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IBTEX No. 221 of 2021 November 12, 2021

US 74.49| EUR 85.26| GBP 99.67| JPY 0.65

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INTERNATIONAL NEWS

Port of Long Beach Exec Calls for National Freight Strategic Policy

In a keynote speech at the U.S. Fashion Industry Association and American Import Shippers Association Trade & Transportation Conference this week, Dr. Noel Hacegaba, deputy executive director and chief operating officer at the Port of Long Beach, seemed to channel the Beatles' lyrics "a little better all the time, it can't get no worse" when detailing the port's congestion situation.

"I think all of us would agree that in normal times the supply chain is invisible," Hacegaba said. "But the pandemic-induced disruption and backlogs that it has triggered across the global supply chain has made the supply chain very visible, some would say too visible."

Hacegaba said the connection between the supply chain, the economy and consumers has never been clearer or more understood, and "all eyes are on the ports and in our case the ports of Southern California, where approximately 40 percent of the nation's cargo enters."

"So, there's a lot riding on help with the backlog and getting the supply chain back in motion again," he said. "With the engagement of the administration [and] the cooperation of all segments of the supply chain, I believe we have a once in a lifetime opportunity to reimagine and reinvent the supply chain and not let this crisis go to waste but use it as an opportunity to transform our aging transportation freight network and make it more resilient."

Hacegaba noted this week's passage of the infrastructure bill and said the port is encouraged by the prospects of it, specifically the $17 billion allocated for ports.

"But infrastructure investments are just one way to solve our supply chain challenges," he said. "We also need policy. We are long overdue to have a national freight policy, a strategic plan...If we're serious about competing with other nations, we need a holistic, comprehensive and innovative trade policy. In my view, this is the only way we'll be able to fully maximize historic infrastructure investments.'

In addition, Hacegaba said the country and industry also need to reimagine the supply chain. "We have the tools and technology and even the talent, and with all eyes on the supply chain, I'd like to think we have the will, as well," said. "It's the only way we're going to be able to clear the backlog and demonstrate to the world that we're ready for more growth."

The San Pedro Bay Port Complex, combining the Ports of Long Beach and Los Angeles, is on track to handle 20 million 20-foot containers or equivalents units (TEUs), representing a 17 percent year over year increase over last year's record, he noted.

"As much as we welcome all this new business and celebrate these records, there are other records that we're not as proud of," Hacegaba said. "Case in point–vessels at anchor. As of this morning, there were a total of 109 container ships in port. The number of total containerships in anchor as of this morning, were up to 79, and those at birth 30. Believe it or not, this is not the peak. We actually peaked at 83 just a few weeks ago."

"It's easy to look at these vessels lined up outside the port and call this a congestion problem," he continued. "But I think…it's not just a port congestion problem…It's important to know that these are just symptoms and there are more."

These include rail dwell–the average number of days a box sits inside the terminal–a metric used to track how long an intermodal box sits in the terminal. This is now down to five-and-a half days after peaking at 12.4 days in April.

"This improvement reflects the work of the class one railroads what they've been doing to unclog bottlenecks and some key inland rail points," Hacegaba said. "Another metric we track is container dwell time, which measures the average number of days a container sits on a terminal while it's discharged. Based on the latest reports this is actually up to six days–the highest since September 2020 and more than double what it was before the pandemic. In fact, almost a third of all containers in L.A.-Long Beach today sit longer than five days, which obviously is not what we need to ensure the velocity and reliability that are expected from our gateway."

The reason for this is because the terminals are saturated and operating at 90 percent-plus capacity, he said, which begs the question of why the containers piling up and ships idling at anchor.

The answers, Hacegaba said, is that the 2 billion square feet of warehouse and distribution center space that supports the ports complex located within 75 miles of the port "is fully subscribed and facing significant labor shortages."

"And with no place to go, these containers are spending more time at the port and chassis and other important pieces of equipment like vessels at anchor and parked at the perimeter of these warehouses serving as makeshift warehouses," Hacegaba said. "This takes critically needed chassis out of circulation, rather impacting the ability to deliver empties and pickup imports at port. We need those chassis that are parked around the warehouse containers to be moving containers, we need the trains to be moving, we need those boxes to be picked up, and we need to bring those ships at anchor to birth for immediate discharge."

Hacegaba presented some of the initiatives the Port of Long Beach has undertaken to add capacity and improve conditions.

Last fall, it opened up a 65-acre site of vacant land for temporary storage of inbound and outbound containers, which he said has "worked just phenomenally." This week, there were a total of 14,000 containers that were being temporarily stored at the site and additional space is being secured.

Another way the port has injected capacity is the completion of the Long Beach Container Terminal, which is a redevelopment project that was completed in July, introducing 1 million TEU annually and "couldn't have come at a better time," Hacegaba said. It is open for business and handling bigger ships and processing more containers.

A "bridge to everywhere" completed in October 2020, called such because it intersects all regions of the U.S., soon to be named the Long Beach International Gateway, has helped expedite and track shipments in and out of the port more efficiently.

"Finally, we're investing a great deal in rail," he said. "Rail is a mode that we believe will help us to handle cargo volumes today and in the future. It's more efficient, it's cleaner and it's a product that more shippers are asking about and would like to utilize, and the shipping lines, as well."

In addition, in response to an agreement with the White House, over the last six weeks, all of the ports terminals are expanding their hours of operation. They've been flexing morning and evening gates, which means that they start earlier and close later. Many are opening Friday nights, Saturdays and Sundays and working with specific shippers to consolidate boxes.

“I know that there are a lot of folks out there who are wondering if 24/7 operations is here to stay or if in fact it’s had any effect,” Hacegaba added. “I will say right now the supply chain is at capacity and this is one way to inject capacity immediately.

We realize that…activating our terminals 24/7 is not a cure all. We’re just one switch in a multi-switch process. We need other segments to open up, as well–the warehouses the DCs. The railroads are already 24/7, local carriers. But we believe that if we are going to handle these record volumes in the years ahead, we’re going to have to have a serious look at what it will take to transition the supply chain.”

Source: sourcingjournal.com– Nov 11, 2021

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Transparent, trackable delivery crucial for global e-com sales: Report

Providing trackable shipping details and transparent delivery costs will be key to converting cross-border sales during Peak 2021, according to new consumer data. A survey of almost 15,000 consumers across 14 countries showed delivery is the number one customer service issue facing retailers - with 76 per cent saying they are more likely to shop across borders if transparent and trackable shipping details are provided.

Understanding and addressing international consumers' expectations will drive higher adoption for retailers with more than half of all consumers (55 per cent) saying they will not purchase from an international website if the retailer does not provide an indication of when an order will be delivered, as per the 'Global Voices: Pre-Peak Pulse 2021' survey by ESW (formerly eShopWorld). About 62 per cent of respondents are more likely to purchase if they are given a clear delivery timeframe at the time of purchase.

Tracked shipping is just one way brands and retailers can drive higher purchase rates from international shoppers. Understanding the costs of shipping prior to purchasing—inclusive of taxes and duties, if any—was critical to more than three-quarters (76 per cent) of those surveyed.

More than half (57 per cent) of consumers indicated that they would be happy to accept a longer delivery window in exchange for free shipping. However, British retailers looking to optimise sales to consumers in its top global markets should note 59 per cent of German and 56 per cent of French respondents indicated international deliveries should arrive within the same timeframes as domestic orders.

Martim Avillez Oliveira, chief commercial officer, EMEA and APAC at ESW commented: "We're expecting to see increased demand in global direct-to-consumer shopping during Peak 2021, particularly as consumers prioritise lower costs and unique or exclusive products that may only be available outside their own locality."

Source: fibre2fashion.com– Nov 12, 2021

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UK economic growth held back by supply chain problems

The British economy slowed down during the third quarter of the year as widespread supply chain problems hobbled the recovery from the coronavirus pandemic, official figures showed on Thursday.

The Office for National Statistics said the economy grew by 1.3 per cent between July and September from the previous three-month period, with the health sector and housing market particularly buoyant.

The increase was slightly below market expectations and lower than the second quarter's 5.5 per cent boost.

The third-quarter result means the British economy remains 2.1 per cent below where it was before the pandemic struck in March 2020.

Though the British economy is widely forecast to grow faster than other leading economies this year, that's largely because it experienced the biggest downturn in 2021, when it shrunk by nearly 10 per cent, the country's deepest recession in around 300 years.

As a result, the British economy remains the laggard among the Group of Seven economies. The United States is the only G-7 economy to be bigger than it was at the outset of the pandemic, according to the statistics agency. Official figures elsewhere show that France is nearly back at its pre-pandemic level, while Germany, Europe's largest economy, is around 1 per cent smaller.

Last week, the Bank of England said the economy would not gain back the output lost during the pandemic until the first part of next year after previously predicting a recovery by year's end.

Over the summer, Britain witnessed an array of supply chain problems tied to disruptions caused by the pandemic and Britain's departure from the European Union. That was evident in the recent long lines seen at gas stations amid a shortage of truck drivers.

The statistics agency said car sales, in particular, have been hit by a shortage of computer chips, while construction projects were delayed amid difficulties in getting materials.

Debapratim De, senior economist at Deloitte, said "weakness in consumer-facing services, despite minimal social distancing restrictions over the summer, and a contraction in industrial production, highlight that parts of the economy continued to be blighted by the paucity of labour and raw materials." Rate-setters at the Bank of England appear to want to raise interest rates soon to keep a lid on rising consumer prices tied to supply chain problems, high energy prices and other factors tied to the global recovery from the pandemic.

The annual rate of inflation is running at 3.1 per cent, higher than the bank's target of 2 per cent, and is expected to edge higher toward the 5 per cent mark in coming months.

The majority of policymakers at the central bank said last week that they wanted to see how the job market was holding up after the end of a government program that subsidized salaries during the pandemic before increasing the bank's benchmark rate from a record low 0.1 per cent.

For much of the time the program was in place, the government paid 80 per cent of the salaries of employees unable to work because of lockdown measures. At its peak, it helped support over 11 million people, but with many workers returning to their jobs after pandemic restrictions lifted, that fell to a little more than 1 million at the end of the program in September.

Source: financialexpress.com– Nov 11, 2021

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Apparel firms plan to increase supply chain transparency by 2027 but obstacles remain: Report

Serai, an online B2B platform that simplifies global trade, in collaboration with KPMG, has launched a global report - Moving the needle – Threading a sustainable future for apparel.

According to the report, sustainability and transparency within the apparel industry have come under the spotlight in recent years due to rising external pressure from consumers and governments. The survey finds that two-thirds (66%) of apparel industry insiders see supply chain transparency as an "extremely important" issue. This number is even higher for Indian companies, at 83%.

About 80% of the respondents aim to implement transparency solutions by 2027. However, less than 20% of the respondents have a comprehensive overview of all stakeholders in their supply chain (visibility) and 15% are able to trace all the materials and components used in a product from their origins through each step of processing and manufacturing (traceability).

The study is into how the apparel industry is responding to calls for adoption of sustainable practices, and launches at a time when the importance of creating a more sustainable apparel industry has been underlined by talks held at the recent COP26 climate conference.

The study draws on the findings of a global survey of over 200 senior executives in the apparel industry conducted in August 2021. Respondents represent brands, retailers, suppliers, manufacturers and sourcing agents of varying sizes.

According to the report, three key factors are fuelling the need to uphold transparency.

Corporate reputation: About 52% of suppliers and 59% of retailers/brands considered enhancing their corporate reputation as the main reason to boost their supply chain transparency.

Business opportunities: Now more than ever, suppliers are motivated to improve supply chain transparency as part of their business goals, as this may allow them to tap into business opportunities with brands and retailers that are positioning themselves as sustainable or complying with stricter regulations.

Profitability: Companies are looking to improve operational excellence to lower costs and preserve margins. Research indicates businesses with higher sustainability scores have a lower cost of capital. A sustainable apparel business can expect to have an average uplift in their net profit margin of 1-1.5% for brands and by 1.5-2.5% for suppliers.

In a statement, Anson Bailey, Head of Consumer & Retail, ASPAC, KPMG China, said, "Consumers nowadays have so much more information on the sustainability credentials of products, as well as the companies behind them and their impact on the wider community. The COP26 climate summit has also highlighted the need for the industry to change. Greater transparency means that brands will be held accountable, however it also opens up opportunities to better manage inventories, introduce more agility and achieve greater collaboration across the entire supply chain."

Currently, the capacity of the apparel industry to ensure supply chain transparency remains low.

Challenges in achieving full transparency across supply chains
The most prevalent barrier holding back the industry from achieving transparency is high initial investment. Difficulties in obtaining and managing data from other companies in the supply chain is another major obstacle. Still, two-thirds of industry respondents (65%) were willing to disclose their supply chain traceability policy. This proportion is much higher for suppliers in North America (80%) and Europe (81%). Suppliers in these regions are at a cost disadvantage to suppliers in Asia Pacific and may use their sustainability credentials to differentiate themselves from lower cost competition.

Companies in India stand out in this regard, with 66% of the Indian respondents already disclosing their supply chain traceability policy.

Against the backdrop of entrenched operating practices, low margins and the high degree of complexity in today's apparel supply chains, only 14% of companies surveyed have fully automated transparency systems in place for visibility and 13% for traceability. Meanwhile, over half of all the respondents still have manual processes in place for those two components – and the figure is higher for smaller and medium-sized businesses. With the increased demand for information from both consumers and regulators, there is an urgency for the industry to upgrade infrastructure. The adoption of digital technologies will be key to capturing material flows across the supply chain and for the entire network to gain visibility.

In a statement, Vivek Ramachandran, Chief Executive Officer, Serai, said, “Over 80% of the industry plans to have a transparency solution in place by 2027. However, businesses need to act with a greater sense of urgency. COP26 has reinforced the need for companies to find ways to reduce the environmental impact of their manufacturing. This can only be done through full visibility into their extended supply chains. Thankfully, the technology to help already exists. We’ve built a plug-and-play platform that integrates with existing solutions.”

The report finds that investment in transparency tools will be crucial for apparel companies if they do not want to risk losing a competitive advantage. To move forward, the industry will need to overcome challenges associated with the consistency and quality of data.

Source: economictimes.com– Nov 11, 2021

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ShanghaiTex 2021 postponed; to be held in March 2022 in China

To minimise the risk of COVID-19, ShanghaiTex 2021 – Textech Inno Week, originally scheduled between November 23 and 25, 2021, has been postponed to March 2022. Earlier this month, ShanghaiTex 2021's online sourcing platform was launched with both local and international exhibitors' new releases available to global buyers around the clock.

Following the requirements from the joint prevention and control mechanism of the state council, the hosting of events, gatherings, and people's mobility has to be limited, the organiser said in a press release.

Riding on the needs of the market, ShanghaiTex 2021 – Textech Inno Week will uphold its ethos in the ongoing development of the industry technology while taking the initiatives to build up a global exchange platform conducive to the industry chain through discussion on smart manufacturing, sustainability, forefront technologies, new materials, and innovative designs through a series of product showcases and forums both online and offline.

ShanghaiTex 2021 will be held in the form of hybrid show Textech Inno Week with online and physical activities. Exhibitors can release new technologies and conduct business matching on the websites of ShanghaiTex and Textech Galaxy, the organiser said on the website.

Source: fibre2fashion.com– Nov 11, 2021

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Low Chinese demand brings down Australian wool prices this week

Diminishing levels of enquiry from China let to largely negative results at the Australian wool auctions this week. The Eastern Market Indicator (EMI) closed 1.6 per cent lower or 21ac to 1319ac/clean kg, while the Western Market Indicator (WMI) fell 24ac to 1378ac/clean kg. The national clearance rate dropped off to 85.8 per cent of all wool offered.

Due to the Australian dollar (AUD) depreciating against all major currencies by 1 per cent for the week, all prices expressed in foreign exchange rates went further to the favour of the off-shore buyers, making wool prices far more attractive. The USD EMI fell 26usc or 2.6 per cent to a week's close of 972usc/clean kg, indicative of the present softer demand.

"China demand is remaining somewhat subdued as a few dominant factors impinge upon the normal supply chain operations. Restriction of power as a coal shortage and environmental targets regime are being enforced has led to most factories being electricity rationed.

In many instances this means a three-day working week, obviously limiting needs for raw material inputs, factory production outputs and pay to employees who are ultimately consumers. Zero covid tolerance policy is also an inhibitor. These factors have all led to the current sluggish Chinese domestic demand for goods and more-so, the luxury goods sector that most wool garments fall into," the Australian Wool Innovation Limited (AWI) said in its commentary for the sale week 19 of the current wool marketing season.

"On the other hand, the purchasing activity from European and the sub-continent has been the best seen for a few years. This renewed buying interest has helped the market hold on relatively well, particularly at the super fine (less than 19.0 micron) end of the type spectrum," AWI added.

This week's closing market quotes had most Merino fleece and skirting 30ac lower for the week, crossbreds at the finer end (25 to 27micron) were 10ac dearer, broader crossbreds 20ac cheaper and cardings unchanged. Two of the largest traders plus the major Chinese top maker dominated buying lists.

Around 45,000 bales would be on offer at next week's auctions on Tuesday, Wednesday and Thursday.

Source: fibre2fashion.com– Nov 11, 2021

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Vietnam issues implementation guidance for UKVFTA on trade remedies

The Ministry of Industry and Trade, Government of Vietnam, has issued Circular No. 14/2021/TT-BCT guiding the implementation of the United Kingdom-Vietnam Free Trade Agreement (UKVFTA) on trade remedies. The circular guides the investigation and application of anti-dumping, anti-subsidy and bilateral safeguard measures on the implementation of the UKVFTA.

Anti-dumping duty or countervailing duty must not be higher than the dumping margin or subsidy level, states the circular that takes effect from December 15, 2021. The bilateral safeguard measure and the safeguard measure provided in Article XIX of the 1994 General Agreement on Tariffs and Trade may not be concurrently applied to the same imported goods eligible for preferential tariffs under the UKVFTA, the ministry said.

"The time limit for investigation for application of bilateral safeguard measures is 1 year from the date the investigation decision is issued. The duration for application of a bilateral safeguard measure must not exceed 2 years. In case the investigating agency concludes that a bilateral safeguard measure must be further applied to prevent or remedy serious damage and facilitate the adjustment of the domestic industry, the duration for application may be extended for 2 more years," the ministry added in its circular.

In case the duration for application of a bilateral safeguard measure is longer than 2 years, such measure must be gradually loosened throughout the application of the duration.

Source: fibre2fashion.com– Nov 11, 2021

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Ethiopia's Bahir Dar Industrial Park Begins Exporting Textiles

Bahir Dar Industrial Park, located in Ethiopia's Amhara region, has started exporting textiles. One of the 13 industrial parks in Ethiopia, Bahir Dar Industrial Park is fully dedicated to textile production.

The industrial park, which went operational in October 2020, has so far created permanent and temporary employment for 1,300 workers.

Hop Lun Apparel Ethiopia PLC, a company founded in Hong Kong in 1992, has become the first company to export apparel from its production plant at Bahir Dar Industrial Park. The company has exported 75,000 apparel, worth over $570,000, to the US market.

Tiruye Kume, General Manager of Bahir Dar Industrial Park, remarked the industrial park will have an important role to play in alleviating the lack of foreign currency as it goes on to operate in its full capacity. Employment, skill transfer, and generating foreign exchange are priority areas the industrial park is focused on, she added.

Source: 2merkato.com– Nov 11, 2021

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Bangladesh signs MoU with France to boost trade

To boost bilateral trade between Bangladesh and France, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) recently signed a memorandum of understanding with Mouvement des Entreprises de France International (Medef International) at the France-Bangladesh business council meeting.

The meeting, organised by Medef International and the Embassy of Bangladesh in France, took place on 10 November in Paris, read a press release.

Md Jashim Uddin, president of FBCCI and Pierre–Jean Malgouyres, chairman of the France – Bangladesh Business Council, Medef International, inked the deal on behalf of their respective organisations.

Prime Minister Sheikh Hasina virtually addressed the event as the chief guest. Dr AK Abdul Momen, foreign minister of Bangladesh, Salman F Rahman, private industry and investment advisor to the prime minister of Bangladesh and Khondker M Talha, ambassador of Bangladesh to France, were also present in the meeting.

Addressing the meeting, FBCCI President Md Jashim Uddin stated that Bangladesh attaches great importance to its existing cordial relations with France. "France is the fifth-largest export destination for Bangladesh showing a rising trend in major export products like woven garments, knitwear, home textile and footwear," he added.

He said Bangladesh offers the best competitive fiscal and non-fiscal incentives for investment. "Manufacturers of Bangladesh are adopting greener technologies and modern production methods aligned with 4IR and challenges of climate change. Among the world's top 10 green RMG factories, seven are located in Bangladesh," the FBCCI chief added.

He further said that to ensure inclusive growth, Bangladesh requires huge foreign direct investment. The meeting was attended by many senior FBCCI officials.

Source: tbsnews.net– Nov 11, 2021

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Pakistan: Eight sectors record double-digit growth in exports

Growth in value-added sectors contributed to an increase in overall exports from the sectors. One of the reasons for growth in these sectors is due to depreciation of the rupee and greater demand from the international market.

In absolute terms the exports of the eight products reached $5.632bn between July and October this year against $4.377bn over corresponding months of last year, indicating a growth of 28.67pc. Exports of men's garments products were up by 32pc to $1.584bn in 4MFY22 against $1.201bn over the last year, followed by a 22pc increase in home textiles to $1.575bn against $1.294bn last year. An increase of 20pc in cotton fabric to $745m was noted against $622m over the corresponding period of last year.

The export of rice posted an increase of 19pc to $599m in 4MFY22 against $502m over the corresponding period of last year, followed by 73pc increase in export of cotton yarn to $398m against $230m over the last year and an increase of 60pc in export of jerseys and cardigans to $330m against $206m over the last year.

The exports of women's garments posted growth of 20pc to $270m against $225m and a 35pc increase in exports of synthetic fabric to $131m against $97m over the corresponding months of last year. According to the data, the US, UK and China remained the top destinations of Pakistan's exports during the first four months of FY22.

Pakistan exports to the United States posted growth of 33pc to $2.08bn between July and October this year against $1.558bn over the corresponding months of last year, followed by 82pc to $935m this year against $514m over the last year and 11pc increase to the UK as it stood at $742m against 669m.

The export value to the Netherlands increased by 23pc to $495m this year against $403m over last year, followed by an increase of 33pc to Spain as it reached $368m against $276m over the last year, an increase of 19pc to UAE to $356m against $298m and an increase of 35pc in exports to Italy as it reached $307m against $228m over last year.

Source: dawn.com– Nov 11, 2021

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NATIONAL NEWS

India looking at reciprocal, equitable access to foreign markets through FTAs: Commerce Minister Piyush Goyal

India is looking at reciprocal and equitable access to foreign markets through free trade agreements, which the country is negotiating with its trading partners, Commerce and Industry Minister Piyush Goyal said on Thursday. India is, at present, negotiating free trade agreements (FTAs) with countries like UAE, the UK, and Australia.

Under a free trade agreement, two trading partners reduce or eliminate customs duties on the maximum number of goods traded between them. Besides, they liberalise norms to enhance trade in services and boost investments.

"Through the FTAs, we are looking at reciprocal and equitable access to foreign markets. FTA is a win-win for both countries. If it is an unequal balance, FTA can never be successful," Goyal said at Times Now Summit 2021.

He said that a few old FTAs of India which were not balanced have led to an increase in trade deficit with those nations. "We are now going through careful stakeholder engagement (to negotiate an FTA) and making sure that our MSMEs, dairy industry, farmers, and domestic production capacities get more opportunities. Our employment-oriented sectors like textiles, footwear, and pharma get good market access," he added.

In such pacts, the government is also ensuring that services sector professionals too get good opportunities in the foreign markets through two way communication with Indian stakeholders, Goyal noted.

"We are working through balanced, fair and equitable FTAs so that both sides benefit and jobs are created in India, and business opportunities are available for our small, medium and micro-industry," Goyal said.

Source: financialexpress.com- Nov 11, 2021

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Can exports power India's growth?

A recent HSBC report on growth outlook for India identifies two new growth engines — digital adoption and high-skilled exports. It comes as a whiff of fresh air in the hitherto stale environment of Indian exports.

The Covid-inflicted Indian economy, which declined 23.9 per cent in Q1 2020, rebounded to log a GDP growth of 20.4 per cent in Q1 2021 and exports contributed significantly to this. Merchandise exports touched a record high of $35.2 billion in July 2021, which was almost 48 per cent more than the $23.78 billion recorded in July 2020 and around 34 per cent over the pre-pandemic export value of $26.23 billion in 2019.

August 2021, too, showed an impressive increase of 45 per cent over the year-ago period. In fact, the exports grew by a whopping 66.92 per cent in the first five months of this financial year. The quarter ending June showed India having a current account surplus.

Exports worked wonders for Japan, China and the Southeast Asian tigers too. Somehow, it evaded India. India and China have almost similar export-to-GDP ratio — nearly 18 per cent — and yet China is called 'the world's factory' while India is seen as a market. Can India's GDP grow like China's on the power of exports? For the current fiscal, the Ministry of Commerce has set an export target of $400 billion.

Competing in the international markets has never been easy as economic forces keep making it more complex for India. Recall June 2019, Trump removed India from the list of beneficiaries of General System of Preferences (GSP). India being the sixth largest economy, the US needed market access for its farm and dairy products. India denied and the US retaliated. A case of diseconomies of scale working against India. It should not have come as a surprise as any country growing richer will be denied the preferential status earmarked for developing nations. WTO objects to subsidies.

In 2019, a WTO panel had recommended that India withdraw the "prohibited subsidies" like the Merchandise Exports from India Scheme (MEIS); Export Oriented Unit (EOU) scheme and related sector-specific schemes; Special Economic Zones (SEZ); Export Promotion Capital Goods Scheme (EPCG); and a duty-free import for exporters programme (DFIS).

According to the Office of United States Trade Representative (USTR), Indian exporters received 'illegal export subsidies' worth over $7 billion annually. Why illegal? Because such subsidies provide unfair advantage to the recipient firms and hence are prohibited under the WTO. The WTO provides a limited exception to this rule for specified developing countries, and even that is temporary. Subsidies have to be withdrawn as these countries reach a particular defined economic benchmark. India crossed the benchmark in 2015.

But Bangladesh, whose per capita income surged past India's in May 2021, continues to be in that select group and hence has an advantage over India. As the Indian economy grows richer, disadvantages like these would grow too. Adam Smith said long ago that any economic system will generate counter-forces to arrest a continuous growth or decline.

Disadvantages and constraints have grown for the US, European countries and now for China too. Counter-forces in the case of China may be the 'common prosperity' goal, Evergrande crisis, power crisis, the need to cut down pollution which implies cutting down production, rising wages, geopolitical adversities, ageing population, growing inequality, the strengthening yuan, etc.

Opportunity in adversities

Indian exporters sense opportunity in the adversities that China has to face. Instead of relying on support of subsidies the exporters have begun sharpening their business strategies. In a recent workshop organised by PHDCCI, Sivaramkrishnan Ganpathi, MD and CEO of Gokaldas Exports Ltd., said: "Never plan your business on subsidies." During a period of low global demand, the company made the operations more efficient, increased productivity, consolidated vendors, and ensured labour availability during the pandemic. The measures enabled it to be a preferred supplier.

Several such stories will emerge as efficiency gains are realised with increasing adoption of digital technologies. The widespread application of Internet of Things (IoT), Artificial Intelligence (AI) and automation in business and governance have led to synergies yielding to efficiency gains. These are visible across a wide spectrum of macroeconomic indicators. In September, GST collections, at ₹1.17-lakh crore, were at a five-month high; exports grew a robust 21 per cent; Manufacturing PMI rose to 53.7; and CPI inflation remains below 6 per cent.

The government is also doing its part to regain the economic momentum through initiatives such as Aatmanirbhar Bharat Rozgar Yojana, extension of Emergency Credit Line Guarantee scheme, Production Linked Incentive Scheme for 13 champion sectors, reduction in the performance security on contracts, and income tax relief to developers and home-buyers. Simplification of various exports incentives is also being attempted. Announcement of RoSCTL and RoDTEP schemes, among others, are also expected to boost the export growth trajectory of India.

The rising commodity and energy prices, posing a challenge in fuelling the export growth, may be transitory. The efficiency provided by IoT, AI and automation are here to stay. The fast expanding edtech sector is accelerating the skill development in the country. Mandatory FASTag is accelerating the mobility of goods. E-payments and e-commerce are increasing the velocity of money. India's low per capita income and newfound productivity build a strong case for exports yielding prosperity for the country.

Source: thehindubusinessline.com- Nov 11, 2021

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All imports are not necessarily bad: Piyush Goyal

Commerce and industry minister Piyush Goyal on Thursday said that all imports are not necessarily bad, and that all signals on the economic front, point towards growth while emphasising that the nationwide lockdown imposed last year to curb the spread of the Covid-19 pandemic was not a kneejerk reaction.

Addressing the Times Now Summit 2021, Goyal, who is also the minister for consumer affairs, food and public distribution, said that the Bharatiya Janata Party will win the upcoming elections in Uttar Pradesh with complete majority and the ongoing farmers' agitation has no relation with the elections. The government, he said, is open to talks with them.

On the issue of India's economic bounce back, he said: "We can expect good growth... I think all signals are very positive. In some sense, we have come back."

Referring to growth in various indices on production, goods and services tax and exports, he said India's exports are at an all-time high.
"We are at nearly $232 billion (exports) in first seven months (of the financial year) -- something we haven't seen in many years. Last year, for the whole year, we were at $290 billion which I think we will do in the first three quarters itself," he said, adding that the country's vaccination programme is a "huge success" with 110 crore doses and well poised to make 500 crore doses next year.

"We have huge and ambitious plans on the anvil," he said.

Answering a question on the nationwide lockdown imposed last year, Goyal said: "At that point, if we had not gone in for a strict lockdown and controlled the situation, bought us some time- those crucial three months to ramp up our testing facility, take technology to the next level, start developing vaccines, we have found solutions which are relevant to India, that helped save India and the led to a huge bounce back that we see today."

On India's trade restrictions with China to curb imports amid the border tensions at Galwan last year, Goyal said India's policies are never based on one country or one region but always based on principles.

"As far as trade goes, we have been most fair in our trade with all countries," he said.

The Aatmanirbhar Bharat programme, he said, aims to make India more self-sufficient to enable it to engage with rest of the world with a position of strength and open the doors wider for greater degree of engagement to attract investments, technology, and more trade.

"Imports also are necessary... all imports are not necessarily bad but one has to strengthen India's domestic capabilities. In last one year, we have seen growth with almost every country both in imports and exports," he said, noting that imports of coking coal and oil seeds are crucial to ensure that steel and edible oil prices remain affordable.

Through the Production Linked Incentive schemes, the government is aiming at long term transformational impacts, not short term impacts, he said.

Source: economictimes.com- Nov 12, 2021

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PM to launch two innovative customer centric initiatives of RBI on 12 November

Prime Minister Shri Narendra Modi will launch two innovative customer centric initiatives of the Reserve Bank of India on 12 November, 2021 at 11 AM via video conferencing. These initiatives are the RBI Retail Direct Scheme and the Reserve Bank - Integrated Ombudsman Scheme.

The RBI Retail Direct Scheme is aimed at enhancing access to government securities market for retail investors. It offers them a new avenue for directly investing in securities issued by the Government of India and the State Governments. Investors will be able to easily open and maintain their government securities account online with the RBI, free of cost.

The Reserve Bank - Integrated Ombudsman Scheme aims to further improve the grievance redress mechanism for resolving customer complaints against entities regulated by RBI. The central theme of the scheme is based on 'One Nation-One Ombudsman' with one portal, one email and one address for the customers to lodge their complaints.

There will be a single point of reference for customers to file their complaints, submit the documents, track status and provide feedback. A multi-lingual toll-free number will provide all relevant information on grievance redress and assistance for filing complaints.

Union Finance Minister and RBI Governor will also attend the event.

Source: pib.gov.in- Nov 11, 2021

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Growth to exceed 10pc in FY22 on strong agri recovery: Niti Aayog VC Rajiv Kumar

NITI Aayog VC said significant increase in exports will also boost economic growth and employment generation.

Indian economy is expected to grow by more than 10 per cent in the current fiscal supported by a record kharif crop and bright rabi prospects, Niti Aayog Vice-Chairman Rajiv Kumar has said. Kumar, however, cautioned that inflation is emerging as a key risk to sustainable global economic recovery with supply chain constraints and rising energy prices.

“We expect India’s real GDP growth in FY22 to exceed 10 per cent supported by a record kharif crop and bright rabi prospects. This will boost rural demand and spur the revival in the manufacturing sector with improving capacity utilisation,” he wrote in Niti Aayog’s newsletter ‘arthNITI’.

According to Kumar, significant increase in exports will also boost economic growth and employment generation. “Gradual pickup in contact-intensive services sector is further likely to support the growth momentum. India achieved the landmark milestone of administering 1 billion Covid-19 vaccine doses on 21 October, he said.

The Niti Aayog Vice-Chairman also noted that the rapid vaccination drive across the country will ensure that the risk of future wave is minimised. The Reserve Bank of India (RBI) has lowered the growth projection for the current financial year to 9.5 per cent from 10.5 per cent estimated earlier while the IMF has projected a growth of 9.5 per cent in 2021 and 8.5 per cent in the next year.

Kumar pointed out that India sustained its pace of economic recovery in September 2021 as reflected by acceleration in manufacturing PMI at 53.7 (52.3 in August 2021) offset by a modest deceleration in services PMI at 55.2 (56.7 in August 2021).

“Other key high frequency indicators — power consumption, railway freight, GST collections, e-way bills, etc. — also show continued pickup in economic activity,” he said.

The eminent economist said Index of Industrial Production (IIP) witnessed growth of 11.9 per cent year-on-year in August 2021 with core sector output growth of 11.6 per cent year-on-year reflecting strong activity in industrial and infrastructure sectors.

While trade growth is rebounding strongly, with much stronger imports than exports, reflecting India's robust economic recovery, Kumar said higher than expected revenue trends driven by both direct and indirect taxes have provided the much-needed fiscal space for required policy action.

Citing latest projections by the International Monetary Fund, Kumar said the global economy is on the recovery path with projected growth of 5.9 per cent in 2021. According to the IMF, the real GDP of advanced economies is projected to expand by 5.2 per cent whereas emerging market and developing economies are expected to grow by 6.4 per cent.

The US and China are expected to grow 6 per cent and 8 per cent, respectively, in 2021 with downward revision of 1.0 and 0.1 percentage points vis-a-vis July forecast. Kumar observed that as a result of fiscal response to COVID-19, global debt jumped to a new high of USD 226 trillion in 2020, with annual increase of USD 27 trillion (largest annual increase on record).

Source: financialexpress.com- Nov 11, 2021

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'Stop APEDA from accrediting agencies certifying organic products export'

Four European Union (EU) organisations that deal with organic products have asked the EU Committee on Organic Production to stop the Agricultural and Processed Food Products Export Development Authority (APEDA) from giving accreditation to agencies certifying organic products exports from India to the Union.

They have also asked the EU to delist India from the list of countries recognised for organic product exports to the EU and directly supervise the shipments from the subcontinent.

The organisations, in a letter to the Committee Chair Elena Panichi, pointed towards the steps taken by the United States Department of Agriculture (USDA), which had directly taken over the supervision of organic products exports from India to the US.

In July this year, the USDA ended a 15-year agreement with the Agricultural and Processed Food Products Export Development Authority (APEDA) allowing the latter to accredit agencies certifying organic products export to the US. The USDA had said it was changing its approach to organic "oversight" in India under its National Organic Programme.

Additional audits

The four organisations asked the EU to improve the quality of organic products imported into the EU permanently and control APEDA's functioning in this perspective.

One of the ways could be coming up with "some additional audits" and making sure that APEDA "is reacting and working as appropriately as the control system needs them to be".

The organisations even suggested that an alternative body to APEDA, which controls and supervises organic exports, should be allowed to come up. Until then, Indian farmers should be given time for transition and EU countries be allowed to import Indian organic products without disruption.
'Review derecognition'

The communication was sent to the EU Committee asking it to review its decision on blacklisting five certifying agencies certifying organic products exports from India to the European Commission.

The five certifying agencies - CU Inspections India , Ecocert India , Indian Organic Certification Agency (Indocert), Lacon Quality Certifications and OneCert International - have been derecognised for their failure to meet the norms for ethylene oxide (ETO) presence in their consignments, particularly sesame (til/gingelly).

APEDA followed up the derecognition of the five firms by suspending accreditation to Aditi Organic Certification for a year and banning four others - CU Inspections India , ECOCERT India, Indian Organic Certification Agency (Indocert) and OneCert International - from registering any new organic processor or exporter for organic products certification.

All the five came under APEDA lens after some shipments cleared by them failed to meet the norms for ETO presence. APEDA officials did not comment on the four organisations' letters until this report was published. The EU organisations said in view of the committee’s blacklisting, “hundred thousands of Indian organic farmers will find difficulty to export their organic products to EU and also the interests of companies selling and customers buying their products in Europe are harmed”.

The organisations – Organic Processing and Trade Association (OPTA), Europe, SYNABIO, BioNederland and Association for Organic Food producers – said ETO was a post-harvest related issue and the farmers were not the cause but victims of contamination.

Charge against authority

The five derecognised agencies certified close to 80 per cent of organic products imported to Europe from India, which is the sixth most important country for imports into the EU. “This means that many operators in the EU that depend on ingredients from India will be affected quite severely,” the organisations said.

They told Panichi that to meet the interest of organic companies and consumers in Europe, besides the affected organic farmers, the committee should re-evaluate the best way to improve the quality of the controls on ETO in India.

The EU should at least establish a proper transition time and regime if the Commission is convinced it has taken the right measure, while allowing organic farmers in India to continue marketing their products, the organisations said.

Appreciating the committee taking the responsibility for the integrity of organic products, they said the control system in India faced difficulties. The problems were not only caused by the five blacklisted firms but APEDA as well, they charged.

“Information was withheld or forwarded very late to the control bodies and also the information given by the control bodies to APEDA was forwarded very late to the Commission by APEDA,” the four organisations alleged.

Trade analysts saw the move by the four organisations as trying to dictate terms on behalf of the certifying agencies and intervening with India’s sovereign rights.

Source: thehindubusinessline.com- Nov 10, 2021

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India's GDP to rise by USD 406 bn by 2050 in net-zero scenario

India's GDP will rise by USD 406 billion by 2050 and more than 43 million jobs will be created, as the Asia's third-largest economy leaps towards a net-zero target, according to a report by Observer Research Foundation (ORF).At the 2021 Climate Change Conference, also known as COP26, Prime Minister Narendra Modi outlined a net-zero emissions target by 2070 for India. Also, India is targeting to increase its low-carbon power capacity to 500 gigawatts (GW) by 2030, and meet 50 per cent of its energy requirements from renewable energy by 2030.

"India's net-zero carbon emissions target of 2070 is momentous and praiseworthy, but highly ambitious to say the least," an ORF statement said. Structural changes and accelerants required to steer this transformation while balancing the twin goals of sustainability and development are detailed in the report 'Shaping Our Green Future: Pathways and Policies for a Net-Zero Transformation'.

The report, ORF said, is a compendium of essays that offers possible solutions to several pressing questions and aims to provide a roadmap for India's transition to a decarbonised and green economy."The net-zero pathway will require committing to a legally binding net-zero target by a fixed year," said Jayant Sinha, Chairperson of the Standing Committee on Finance, in the report.

A legally binding net-zero target and supportive government policies can lead to massive investments in green technologies and equipment. "This, in turn, will thoroughly transform electricity generation, transportation, construction, real estate, agriculture, cement, steel, and many other industries – a largely private-sector transformation, driven by private-sector capital," he said.

"Massive green investments will likely drive fast economic growth and create high-quality jobs. Net Zero will prove to be a Net positive for India," he added. According to the quantitative modelling conducted on decarbonisation pathways for the Indian Economy, the GDP in 2050 is projected to be up by USD 406 billion in the net-zero scenario.

In the process, 22 million more jobs will be created by 2030 and 43 million more jobs by 2050, ORF said.The monograph is published by ORF in collaboration with the MacArthur Foundation, Shakti Sustainable Energy Foundation, National Investment & Infrastructure Fund (NIIF) and the Climate Policy Lab at The Fletcher School, Tufts University.It underlines three pillars for India's successful green transformation – Financing Net Zero, Deep Decarbonisation and a Just and Inclusive Transition.

"India's path to a prosperous low-carbon economy rests on three types of strategies: job creation in low-carbon industries, robust low-carbon economic growth, and peaking, and subsequently reducing, its GHG emissions in a way that does not disrupt development aspirations," said Kelly Sims Gallagher, Professor and Academic Dean at The Fletcher School, Tufts University.

The net positive impact is mainly due to three factors: fresh, additional investments in new technologies and capacities; cheaper Renewable Energy, transport and maintenance and operation expenses; and a net increase in demand induced by consumption and employment, said Varun Aggarwal, Senior Program Associate – Climate, World Resources Institute India.

The green transition must be driven by values of climate justice and inclusion, "leaving no one behind," remarked Kate Hampton, CEO at the Children's Investment Fund Foundation."A wide range of stakeholders (allies and opponents alike) must come together to build alliances that further the integration of Just Transition principles in global efforts towards decarbonisation. A decarbonised world will truly make sense only if the new system is fair, equitable, and inclusive," Hampton said.

Global cooperation and climate diplomacy will be instrumental in altering global climate change. There can only be one green new deal, and it will have to be global. Domestic green new deals are thus at best only of tangential assistance to the global fight against climate change. It is a new global green deal that is required, ORF said.

Source: financialexpress.com- Nov 11, 2021

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GST Council likely to focus on rate rationalisation

In its December meeting, the GST Council is likely to focus on rate rationalisation and suggest ways for revenue augmentation. Though the date for the meeting has not been finalised, it could take place immediately after the Winter Session of Parliament.

The session is scheduled to end on December 23. 'Rules of Procedure and Conduct of Business in the GST Council' prescribe the meeting to take place at least once in every quarter of the financial year. Last meeting of the Council took place on September 17.

As on date, there are multiple rates comprising four main – 5, 12, 18 and 28 per cent – and some special rates such as 0, 0.25, 1 and 3 per cent. There has been thinking for a long time to bring down the number of rates and one idea was to merge 12 per cent and 18 per cent and prescribe a consolidated rate of 15 per cent. Various other combinations are also under consideration.

A Group of Ministers is reviewing the current rate slab structure including special rates. The group, under the convenorship of Karnataka Chief Minister Basavraj S Bommai, has been asked to recommend the rationalisation measures, including merger of tax rate slabs, required for a simple rate structure. This group was constituted on September 24 and was asked to submit its report within 2 months.

"It is expected that GoM's report will be ready before the next meeting, so that the Council could consider and decide the next course of action," a senior Finance Ministry official told BusinessLine. The GoM is expected to suggest changes that may be implemented immediately and the roadmap for implementation for the changes that should be implemented in the short and medium term.

Other terms

Other terms of reference for the GoM on rate rationalisation include review of the supply of goods and services exempt under GST with an objective to expand the tax base and eliminate breaking of ITC (Input Tax Credit) chain and review the instances of inverted duty structure.

Inverted Duty Structure refers to higher duty on inputs and lower duty on output. This results in a higher refund to the industry which affects the cash flows for companies and revenue collections for the Government. Also, consumers do not gain anything. Last year, the council corrected IDS on mobile handset while this September, it decided to correct this anomaly on textile and footwear from January 1, 2022.

The official said there are still some items such as fertilisers. “It is not just the government that has an issue with the IDS. Industry too has a tough time because their working capital gets blocked as GST paid at higher rates on inputs is blocked till the grant of refund,” he said. At the same time, businesses complain that the refund process is cumbersome and takes a long time.

Earlier this year, while presenting the budget, Finance Minister Nirmala Sitharaman had said that the GST Council has painstakingly thrashed out thorny issues. “As Chairperson of the Council, I want to assure the House that we shall take every possible measure to smoothen the GST further, and remove anomalies such as the inverted duty structure,” she had said.

Source: thehindubusinessline.com- Nov 11, 2021

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4.5 lakh MSMEs in UP took advantage of ECLGS during Covid: State MSME min Sidharth Nath Singh

Credit and Finance for MSMEs: Around 4.5 lakh micro, small and medium enterprise (MSME) units in India's most populous state of Uttar Pradesh have raised credit so far through the central government's Emergency Credit Line Guarantee Scheme (ECLGS) launched last year post Covid, said state's MSME Minister Sidharth Nath Singh on Thursday. Speaking on Day 1 of Financial Express Online's inaugural SME Artha event, Singh said "Approximately 4.5 lakh units in UP took advantage of emergency credit guarantee scheme and were able to revive their units. It helped them recover from the working capital or credit squeeze they had."

With nearly 90 lakh MSMEs, UP had the largest number of estimated small businesses with a 14.20 per cent share of 6.33 crore MSMEs in the country, as per the MSME Ministry 2020-21 annual report. Including UP, a significant part of the country's MSME landscape was severely impacted due to Covid and following lockdown restrictions last year that led to challenges in production, labour movement, supply chain disruption, and more.

"During Covid last year and this year, we had decided not to shut our industrial units. We arranged for (movement) of their workers with mobility passes. We also ensured that they have the raw material supply by making sure vehicles carrying raw materials pass unhindered…We also waived fixed electricity charges," added Singh who is also the minister for Investment & Export, NRI, Textile, Handloom & Sericulture, Khadi & Gramodyog, and Vice Chairman, Invest U.P.

The state was ranked second in the Ease of Doing Business annual rankings released in September last year. Moreover, UP secured sixth position in Logistics Ease Across Different States (LEADS) ranking this year from 13th rank in 2019. The ranking launched by the Commerce Ministry back in 2018 measures the ease in logistics activities in states. The tally was topped by Gujarat, Haryana, and Punjab.

Source: financialexpress.com- Nov 11, 2021

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Freight rates perk up, but diesel hike hits margins in India: CRISIL

With the monsoon withdrawing, consumption recovering and infrastructure activity picking up, freight rates saw a sequential recovery in October, according to rating agency CRISIL, which recently said that with high diesel prices, the overall profitability of Indian transporters remains below levels seen in the closing quarter of the last fiscal.

The recovery has been broad-based, with most route-commodity combinations seeing an increase in freight rates. In October 2021, 80-85 per cent of the combinations saw an improvement in freight rates over August 2021, while 15-20 per cent was unable to pass on the diesel price hikes due to demand-supply considerations.

CRISFrex captures changes in freight rates on a sequential basis. What makes it first-of-its-kind in India is that it also tracks the free cash flows, or FCF (pre-EMI) of transporters on an ongoing basis. Higher FCF would typically lead to higher demand for commercial vehicles.

Applications like textiles (especially readymade garments) have been struggling as demand may take another few months to revive to pre-pandemic levels, CRISIL said in a report.

Over the past 2-3 years, the domestic road freight transportation industry ran into many speed-breakers. The axle load norms caused a discernible drop in fleet utilisation levels in fiscal 2019, while the BS-VI norms led to a 10-15 per cent increase in the prices of new trucks in fiscal 2019-20. Then came the COVID-19 pandemic and the sharp economic contraction.

In the first quarter of fiscal 2020-21, fleet utilisation rates plunged with most consumption and demand centres locked down. A sequential recovery was visible with a gradual reopening of the economy over the next three quarters.

Amid all this, freight demand recovery was sporadic across segments; FMCG/FMCD recovered faster than discretionary segments such as readymade garments/textiles, and other consumer durables. Even within states, recovery varied based on the pandemic caseload and unlocking levels.

In such scenarios, transporters, logistics service providers, original equipment manufacturers and financers need to know the predicament of freight users, taxonomised by sectors, routes, applications and platforms.

CRISIL, which has been tracking freight rates and operator cash flows (pre-EMI) across 32 key routes in India on a bi-monthly basis since October 2020, will now deliver the data signals every month.

FreightSigns has found that consumer essentials like agri-products and FMCG/FMCD are the most resilient and stable segments driving the trucking industry, even in the current context. In fact, many large fleet operators have shifted focus from bulk commodities to lighter applications in the past two years.

Two, the industry is showing signs of improvement in terms of the freight index and EMI serviceability across route-commodity combinations despite a jump in diesel prices. That's because freight rates increased relatively higher compared with the increase in diesel prices over June-October 2021.

Furthermore, utilisation in terms of the average monthly running or the number of trips done has also improved across most of the 159 route-commodity combinations tracked by CRISIL.

Source: fibre2fashion.com- Nov 11, 2021

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Adani Ports' self-imposed cargo decision will impact trade: Govt

Customs asks APSEZ to 're-examine' move to stop handling containers coming from Iran, Afghanistan, Pakistan

The Customs Department has asked Adani Ports and Special Economic Zone (APSEZ) to "re-examine" its decision to stop handling export-import (EXIM) containerised cargo originating from Iran, Afghanistan and Pakistan at its ports from November 15.

"Unilateral" decision

"The advisory (issued by APSEZ) bears an adverse impact on EXIM trade of the country and (is) contrary to the policy of the Government of India," the Customs Department wrote in a November 10 communication to APSEZ following representations from trade that the decision was taken "unilaterally".

BusinessLine has reviewed a copy of the letter.

"Such restrictions of port specific import can be imposed only by the competent authority like Directorate General of Foreign Trade," it said while asking APSEZ to "re-examine" the issue and make policies for facilitating EXIM trade in consonance with the policies of the government.

Govt permission required

A Customs department official said that port authorities, both State-owned and private, are "not competent" to take such decisions. It requires government permission.

"Port authorities cannot restrict anybody. That has to be done by the Government of India. All such restrictions have to be imposed by the DGFT," he said.

Besides, India's EXIM trade, the Iran Chamber of Commerce, Industries, Mines and Agriculture also urged Indian authorities to reverse the decision taken by APSEZ.

Insignificant volume

APSEZ said that the self-imposed restriction on handling export-import containerised cargo originating from Iran, Afghanistan and Pakistan would not hurt its business.

"In the whole year, we have handled about 2,596 boxes from Iran. Considering the APSEZ container profile, and specifically with relation to Mundra, this is an extremely insignificant volume that we handle," Subrat Tripathy, CEO, APSEZ Ports Vertical, told analysts during the second quarter earnings call.

"Similarly, from Pakistan itself, we had handled just about 444 boxes in H1 which is extremely negligible," Tripathy added.

Drug bust at Mundra

APSEZ's move to restrict handling container cargo originating from Iran, Afghanistan and Pakistan came in the wake of a huge drug haul at its flagship Mundra Port in September.

On September 16, the Directorate of Revenue Intelligence seized 2,988.21 kg of heroin at Mundra Port. The heroin was found in two containers declared as stuffed with 'semi processed talc stones' that originated from Afghanistan and were shipped to Mundra via the Bandar Abbas port in Iran.

The case is being pursued by the National Investigation Agency.

Source: thehindubusinessline.com- Nov 11, 2021

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