fall by 1 per cent each year to 7 per cent in FY29, with incentives after year one being subject to a similar condition of 25 per cent annual growth in turnover.

Source: indianexpress.com– Sep 28, 2021

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Cotton Corporation of India distributes 5543 Kapas Plucker Machines valuing around Rs. 4 crores to 5543 marginal and small farmers in all the cotton growing states

The Cotton Corporation of India (CCI)hasso far distributed 5543 kapas plucker machines valuing around Rs. 4 crores to 5543 marginal and small farmers in all the cotton growing states (including aspirational districts) under Corporate Social Responsibility (CSR).

As CCI is a Nodal agency of Govt. of India under Ministry of Textiles for undertaking Minimum Support Price (MSP) operations of cotton in the event market rate of seed cotton falls below the MSP rates to protect the cotton farmers from distress sale. Therefore, the CSR budget of the Corporation remains very limited.Despite this constraint, the Corporation distributed kapasplucker machines to marginal and small farmers in all the cotton growing states.

Most of the cotton in India is manually picked which is a labour intensive operation. Unlike other major cotton producing Countries like USA, Australia etc, fully mechanized harvesting by big machines are not successful in India due to small land holdings of cotton farmers in India, sowing/picking pattern (3-4 picking) and different climatic condition in different States. Therefore, hand held kapasplucker machine is one of the option to bring down the cost for the farmers and a remedy for contamination at farm level due to manual picking.

Hand held kapasplucker machine is a light weight (about 600 gram) machine which has a pair of rollers inside having small edged teeth on their outer periphery and is operated by a light weight 12 volt. Cotton gets entangled with the rollers and is collected directly into collection bag attached to it. Design of machine makes it easy to operate at field and affordable i.e. at nominal cost of Rs. 8000 per machine (approx.).

Advantages of kapas plucker machines are as under:

- Reducing the risks of health hazards to cotton farmersin manual picking (i.e. risk of insect bite, back pains due to standing posture for long hours, bruises/cutting on legs & hands etc).
- Improve the cotton harvesting skills, reduce the dependency on scarce & costly labour and make cotton farmers “Atmanirbhar”
- Improve the quality of cotton by reducing contamination at farm level.

- Financial returns to cotton Farmers may improve by reducing harvest cost (reduced labour requirement), lesser trash & contamination and premium on sale of better quality cotton.
- Due to availability of indigenous good quality cotton, the quality of cotton yarn, textiles and value added products will also increase which may increase foreign exchange earnings.

In order to overcome the issues in manual harvesting of cotton and for improvement of quality of cotton by reduction in contamination at farm level, CCI started distribution of kapasplucker machine under its CSR activities.

State-wise Distribution of Kapas Plucker Machines by CCI under CSR is given below:

Click here for more details

Source: pib.gov.in– Sep 28, 2021

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PLI scheme for textiles sector: Only mfg firms registered in India to be eligible for sops

Only one company of a group will be allowed to be registered for PLI for Textiles

Only manufacturing companies registered in India will be eligible to participate under the recently approved Rs 10,683-crore production-linked incentive (PLI) scheme for the textiles sector, according to a notification of the textiles ministry.

Notifying the scheme, the ministry also said that participating companies will have to undertake processing and operation activities in their own factory premises.
It added that the turnover achieved from trading and outsourced job work will not be accounted for while calculating claims for availing the incentive.

The goods which are manufactured by the company registered under the scheme shall only be eligible for the incentives, it said adding goods manufactured by other manufacturers or units of the same group company shall not be accounted for in the calculation of incremental turnover.

"Only manufacturing companies registered in India will be eligible to participate under the scheme," the notification has said.

Incentives under the scheme will be available for five years during 2025-26 to 2029-30 on incremental turnover achieved during 2024-25 to 2028-29 with a budgetary outlay of ₹10,683 crore.

However, if a company is able to achieve the investment and performance targets one year early then, they will become eligible one-year in advance starting from 2024-25 to 2028-29, it added.

The scheme proposes to incentivise MMF (man-made fibre) Apparel, MMF Fabrics and 10 segments of Technical Textiles products.

Further, it said that only one company of a group will be allowed to be registered for PLI for Textiles and none of their other group companies will be eligible for participation in this scheme as a second participant.

"However, the group may make more than one application for consideration but they will have to take a decision at the time of selection regarding the proposal they want to take forward in case more than one of their proposals are shortlisted on the basis of transparent selection process," it added.

Source: thehindubusinessline.com– Sep 28, 2021

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e-Shram: Over two crore unorgansied sector workers register on portal so far

Over two crore unorganised sector workers have so far got themselves registered on the e-Shram portal, which was launched on August 26 to create a comprehensive database for such workers and to facilitate delivery of various welfare programmes and entitlements meant for them.

"Over two crore unorganised workers have registered on e-Shram. The greater the number of registered workers, the easier it will be to ensure benefits of welfare schemes reach them," labour minister Bhupender Yadav tweeted on Tuesday. The portal is the first-ever national database of unorganised workers including migrant workers, construction workers, gig and platform workers. It facilitates extending benefits of social sector schemes to the workers in the unorganised sector.

In the first week of the launch, 13.55 lakh workers got themselves registered, another 19.52 lakh in the second week, an additional 69 lakh in the third week and in the fourth, a total of 69.53 lakh workers registered on the portal. The government wants every worker in unorganised sector get registered on the portal so that those who perform very small work is able to avail the benefits of government schemes.

As per Economic Survey 2019-20, there are an estimated 38 crore unorganised workers in the country. The ministry hopes 8-10 crore workers will get themselves registered on the portal in the current fiscal.

After registration at the e-shram portal, an unorganised sector worker shall receive a digital e-shram card. She will have a universal account number printed on the e-shram card that will be acceptable across the country. This will do away with the requirement of further registration at different places for obtaining social security benefits.

A worker registered with the e-shram portal will be eligible for accidental benefit of Rs 2 lakh on death or permanent disability and Rs 1 lakh on partial disability.

Source: financialexpress.com– Sep 29, 2021

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S&P Global Ratings sees signs of strong rebound in economy after second wave

However, rating agency notes the lag in vaccination in India

Global firm S&P Global Ratings said on Tuesday there are indications of strong rebound after last Covid surge but noted the lag in vaccination. However, it has maintained its growth projection of 9.5 per cent for the current fiscal.

India eyes rating upgrade

In its report, titled "Economic Outlook Asia-Pacific Q4 2021: Growth Slows On Covid-19 And Rising China Uncertainty," the firm noted that domestic macro indicators remain weak in India, though recovering. "The April-June period saw a steep contraction in activity on the back of a severe Covid-19 wave, but high-frequency indicators suggest a strong rebound over July-September," it said.

These remarks come at a time when India is pitching for a rating upgrade. As of now, all the global firms have placed India in the last investment ranking. However, India feels its performance has improved and it has never defaulted, so it should be given an upgrade. Now, firms will finalise its position once their consultation with the government and various stakeholders are completed.

S&P growth projection is in line with RBI which also estimated growth rate of 9.5 per cent for the current fiscal. However, it is lower than ADB's revised projection of 10 per cent. Various agencies have projections ranging between 8.5 and 9.8 per cent.

Meanwhile, S&P said that households and micro and small enterprises were most affected in the latest downturn and will slow the recovery while they repair their balance sheets.

Inflation remains relatively high, and public debt worries persist. "Faster-than-expected tapering could cause capital flow risks as monetary policy in India remains highly accommodative with real interest rates in negative territory," it said.

Muted inflation pressure

It also mentioned that inflation pressures are still muted in much of the region. It acknowledged that other fundamentals such as the reserve buffers and current account shortfalls are better than in 2013, when India was one of the "Fragile Five" economies caught in the crosswinds of Federal Reserve tapering.

The firm said that vaccination rates have picked up noticeably across the region since its last report. Indeed, some economies are catching up with the US and Europe in terms of coverage. "The advanced economies in Asia-Pacific are generally vaccinating their populations more quickly (excluding Taiwan) while the emerging economies of India and South-East Asia (excluding Malaysia) generally continue to lag," it said.

Though there is no change of growth projection for India, it has revised the forecast for China by 30 basis points to 8 per cent growth for 2021 as private demand recovery still looks soft and there is higher near-term uncertainty. "We revised our 2021 growth forecast lower for the South-East Asia emerging markets by 1.2 percentage points to 3.1 per cent.

For the high-income Asia economies, we forecast growth of 3.6 per cent, down from 3.8 per cent previously, as international trade is supporting growth even as domestic demand weakened," it said, while highlighting that New Zealand and Singapore are the only economies in Asia Pacific estimated to have faster growth in 2021 than its previous forecast in June.

Source: thehindubusinessline.com– Sep 28, 2021

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Indonesia envoy makes pitch for better trade ties with A.P.

He says Indonesia will emerge as fourth largest economy by 2050

Consul General of the Republic of Indonesia in Mumbai Agus P. Saptono called upon industrialists and entrepreneurs from Andhra Pradesh to take part in the Trade Expo-Indonesia 2021 and explore the opportunities for investing in Indonesia.

Mr. Saptono presented the opportunities for enhancing bilateral trades between Indonesia and India during an online session organised by the Andhra Pradesh Chambers of Commerce and Industry Federation (APCCIF) in association with the Consulate General of the Republic of Indonesia in Mumbai, Embassy of the Republic of Indonesia and Indonesian Trade Promotion Centre (ITPC), Chennai.

“Indonesia is expected to become the fourth largest economy after the U.S., China and India, and the third-largest Asian economy by 2050. Indonesia’s GDP will rise by 5% in 2022 as per predictions and in 2021, it stood at 4.5%,” he said.

“Currently, 57 companies have been doing business in Indonesia in sectors like oil and gas, transportation, textile machines, salt technology, electrical energy and renewable energy. Indonesia also wants to increase its footprint in India under the ‘Outbound Investments’ programme and as of now investments have been made in nine companies,” he said.

Mr. Saptono said the number of Indian visitors to Indonesia was increasing every year and to cater to the international tourists, Indonesia has introduced five super-priority tourist destinations including Labuan Bajo, Borobudur, Banau Toba, Mandalika and Likupang. He said the interactive Trade Expo will be held online from October 21 to November 4 to revive global trade.

APCCIF president Pydah Krishna Prasad said that the industrials from the State are keen on exploring trade opportunities in Indonesia. He said they were looking forward to visiting Indonesia which would be more fruitful than a virtual expo.

Embassy of the Republic of Indonesia trade attache Bona Kusuma, ITPC director Kumarajati and APCCIF president-elect Potluri Bhaskara Rao took part in the virtual meeting.

APCCIF said businessmen interested in exploring opportunities with Indonesia can contact them for guidance and help at federation@apchamber.in or call them on 0866-2482888.

Source: thehindu.com– Sep 29, 2021

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SIMA to work with State govt. to promote cotton cultivation

The Southern India Mills' Association (SIMA) will work with the State government to increase the area under cotton cultivation in Tamil Nadu, said Ravi Sam, chairman of Southern India Mills' Association. Mr. Ravi Sam and association vice-chairman Durai Palanisamy told presspersons here on Monday that Tamil Nadu was once a major cotton producing State. Though it was a leading textile producer now, the industry purchased cotton from other States.

With the removal of 1 % market committee cess on cotton, the Cotton Corporation of India(CCI) has expressed willingness to establish warehouses in the State. The first one will come up in Coimbatore and the Central Warehousing Corporation will handle it, said T. Rajkumar, chairman of Confederation of Indian Textile Industry.

The CCI had nine lakh bales of cotton with it and if the industry wanted to purchase cotton from it, the CCI would move the cotton to the warehouses here. This would help in cost saving for the industry. With the Union government approving the Production Linked Incentive Scheme for textiles, 10 to 15 industries in the State were expected to invest approximately ₹300 crore each under the scheme.

Works to commission a textile processing park proposed by SIMA at Cuddalore would be expedited. The association had developed a common infrastructure at Cuddalore with an investment of ₹96 crore, and two units had expressed willingness to put up plants immediately. The Union government would support establishing one mega textile park in each southern State. The Tamil Nadu government had expressed willingness to have three parks - at Dharmapuri, Thoothukudi, and Virudhunagar.

Mr. Ravi Sam said the other focus areas of the Association were working with the Union government and urging it to sign free trade agreements with select countries soon. Further, the import duty on cotton should be removed and the hank yarn obligation should be reduced to 20 %, he said.

Source: thehindu.com– Sep 28, 2021

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