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INTERNATIONAL NEWS

Chinese firm Fosun Fashion Group rebrands to Lanvin Group

Global luxury fashion company Fosun Fashion Group has announced its rebranding to Lanvin Group, one of the oldest operating French luxury couture fashion houses, recognised globally for its iconic heritage and timeless designs. The rebranding to Lanvin Group exemplifies the group's clear vision to build a global portfolio of iconic luxury fashion brands.

Lanvin Group has also announced two new strategic investors, Japanese trading conglomerate Itochu Corporation, and luxury footwear developer and manufacturer Stella International, as well as Xizhi Capital, an experienced private equity group in China in various sectors including fashion and consumer. The latest capital round closed at a post-money valuation of over $1 billion, bringing Lanvin Group's total amount raised across all rounds to approximately $300 million, the company said in a media release.

Lanvin Group was established by Fosun International Limited in 2017 to capitalise on the growing global demand for luxury fashion, particularly in the Chinese market. Fosun International ranks 459th on the 2021 Forbes Global 2000 List, managing over $120 billion in total assets.

Lanvin Group's portfolio of iconic heritage brands covers a wide spectrum of luxury fashion categories, including French couture house Lanvin, Italian luxury shoemaker Sergio Rossi, Austrian skinwear specialist Wolford, iconic American womenswear brand St. John Knits, and high-end Italian menswear maker Caruso.

Guo Guangchang, chairman and co-founder of Fosun International Limited, commented: "Lanvin Group is set to become the next in a line of industry champions. The group is well positioned to exploit the resilient demand for luxury goods globally, especially in China, where Fosun and its partners have unparalleled access and track record in growing international consumer brands in the world's largest consumer market."

Leveraging the best-in-class resources of its alliance partners, Lanvin Group has strengthened product development and manufacturing operations across the portfolio and advanced digital and e-commerce capabilities of its portfolio brands. This unique strategic alliance will continue to play an integral role in Lanvin Group's expansion as it drives the growth of the existing portfolio while exploring opportunities to invest in more global luxury fashion brands and to further accelerate growth, the release said.

Source: fibre2fashion.comm–Oct 12, 2021

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Global retail market has reached pre-Covid levels: Lulu Group

The global retail market, including India, has almost reached the pre-Covid level. A full recovery is expected very soon with the renewed demand and bounce back of retail, said M.A. Yusuff Ali – CMD, Lulu Group.

Lulu Group has faced a delay of its three mall projects in the country due to the disruption caused by the pandemic and the subsequent lockdown impacting the retail industry the hardest.

“While no business has been immune to the pandemic over the last two years, I am confident that it is just a matter of time before the retail sector bounces back. We faced some delays in the projects, but there were no plans to drop any investment plans because of the COVID-19 created business situation,” said Yusuff.

LuLu Group International has committed Rs 5000 crore to develop retail malls across Bangalore, Trivandrum and Lucknow. The firm had earlier planned to open these stores last year. However, the outbreak of pandemic globally halted its plan.

“India holds a huge potential in the retail sector, and there is no slowing down of investment from LuLu Group globally. The second investment phase will be a sizeable amount in India over the coming years,” said Ali.

The firm's two projects – in Lucknow (Uttar Pradesh) and Thiruvananthapuram (Kerala) are expected to open by the end of this year and early next year. The group has also extended its second retail destination, an 8 lakh sqft Global Mall in Bangalore. While the Lulu Hypermarket - the giant Hypermarket in Bengaluru is spread across 2 lakh sqft, and Funtura is set up across 60,000 sft, the largest indoor entertainment zone in India.

At the onset of the pandemic, consumer behaviour shifted towards ‘conscious buying’, leading to a significant shift in consumer purchase behaviour across physical retail and E-commerce. The F&B, E-commerce, pharmaceuticals, and the traditional grocery retailers as the top-performing sectors witnessed steady growth despite the pandemic.

The Abu-Dhabi based firm plans to further expand to more tier I and tier-II cities in the coming years to tap into the growing retail market in the country. "We will set up more than one store in big cities, but smaller cities will have only one store. We see a revival across our malls globally, including India," he added.

With an annual turnover worth $ 7.4 billion, and a workforce of over 50,000 globally, its business portfolio ranges from hypermarket operations to shopping mall development, manufacturing and trading of goods, food processing plants, wholesale distribution, hospitality assets, and real estate development across 22 countries. Currently, Lulu Group operates 215 Lulu stores and 23 shopping malls across the GCC, Egypt, India, and the Far East, serving services to more than 1,100,000 shoppers daily.

Green shoots of recovery were witnessed in India's retail segment with significant improvement in sales and getting closer to the pre-COVID levels. Delhi and Bangalore are leading the sectors' growth with an expected addition of over 5 Mn Sq. ft of the overall organised retail stock respectively followed by Hyderabad expected to add over 3 Mn Sq.

CBRE South Asia in its latest report titled 'India Retail Reboot 2021, said the report highlights that India's organised retail stock has reached 64.3 Mn Sq. ft as of H1 2021 and is expected to cross 82 Mn Sq. ft by 2023.

Source: economictimes.indiatimes.com– Oct 12, 2021

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Pakistan: Textile sector seeks duty-free yarn import

Value-added garment and home textile exporters have urged the government to abolish customs and regulatory duties on the import of cotton yarn as they are facing shortage of this vital input.

"The government must allow import of cotton yarn from across the world as it is a major raw material of value-added textile export industry," Pakistan Hosiery Manufacturers and Exporters Association Central Chairman Shahzad Azam Khan said, adding that the available cotton yarn was of substandard quality.

Exporters were reluctant to finalise export orders due to the prevailing cotton yarn crisis, he said. "In this scenario, such export orders will be diverted to other regional countries."

Despite a huge demand for cotton yarn in the local value-added industry, yarn manufacturers and spinners were seen exporting the raw material to regional countries.

"Yarn manufacturers are depriving the value-added textile sector of the main input and in the meantime passing the subsidy benefit, given by the government, on to regional competitors," he alleged.

In comments to The Express Tribune, Topline Securities analyst Saad Ziker termed these claims a true picture of the current situation in the industry. "There is a massive need for cotton in the industry," he said, adding that the value-added textile sector wanted to fulfill maximum export orders but they could not due to cotton shortage.

He underlined that their demand for cotton import from around the world was drawing a lot of criticism in the market, as textile was the largest contributor to overall exports from the country.

Other regional countries such as India and Bangladesh were also recovering from the Covid-19 pandemic and trying to capture their lost share in orders. "The government needs to pay attention to their demands and address their queries as soon as possible, which will ultimately help Pakistan in the long run," he added.

AHL analyst Arsalan Hanif was of the view that textile manufacturers' demand to eliminate customs and regulatory duties and allow import of cotton yarn would not only resolve supply-side issues but would also reduce cotton prices in the local market.

However, this could have negative repercussions, as farmers would feel insecure and demotivated if they did not receive the expected price, he added.

While exporters were demanding duty-free cotton yarn imports, some sources said it was unnecessary and would burden the country.
"There is no shortage of cotton yarn in the country," said an industry source requesting anonymity.

"If you compare cotton yarn production with its exports, you will realise that only 11% of the cotton yarn produced has been exported," he said, adding that the issue was with the rising cotton cost around the globe.

"How exports of value-added textile products increased, if there was a shortage of cotton yarn," he asked.

Source: tribune.com.pk – Oct 12, 2021

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Address barriers in cotton imports from the US, urge Bangladesh spinners

At a seminar organized by the Bangladesh Cotton Association (BCA) and Cotton Council International (CCI) to celebrate 'World Cotton Day' in Dhaka, Bangladesh local spinners urged authorities to address barriers in cotton imports from the US to smoothen supply. The spinners also urged for a duty concession on RMG products made from US cotton to enhance the bilateral trade, said Mohammad Ali Khokon, President, BTMA.

Terming the US as one of the major export destinations of Bangladesh RMG, Khokon said, while there is a lot of potential to enhance trade between Bangladesh and the US, the existing tariff structure to enter the US market of its RMG products is comparatively high. He urged the US government to provide some concession for RMG products from Bangladesh made with US cotton and added this will be a win-win situation for both countries. He also requested Miller to raise the issue with US government with high emphasis. The World Cotton Day was launched by the World Trade Organization (WTO) in 2019 while the United Nations General Assembly officially recognized October 07 as World Cotton Day on August 30 last year.

Source: fashionatingworld.com – Oct 11, 2021

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$180b technical textile market still eludes Bangladesh

The current size of the global technical textile market is about $180 billion but Bangladesh is yet to tap this huge potential.

There are five main reasons behind this: lack of awareness of market requirements, inadequate technical expertise, difficulty in sourcing high-performance raw materials, compliance and certification requirements and need for capital investment.

A recent study came up with such information. According to the study, Bangladesh, still in the early stage of technical textiles, has a huge potential to capture the markets of Europe and America, the big buyers of this product.

The study, titled 'Feasibility study on scaling up the production of Technical Textile (TT) including Personal Protective Equipment (PPE) in Bangladesh', was conducted by German-based Deutsche Gesellschaft für Internationale Zusammenarbeit (giz). The study will be released on Tuesday jointly with the Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

Technical textile is a textile product manufactured for non-aesthetic purposes, where functionality is the primary criterion. Currently, technical textile materials are most widely used in filter clothing, furniture, hygiene medicals, and construction materials. Mask and PPE are also technical textile products.

"Most apparel manufacturers in Bangladesh tend to be medium-sized companies. Even large apparel groups are not known by international procurement agencies for TT/PPE products. The sourcing supply channel for medical PPE products is far more complex than that of apparel. Comprehensive details regarding performance, testing and certification requirements for the EU and the US are provided," said the report.

The technical textile market is projected to grow to $224.4 billion by 2025 at an average annual growth rate of 4.2%. Meanwhile, the global PPE market is projected to pass $93 billion by the end of 2025.

According to the Export Promotion Bureau (EPB), in the last fiscal year 2020-21, Bangladesh exported PPEs and masks worth $618 million to the world market, which is 23% more than the previous year. Apart from this, the exact amount of other technical textiles exported is not known.

However, entrepreneurs in the garment industry say that Bangladesh is still unable to export even 0.5% of the demand in the world market. But the share of Bangladesh in the world market of readymade garments is more than 6%.

According to the Bangladesh Garments Manufacturers and Exporters Association (BGMEA), an association of garment industry owners, 155 of its members export masks and PPEs. Masks have been exported to 19 countries and PPEs to six countries.

The study cited the complexity of raw material sourcing and testing or certification standards as one of the reasons for Bangladesh's lagging in technical textile exports.

BGMEA Director Abdullah Hil Rakib told The Business Standard we almost have no export of technical textiles to the world market. We just started after the advent of the Covid pandemic.

Ensuring supply and order of raw materials is a big challenge to exporting technical textile products. It is not yet recognised worldwide that Bangladesh can export this product, he added.

However, Rakib continued, we have started getting international certification for some PPEs. So, there are possibilities in the future. Even if we can capture 10% of the market, our total garment exports would exceed $50 billion.

Shahidullah Azim, vice president of BGMEA, told TBS, "From now on, we are encouraging the production of high-value or exceptional clothing outside the ordinary clothing. However, those who take such initiatives should get a special incentive from the government."

The study also pointed to a way for Bangladesh to do well in exporting such products. It said that a complete strategy has to be adopted for first stage development, based on a limited number of products by a limited number of well-established technical apparel manufacturers in the greater Dhaka area who will act as a role model TT/PPE cluster.

Everything starts on a small scale and once a solid foundation is built, the sub-sector can rely on increased demand to bolster more product diversification at a second stage, it said.

The study said during the first stage, factories will upgrade technology and implement lean manufacturing practices. The relevant departments will ensure suitable raw material procurement and quality production. Other departments will learn all the requirements for meeting testing and certification standards. Once Bangladesh builds its reputation, confidence and reliability in this new product sector, it can gradually introduce more technology and advance to more diversified and sophisticated products offering greater profit margins.

"Even starting with a limited number of products, if they are done well, it will open the door to a host of other niche categories and products. Encouraged by the success of the early manufacturers, more companies will take the leap and the sub-sector will grow.

"Europe is the current leader in imports of medical textiles but demand from North America is growing and expected to grow further. The world of technical textiles and their end-use products is endless.

"Once manufacturers have established reliable material supply, upgrade their operations and learn the necessary testing and certifications procedures, there are huge opportunities in product diversifications," the report said.

Bangladesh also benefits from the EU's Everything but Arms (EBA) scheme which allows for duty-free imports.

Source: tbsnews.net– Oct 12, 2021

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Bangladesh's RMG exporters seek duty-free access to Brazil

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has called on the government of Brazil to provide duty-free access for the country's apparel products. Bangladesh is willing to import more cotton from Brazil for its RMG industry and BGMEA has requested for cooperation from the Ambassador of Brazil to Bangladesh in this regard.

Ambassador of Brazil to Bangladesh, Joao Tabajara de Oliveira Junior, paid a courtesy call on BGMEA president Faruque Hassan recently to discuss how the two countries can reap mutual trade benefits through collaboration in the apparel and textile industry.

Hassan apprised the envoy of the future priorities of Bangladesh RMG industry, with special focus on diversification in products, market and innovation in product development, the BGMEA said in a media release.

They talked about scope of collaboration and support from Brazil especially in building capacity of Bangladesh’s RMG sector in design development for value-added apparel products.

“While Brazil has a huge pool of designers and experts, we have huge manufacturing capacity. If Brazil and Bangladesh can work together in developing our capability in designing and manufacturing value-added products which can be exported to South American countries. It will benefit both Brazil and Bangladesh,” Hassan added.

Source: fibre2fashion.com– Oct 12, 2021

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Sri Lanka's textile & garment exports up 21.9% in Jan-July '21

Sri Lanka’s earnings from textiles and garments exports increased by 21.9 per cent year-on-year to $2.941 billion during the first seven months of 2021, according to the statistics released by the Central Bank of Sri Lanka. Exports of textiles increased 39.1 per cent to $184.2 million, while garment exports were up 25.5 per cent to $2.683 billion.

Exports of other made-up textile articles fetched $74.4 million, registering a decrease of 47.7 per cent year-on-year, the central bank said in its report ‘External Sector Performance – July 2021’.

Textiles and garments exports accounted for 56.17 per cent of all industrial exports from Sri Lanka during the seven-month period, the report said. Imports of textiles and textile articles too rose by 34.8 per cent to $1.702 billion, while clothing and accessories imports fell 3.4 per cent to $120.2 million during January-July 2021.

In July 2021, Sri Lanka’s earnings from textiles and garment exports fell 3.2 per cent to $454.1 million, compared to exports of $469.2 million in the same month of 2020. Expenditure on textiles and textile articles shot up by 27.4 per cent year-on-year to $251.2 million, while clothing and accessories imports were up 10.8 per cent to $14.9 million.

In 2020, Sri Lanka's textiles and garment exports stood at $4.423 billion, registering a steep fall of 21 per cent compared to exports of $5.596 billion in the preceding year. Of this, clothing exports fetched $3.939 billion, a fall of 24.3 per cent over $5.205 billion in 2019. On the other hand, imports of textiles and textile articles decreased by 19.7 per cent to $2.335 billion.

Source: fibre2fashion.com – Oct 11, 2021

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NATIONAL NEWS

Goyal to meet trade ministers from UK, US, Brazil, Australia, S Africa, South Korea on G-20 sidelines

Will discuss on-going trade deals, global supply chains, investment potential

Commerce & Industry Minister Piyush Goyal is scheduled to hold a series of bilateral meetings with his counterparts from countries such as Australia, the UK, Brazil, the US, the EU, South Africa and South Korea on the sidelines of the on-going G 20 Ministerial Summit in Italy.

"The Minister is going to meet top global trade ministers at G 20 Ministerial Summit in Italy, to give further impetus to trade ties," according to a government official.

G20 Trade Meet: India likely to make renewed pitch for IPR waiver for Covid-19 vaccines, meds

This is part of the government's efforts to achieve $400-billion export target this financial year and increase it further the next, the official added.

FM interacts with co-chairs of G20 high-level panel

Goyal is likely to discuss the on-going talks on Free Trade Agreements with partners such as the UK and the EU as well as other deals and partnerships with his counterparts.

Other areas to be highlighted by the Minister in his meetings are likely to include building of robust supply chains, the on-going 'Make in India' initiative in the country and India as an attractive foreign investment destination, the official said.

IPR waiver

Goyal is scheduled to give his address at the G 20 Summit on Tuesday where he is likely to make a renewed pitch for the need for temporary intellectual property rights waiver for essential medicines and vaccines to beat the Covid-19 pandemic.

The Minister will also meet WTO Director General Ngozi Okonjo-Iweala at the on-going Summit. He may stress on the need for the WTO to keep recognising the sensitivities of developing countries and work out fair deals in all areas being negotiated, including domestic subsidies in agriculture.

Source: thehindubusinessline.com – Oct 11, 2021

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Indian economy on path to swift recovery: Finance Ministry report

Sustained and robust growth in agriculture, sharp rebound in manufacturing and industry, resumption of services activity and buoyant revenues suggest that the economy is progressing well, the September review said.

Strategic reforms and the rapid vaccination drive has placed the country on the path to swift recovery by enabling the economy to “navigate the ravaging waves” of the COVID-19 pandemic, according to the Finance Ministry’s Monthly Economic Review.

Sustained and robust growth in agriculture, sharp rebound in manufacturing and industry, resumption of services activity and buoyant revenues suggest that the economy is progressing well, the September review said.

“India is well-placed on the path to swift recovery with growth impulses visibly transmitted to all sectors of the economy… Strategic reforms undertaken so far along with new milestones in vaccination drive have enabled the economy to navigate the ravaging waves of the COVID-19 pandemic,” it said.

The external sector continues to offer bright prospects to India’s growth revival as the country’s merchandise exports crossed the USD 30-billion mark for the sixth consecutive month in fiscal year 2021-22, it said.

With merchandise trade deficit also rising in September, there is clear evidence of consumption and investment demand is also picking up in India, it said, adding, the external debt-to-GDP ratio continues to remain comfortable, declining to 20.2 per cent at the end-June 2021, from 21.1 per cent at the end-March 2021.

In tandem with growth impulses witnessed across the economy, the report said, the rate of growth of bank credit stood at 6.7 per cent YoY in the fortnight ending September 10, 2021 compared to 5.3 per cent in the corresponding period of the previous year.

With restoration of supply chains, improved mobility, and softening food inflation, consumer price index (CPI) inflation retreated to a four month-low of 5.3 per cent in August 2021, clearly demonstrating that inflationary tendencies are pandemic-induced and transitory.

However, it said, volatile prices in the international crude oil markets and upward-bound prices of edible oils and metal products may continue to pose concerns. Comfortable levels of systemic liquidity and softening of inflationary pressure have also lent stability to G-Sec yields in September 2021. The 10-year yield remained unchanged at 6.2 per cent compared to August.

Latest trends in high-frequency economic indicators in August and September further indicate a broad-based recovery evidenced in sustained improvement in power consumption, rail freight activity, e-way bills, robust GST collections, highway toll collections posting a 21-month high, sequential uptick in air freight and passenger traffic, and quantum leap in digital transactions.

Source: financialexpress.com– Oct 11, 2021

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Commerce ministry provides alternate method for transfer of space by exiting unit in SEZ

The Commerce Ministry on Monday provided an alternate method for the transfer of space by an exiting unit in a spe cial economic zone (SEZ), a move aimed at promoting ease of doing business. According to an instruction given to all zonal development commissioners of SEZs, the ministry said it has received representations from stakeholders expressing difficulties in following the procedures to exit from a zone as the exiting units are not able to recover the value of their financial assets.

"The matter has been examined in consultation with concerned stakeholders. In order to facilitate the smooth operation of business activities by SEZ units and for the ease of doing business....clarifications are issued for the transfer of space under the extant provisions of Rule 74 of SEZ Rules, 2006," the instruction said.

Rule 74 deals with the exit of units from a zone.

As per the laid out procedure now, the SEZ authority will engage an independent valuer to assess the current value of the physical assets as well as financial assets, in the nature of unutilised portion of any upfront lumpsum payment, if any, in the nature of premium, advance lease rentals made by the exiting unit paid at the time of issuance of letter of approval.

"When the exiting unit identified a potential buyer, such potential buyer shall be required to indicate the periodic lease rent for the space that they are prepared to pay to the authority for the space being vacated by the exiting unit," it said.

After that, the SEZ authority will advertise the availability of space and conduct an e-auction among eligible bidders for allocation of the said space based on bids to be submitted by eligible bidders.

It added that while this arrangement entails the transfer of assets of an exiting unit to an eligible incoming unit, the exiting unit will continue to remain liable for any liability pertaining to the period of its operations that may arise in the future.

Commenting on the move, Gems and jewelry Export Promotion Council (GJEPC) Chairman Colin Shah said that it is a historic decision for the units in SEZ as it will help existing units to scale up at a time when exports are booming and will also enable new units to acquire space in SEZ.

"Till 2013, there was no condition of surrendering the properties back to SEZ, but with a condition being imposed that even the purchased premises have to be surrendered back to SEZ for auction which was creating impediment in mortgage and getting loans. At least 50 per cent of the property in SEEPZ (Santacruz Electronics Export Processing Zone) was unutilised or underutilised for years," the council said.

Benefits of space transfer policy include existing units can exit easily, transparency in the transfer, hybrid of auction and direct agreement and benefit to buyer-seller and no loss to the government, it added.

Source: economictimes.indiatimes.com – Oct 11, 2021

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India does a turnaround on trade spurred by post-Covid economic reality

Emphasis is on one-to-one quick partnerships in effort to revive pandemic-hit economy

India is racing to wrap up a clutch of quick-fire bilateral trade pacts by the end of March, officials said, as economic necessity spurs a shift from New Delhi's usual go-slow approach on trade deals.

The shift also means that Prime Minister Narendra Modi's government is prioritising "early harvest" pacts over comprehensive free trade agreements with partners, a move that's leaving some countries perplexed, officials said, asking not to be identified as the talks are private.

India-UK FTA negotiations likely to begin in November

Modi's office is pushing ministries, particularly foreign and commerce, to deliver on initial deals with countries including Australia and the UK, several officials said. That's even as India walked away from Asia's biggest multilateral agreement in 2019 and has shown little interest so far in a Trans-Pacific pact.

For the ruling Bharatiya Janata Party, historically wary of being tied down to overseas deals and upsetting its loyal vote base of small traders, the emphasis on one-to-one quick trade deals is a U-turn of sorts after pushing for the need to be self-reliant. The stakes are high politically as Modi looks to revive an economy battered from the pandemic and attract more investment from the US and its allies looking to India as a counterweight to China.

The urgency to wrap up deals swiftly stems from the realisation that the window of opportunity to benefit from the realignment of global supply chains may be short-lived, according to officials.

New Delhi is currently negotiating bilateral trade agreements with 20 nations and expects to complete half a dozen deals, including those with Australia and Britain by this Christmas and March next year respectively. This push for one-to-one trade agreements with emphasis on early harvest deals instead of comprehensive FTAs has perplexed at least two countries, the officials with knowledge of the talks said, asking not to be identified as talks were ongoing. There was no immediate comment from the prime minister's office or the foreign ministry.

Boosting GDP growth

India's realisation about the need to prioritise trade as a geopolitical strategy in turn has led to a bigger focus on pushing for higher exports and quick trade deals that can boost GDP growth, according to officials. In August, Modi himself conveyed the urgency as he addressed the heads of India's overseas missions and urged them to help boost exports as global supply chains realign.

Are investors shifting from China to India?

While India announced manufacturing sops like production-linked incentives to attract global supply chains and create employment, these could take longer to show results, said Amitendu Palit, an economist specialising in international trade and investment at the National University of Singapore who worked for India's finance ministry in the past.

There has been growing pressure on the trade ministry to examine proposed deals more closely, the officials said. Commerce and Industry Minister Piyush Goyal has now set a steep target of $400 billion for India's annual merchandise exports for the fiscal year that ends in April 2022 —almost 38 per cent higher than $290 billion recorded last year. He's also seeking to push that number to $2 trillion by the end of this decade.

The target is a first for New Delhi after having side-stepped multilateral trade pacts since Modi came to power in 2014. His government has pushed for more self-reliance and a reduced dependence on imports. It was part of the reason India ended up walking away from the China-backed Regional Comprehensive Economic Partnership.

India has "earned more trust" from trade partners during the pandemic by ensuring that not a single supply chain was disrupted, which has led to a surge in interest about signing agreements given the country's economic growth plans, said a senior commerce ministry official, who asked not to be named because he wasn't authorised to speak to the media. The official added that early harvest deals will "ensure things move faster" in areas where there's easy agreement while negotiations can continue on issues that will need more time before final, comprehensive deals are signed.

National interest

The re-engagement on trade by Modi's government comes as a more than a year-long border conflict with China continues to linger and regional security is now newly threatened by the Taliban takeover in Afghanistan. New Delhi is looking at strengthening trade with G-7 nations with strong Indo-Pacific strategies and those with growing influence in central Asia such as the United Arab Emirates.

The UK and India are negotiating tariff cuts and market access for around 600 products each in a bid to clinch an interim agreement by March, said the people. Items under discussion include Indian textile products, leather, footwear and chemicals, they said.

In return, India may grant access to processed food, some farm products along with fin-tech, life sciences, and medical equipment industry.

“Strategic and economic ties bolster each other. At the moment, countries and companies are looking for alternatives to China, with partners they can trust,” said Tanvi Madan, director of The India Project at the Brookings Institution. “But these are tough political issues in India and partners have heard this rhetoric before. It would significantly improve India's credibility if one of these deals gets done.”

This would involve a shift from the current trade policy that has protected the interests of small domestic traders.

“We are nowhere opposed to bilateral trade deals,” said Ashwani Mahajan, the co-convener of the Swadeshi Jagran Manch, a group aligned with Modi's party that commands influence among traders and had backed the decision to step out of the RCEP in 2019. “Having said that, we believe strategic relations cannot be at the cost of national interest.”

Reform gaps

Apart from risking political capital, the government's hesitation about signing comprehensive deals also comes from a lack of reforms. Regulation in crucial areas including investment protection, e-commerce, data protection and even agriculture need to be in line with those in place in European and OECD markets.

It’s a gap India will need to fill before broad trade agreements can be completed.

The current enthusiasm for quick deals may be linked to a pandemic-connected fall in India’s global goods trade deficit to $88 billion in the year to November 2020, said Richard Rossow, the Wadhwani chair in US-India policy studies at the Center for Strategic and International Studies in Washington, citing his own data.

The deficit spiking to $133 billion in the year to August 2021 “will put a damper on any attempt to craft a robust trade agreement. India could likely still move ahead with a trade agreement including light commitments, but a world-class deal does not seem likely,” said Rossow in an email. “I am not terribly hopeful.”

Source: thehindubusinessline.com – Oct 11, 2021

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Daily e-way bill generation picks up pace in October

Daily e-way bill generation for goods transportation under the goods and services tax (GST) system came in at 24.2 lakh for the week ended October 10, 17.65% higher than the daily average for the week ended September 12, reflecting uptick in economic activities after beginning of the festival season.

The daily average for the first ten days of October was 22.21 lakh, 1.9% lower than the daily average of September. Going by the recent weekly trends, the daily average is expected to pick up further for October when data for the full month is captured. Between October 1 and 10, as many as 2.22 crore e-way bills were generated. Thanks to easing of lockdowns, e-way bill generation by businesses rose to 6.79 crore in September from 6.59 crore in August and from 6.42 crore in July.

Source: financialexpress.com– Oct 12, 2021

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Won't handle containerised cargo from Iran, Pakistan or Afghanistan: Adani Ports after Rs 20,000-crore drug haul

The move comes after the Adani Group was targeted on social media in the wake of recovery of a huge quantity of drugs by the Directorate of Revenue Intelligence (DRI) on September 16.

Adani Ports and Special Economic Zone (APSEZ) on Monday issued a trade advisory stating that it will not be handling any containerised cargo originating from Iran, Pakistan and Afghanistan. This comes a month after nearly 3,000 kilograms of heroin was seized from two containers at Mundra port.

"Please be informed that with effect from November 15, 2021, APSEZ will not handle EXIM containerised cargo originating from Iran, Pakistan and Afghanistan. This trade advisory will apply to all terminals operated by APSEZ and including third party terminals at any APSEZ port till further notice," stated the advisory signed by Chief Executive Officer Subrat Tripathy.

The move comes after the Adani Group was targeted on social media in the wake of recovery of a huge quantity of drugs by the Directorate of Revenue Intelligence (DRI) on September 16. The Opposition, too, targeted the government over the seizure of drugs, alleging that it was a result of the Narendra Modi government's 'friendship' with big corporates.

The company was then forced to put out a statement on September 21 that read: "APSEZ is a port operator providing services to shipping lines. We have no policing authority over the containers or the millions of tonnes of cargo that pass through the terminal in Mundra or any of our ports."

"We sincerely hope that this statement will put to rest the motivated, malicious and false propaganda being run on social media against the Adani Group," the statement had added.

On September 13, around 3,000 kilograms of heroin was seized from two containers at Gujarat's Mundra port, run by the Adani Group. The consignment had come from Afghanistan, one of the largest illegal producers of opium. The cargo had arrived from Afghanistan via Iran's Bandar Abbas port in the name of a Vijayawada-based trading company.

The case was transferred to the National Investigation Agency (NIA) on October 6.

Source: financialexpress.com– Oct 11, 2021

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India's cotton exports to fall 36 per cent in FY2021-'22

Rising domestic demand amid limited supplies may lead to a 36 per cent fall in India's cotton exports in 2021/22 from a year ago. This may support global cotton prices, which recently jumped to its highest levels in a decade on account of strong demand from top consumer China.

Sumeet Mittal, General Manager-India, Louis Dreyfus Company says, India's exports may decline to 5 million bales in the new season as demand in the local market has been increasing. In 2020-'21, India exported around 7.8 million bales, the highest in eight years, as the state-run Cotton Corporation of India continuously sold from its warehouses keeping Indian prices competitive, he informs. Higher exports and local demand have depleted carry forward stocks to 6.5 million bales in the new season that started on October 1, from 12.5 million bales a year ago.

Good demand from local mills and a rally in global prices have lifted domestic prices MCOTc1 to a record high this week, tapering the advantage India had over other suppliers. Leading cotton producing states including Gujarat, Maharashtra, Telangana and Andhra Pradesh received heavy rainfall in September. This could impact the early-sown crop in all these states, adds Chirag Patel, Chief Executive Office, Jaydeep Cotton Fibers.

Source: fashionatingworld.com – Oct 11, 2021

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India set to ink key trade deals by next year

India is set to conclude three major trade agreements with the United Arab Emirates, the United Kingdom and Australia by 2022, and is close to signing early harvesttrade deals separately with the three nations, three people aware of the development said.

The government has set aggressive timelines for the agreements as part of its ambitious target of $500 billion exports by the financial year to March 2023 – formalisation of a Comprehensive Economic Partnership Agreement (CEPA) with the UAE by early 2022, a free trade agreement (FTA) with the UK by next year, and an interim trade deal with Australia by December. These will be followed a year later by a Comprehensive Economic Cooperation Agreement (CECA), the people said, requesting anonymity.
The negotiations with the UAE are on a fast track. The first round of talks was held on September 23-24 in New Delhi during the visit of UAE minister of state for trade Thani bin Ahmed Al Zeyoudi. "The aim is to sign a formal CEPA in March 2022," one person said.

"Both sides are serious about negotiating and concluding CEPA in line with the determination of the leadership of both countries," a second person added. "Both sides are closely connected and working to achieve this agreement, which will complement the India-UAE strategic partnership."

The agreement is expected to raise bilateral trade in goods to $100 billion and in services to $15 billion in five years. The UAE was India's third largest trading partner with about $59.1 billion of bilateral trade in 2019-20, a largely non-Covid period.

India's major exports to the UAE include refined petroleum products, minerals, cereals, sugar, fruits, vegetables, tea, meat, seafood, textiles, engineering, machinery products, and chemicals. It imports petroleum and petroleum products, precious metals, stones, jewellery, minerals, chemicals and wood products.

"India and the UK plan to launch negotiations on an FTA from next month in two stages – low-hanging fruits (early trade deal) by March 2022 on priority, followed by a comprehensive agreement," a third person said. The tentative timeline for the FTA and other trade matters was chalked out during discussions between commerce minister Piyush Goyal and UK trade secretary Liz Truss last month.

The two countries also agreed to quickly finalise terms of reference so that negotiations can be launched in November, he said, adding rapid progress has been seen after an "Enhanced Trade Partnership" was announced by the prime ministers of both nations in May.

India has also revived CECA negotiations with Australia, which has tremendous potential, said the first person cited earlier.

"It is expected that the long-pending FTA negotiations with Australia may conclude by 2022 and an agreement could be signed thereafter," he said. Australia and India launched negotiations for a CECA in May 2011, but talks were suspended in September 2015 after nine rounds because of differences on some multilateral issues.

Negotiations by the two countries were "relaunched in June last year and an aggressive timeline" was agreed at the India-Australia joint ministerial commission meeting between Goyal and his Australian counterpart Dan Tehan on September 30, he said.

Tehan said the aim is to have an interim agreement covering goods, services, investments, rules of origin, phyto-sanitary measures for fruits and vegetables, and mutual recognition of qualifications in place by December this year, to be followed by a final agreement in December 2022. He said the two sides are expected to make market access offers by the end of October.
"It's going to be a challenge. These things are not easy," Tehan said, acknowledging Indian concerns in areas such as dairy and agriculture. The market access offers will be a "difficult" aspect requiring hard work by both sides, he said.

Though both sides will have to make compromises, Australia can offer investments and technology to boost food and agricultural processing in India, Tehan said. Australia is also open to equitably handling the issue of domestic subsidies in agriculture, he added.

India has set an ambitious of exports target of $450-$500 billion by the next financial year and early harvest deals, along with full FTAs, will play a major role in realising this goal, the first person said. Besides the three most prospective FTAs, New Delhi is negotiating trade deals with other countries and blocs. They include Oman, Canada, the European Union, Russia, and the Southern African Customs Union (SACU), which comprises Botswana, Lesotho, Namibia, South Africa, and Swaziland.

Speaking at a midterm review meeting of export promotion councils (EPCs) on Saturday, Goyal asked the bodies to raise trade-related concerns faced in these countries so that the government can address them while negotiating individual FTAs. He said such issues were mostly related to market access rather than tariffs.

Goyal said India is on the right track as its exports touched $197 billion in the first half of the current financial year. “Our exporters have made all of us Indians proud today,” he said in a statement, adding “if we can aim to scale $450-$500 billion exports next year”.

Nilaya Varma, co-founder and CEO of consultancy firm Primus Partners, said: “UAE, UK, and Australia are three key economies, and India’s old allies. Trade negotiations with them in both goods and services have progressed very well and signs of early harvest deals are visible, which will finally culminate into comprehensive FTAs. It’s a win-win for both India and its partners.”

Meanwhile, commerce minister Goyal met ministers of at least 15 countries on Monday on the sidelines of the G20 Trade Ministers Meeting in Sorrento, Italy, a government spokesperson said.

He clarified India’s trade position and engaged in bilateral and multilateral negotiations with the ministers of the US, the UK, the EU, Brazil, China, Australia, South Africa, Indonesia, Canada, South Korea and Mexico, among others, the official said.

At the meetings, Goyal also asserted India’s position for the forthcoming Twelfth Ministerial Conference (MC12) of World Trade Organization (WTO) to be held in November at Geneva in Switzerland. Goyal said the multilateral trade deal must be “just and equitable” and “historical wrongs against developing countries must be corrected” rather than being carried over, the official cited above said.

Source: hindustantimes.com – Oct 12, 2021

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India must find its way back into trade arrangements

How can India address the ongoing changes in trading relationships as well as broader changes in the global landscape? Instead of being reactive, it could be more proactive and forward-looking, such as in building economic alliances that leverage the links between trade and investment.

India and its neighbours have been hesitant to embrace trade as a core element in development. India's decision to opt out of the Regional Comprehensive Economic Partnership (RCEP) is but one example. No one who knows South Asia is surprised that it continues to be the most protected as well as the least-integrated region in the world.

As India watches, Southeast Asian countries are signing free trade agreements (FTAs), improving market access and creating conditions for deepening their already strong integration with global value chains. Some of these trade initiatives include the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) covering Pacific-rim countries; RCEP, which includes the Association of Southeast Nations (Asean) plus five countries; Vietnam's FTAs with the European Union and the United Kingdom (UK), and Singapore's FTA with the European Union (EU), China has also recently applied for membership of CPTPP.

These initiatives impact India and other South Asian countries by affecting relative incentives for trade and investment.

In Southeast Asia, Vietnam has been the most agile. The European Union-Vietnam FTA (EVFTA), which came into force on August 1, 2020, exerts pressure on India in apparel, leather goods, footwear and fisheries.

Vietnam's spurt in manufacturing and exports, arising from increases in productivity, proximity to regional shipping routes, and lower wages (vis-à-vis China), coupled with lower or even zero tariffs that it already enjoys in Southeast Asia and will perhaps now enjoy in the EU and the UK market, could squeeze traditional as well as future Indian exports of pharmaceuticals, information and communication technology (ICT) goods and electronics in these markets. Moreover, the Vietnam-UK FTA, which came into force on May 1, will increase competition in the UK for goods and services exports from India, Bangladesh and Pakistan.

These developments mean that Vietnam is likely to attract additional European foreign direct investment (FDI) in manufacturing and services to improve access to the huge RCEP market. The same incentive will also push other RCEP countries to invest in Vietnam to improve European market access. Since India does not enjoy the same level of trade preferences as Vietnam, it stands to lose some investment from European and RCEP countries. Even nimble Indian firms are likely to look out for new investment opportunities in Vietnam, to improve market access in RCEP, EU and CPTPP countries.

Across the seas, the renegotiated US-Mexico-Canada Trade Agreement (USMCA) has rewritten trade rules that may also affect South Asian countries. It redefines the existing supply chains in the automobile sector by raising the use of locally-manufactured components and labour to qualify for tariff exemptions. This may impact India's position in the automobile value chain, reflected in exports of motorcar parts and accessories as well as steel and aluminium products. Other provisions in the USMCA strengthen the rules of origin in the textile industry that could potentially hurt apparel/textile exports from South Asia, including Bangladesh.

However, new openings are also emerging. Rising wage costs in China as well as the US-China trade war present new opportunities to attract American, Japanese, South Korean and even Chinese firms that are relocating away from China. Globally, firms want to rely less on China, and Covid-19 has accelerated this tendency. India has an opportunity to attract some of these relocating firms, which will also help boost its trade.

Global trade could also shift over the next decade in response to changes in technology and carbon emission/renewable energy commitments, as well as the efforts of Western countries to secure robust supply chains in some critical products such as semiconductors and pharmaceuticals.

How can India address the ongoing changes in trading relationships as well as broader changes in the global landscape? Instead of being reactive, it could be more proactive and forward-looking, such as in building economic alliances that leverage the links between trade and investment. For example, a bilateral India-UK FTA could help India negotiate better terms in goods and services, including movement of professionals, and in attracting FDI from the UK. There is scope for greater collaboration in science, research and development (R&D) and Fintech. Given that FTAs are a matter of give and take, India should be prepared for greater concessions in areas of interest to the UK.

India will also benefit from considering the economic interests of its South Asian neighbours, who have been bystanders in these global realignments. India can take advantage of new openings to enhance its cross-border economic relationships. It can encourage trade and creation of regional value chains by investing in neighbouring countries to enhance their export capacity and competitiveness, accompanied by an increase in cross-border imports. It can also encourage FDI from neighbours, including Bangladeshi FDI to India's Northeast. The creation of such regional value chains can also create more possibilities for India's neighbours to benefit from the new trade and investment partnerships that India is considering.

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Source: hindustantimes.com– Oct 11, 2021

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Telangana shows interest in Centre's mega textile park

Telangana's textiles industry, which has been doing considerably well with many global companies coming forward to set up shop here, is set to reach new heights now that the State government has expressed interest in the establishment of a Mega Integrated Textile Regional and Apparel (MITRA) park.

According to the Ministry of Textiles, Telangana is among the few States to show interest in the setting up of PM MITRA parks. The Central government has approved seven such parks with an outlay of Rs 4,445 crore, which would be set up over a period of five years, so that the States could attract FDI and local investment in the sector.

These parks will be set up at greenfield/brownfield sites and their infrastructure includes an incubation centre, plug and play facility, developed factory sites, roads, power, water and waste-water system, common processing house, testing centres, workers' hostels, logistics park, warehousing, and medical, training and skill development facilities.

If the Centre gives the nod for establishing one of the parks in Telangana, it would create thousands of job employment opportunities for locals. At present, the textile and apparel parks are located in Warangal and Sircilla.

41,000 direct jobs

Textile giants like Youngone Corporation, Kitex Group, Gokaldas Images Private Limited, Welspun Group and Ganesha Ecosphere have already come forward to establish their textile and apparel parks, weaving units and other related manufacturing centres in the State.

Nearly 41,000 direct jobs are being created in the textiles sector with exporters like Welspun India Limited launching a second project at a cost of Rs 415 crore, Ganesha Ecosphere investing Rs 500 crore and Kitex Garments Limited looking to set up a unit at the Kakatiya Mega Textile Park in Warangal and industrial Sitarampur in Rangareddy with an investment of Rs 2,400 crore.

The Korean textile and apparel company Youngone Corporation would be providing 11,700 direct jobs by establishing its unit at a cost of Rs 840 crore. For Kitex, which aims to offer 4,000 jobs, customised incentives are yet to be approved.

Amenities galore

These parks will be set up at greenfield/brownfield sites and their infrastructure includes an incubation centre, plug and play facility, developed factory sites, roads, power, water and waste-water system, common processing house, testing centres etc.

Source: newindianexpress.com– Oct 11, 2021

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Trident hits 5% upper circuit after September month update on production

The company produces 5202 metric tons of Bath Linen, 3.4 million metres Bed Linen, and 10,907 metric tons of Yarn.

Trident Limited hit an upper circuit of 5% at Rs35.70 after the firm announced its production update for September 2021. In the Home Textiles Division, the company produced Bath Linen 5202 metric tons, Bed Linen 3.4 million metres, and Yarn 10,907 metric tons.

In the Paper & Chemicals Division, the company produced Paper 13,700 metric tons and Chemicals 8,584 metric tons.

The company stock was bullish on Monday and Trident Ltd ended at Rs35.70 per piece up by Rs1.7 or 5% from its previous closing of Rs34 per piece on the BSE.

Source: indiainfoline.com– Oct 11, 2021

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Surat textile industry: Meeting inconclusive, no decision on closing mills

Days after owners of dyeing and printing mills in Surat proposed to keep their units shut from November 1 due to coal shortage and rise in production costs, a joint meeting between the three associations of the textile industry held Monday to discuss the issue remained inconclusive.

The meeting, conducted at the Southern Gujarat Chamber of Commerce and Industry office, was attended by president of Federation of Gujarat Weavers Association (FOGWA) Ashok Jirawala, president of the South Gujarat Textile Processing Association (SGTPA) Jitubhai Vakhariya, Federation of Surat Textile Traders Association (FOSTTA) president Manoj Agrawal and its former president Devkishan Mankani, among others.

In a meeting of SGTPA on October 8, the mill owners suggested to keep the units shut for a month due to the rise in the prices of colours, chemicals and the fuel crisis arising from coal shortage.

FOSTTA president Manoj Agrawal said they have objected to the proposal to keep the mills closed for a month, as it would affect the textile trading industry.

"Since the last two months, the textile mills had raised prices up to Rs 2.50 per metre. We understand that the price hike of coal and chemicals has led to a hike in the printing charges, but every now and then they hike the prices…. We have put forward a proposal to the SGTPA to fix prices in accordance with rates applicable on the day of delivery of grey cloth by traders to textile mills. But they have rejected it," he told The Indian Express.

However, SGTPA president Vakhariya said the mills are facing heavy loss. "For the past one-and-a-half months, prices of coal and chemicals have been rising. We are also facing a shortage of coal supply… The prices of the colours, chemicals, and coals fluctuate at different time periods, and as per their availability, it is not uniform. The chemical factories hike prices thrice a week also.. "
SGTPA is yet to take a call on shutting the mills and Vakhariya said they have called a general body meeting of its members after October 20 where the final decision will be made.

FOGWA president Ashok Jirawala said ,"We understand the situation of the textile mills… They (textile mills) can keep the mills closed for two days in a week and continue their production. There are 7.50 lakh powerloom machines in Surat, which house over 4 lakh workers. There are around 4 lakh workers working in the 65,000 textile trading shops and godowns, and around 3 lakh workers in the textile mills. If any segment in this chain gets shut, the remaining segment will automatically get affected…"

Source: indianexpress.com– Oct 12, 2021

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