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NEWS CLIPPINGS

	NATIONAL NEWS
1	FTAs with nations to help provide more market access to Indian goods, says Piyush Goyal
2	India is on track to achieve historic highs in exports, says Union Minister Piyush Goyal
3	India has potential to become fashion capital of world: Piyush Goyal
4	Retail direct, integrated ombudsman scheme will make country stronger: Modi
5	Huge opportunities for Korean firms in India's startup ecosystem: Goyal
6	India, Australia negotiations on interim FTA speed up as Dec deadline approaches
7	Economic Survey to be single-volume this year amid search for new CEA
8	PM Modi tasks entire Council of Ministers to develop resources for further improving governance
9	'We're back in business': Piyush Goyal says India set to hit historic high on exports
10	USTR to visit India this month; countries to discuss trade, investment issues
11	Road to recovery: Textile industry pegged to grow 300% over next 2 years despite COVID impact, says report
12	FM to interact with States' CMs, UTs' LT Governors to chart out big investment push
13	Cotton output pegged at 362 lakh bales this year
14	Electricity Amendments Bill 2021: A game changer for the power sector
15	India can contribute more to global growth
16	JNPT to connect with other ports & boost coastal container traffic of India through new Coastal Berth; details
17	India's forex reserves decline USD 1.14 bln to USD 640.8 bln
18	Guntur: Cotton fetches Rs 10,000 per quintal as demand surges
19	Andhra Pradesh govt lobbies for textile park in Kopparthy
20	Green threads of change

INTERNATIONAL NEWS

US economy grew at estimated 2% seasonally-adjusted annual rate in Q3

The economy in the United States grew at a 2 per cent seasonally-adjusted annual rate in the third quarter (Q3 2021), The Bureau of Economic Analysis (BEA) estimates. This is lower than the 6.7 per cent growth in Q2 2021 and the 6.3 per cent growth registered in Q1. One of the reasons for the slower overall growth was a slowdown in consumer spending.
Consumer spending growth was 1.6 per cent annualised rate in Q3 2021. In Q2, it was 12 per cent and in Q1, it was 11.4 per cent.

The spending slowdown was focussed on physical goods instead of services. Service spending, which includes outlays for travel and restaurants, was disproportionately hit by the pandemic.

While service spending was lower, consumer spending on goods rose. Slower spending on goods in the third quarter (minus 9.2 per cent) and higher spending on services (7.9 per cent) suggests a rebalancing is under way.

Despite slower spending on goods overall, spending on clothing remains strong. Year-over-year, growth in spending on apparel was 19 per cent higher in Q3. Relative to the same period in 2019, consumers spent 25.4 per cent more this year.

US apparel imports have been strong in 2021. In terms of weight volume, apparel imports are on pace to reach their highest level since 2010.

Imports of home textiles are on pace to set a new record, according to an update this month from Cotton Incorporated, which has a mission to improve the demand for and profitability of cotton.

After three months of decline, the Conference Board's Index of Consumer Confidence increased in October. The current value of 113.8 is well above the long-term average of 93.

Source: fibre2fashion.com– Nov 12, 2021

HOME

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Positive third quarter for Italian textile machinery

The index of orders intake for Italian textile machines, as compiled by ACIMIT, the Italian textile machinery producers' association, rose by 66% for the period from July to September 2021 compared to the same period in 2020. The value of the index stood at 119.8 points (basis 2015=100). The growth concerns both the Italian and foreign markets, with an

However, the index of orders intake shows a 17% drop when compared to the previous quarter this year, due mainly to the summer break and a demand for machinery that has stabilized over the last few months.

ACIMIT President Alessandro Zucchi comments: "Overall, the numbers for new orders remain positive, in spite of a slight decline compared to the months prior to the summer period.

This proves that Italian companies have been capable of responding quickly to new market conditions, as has often happened in other historical periods. The ability to adapt, coupled with a remarkable flexibility, are part of our DNA as Italian businesses, not just in our specific sector".

This positive moment for Italy's textile machinery sector is expected to continue through to the year's end, as ACIMIT's analysis notes. Italian machinery manufacturers are forecasting an increase in the orders intake for the last quarter of the year, both abroad and domestically.

"The resumption in trade show attendance we've witnessed has improved the climate of confidence among companies. However, we need to make the most of this moment, since the difficulties are not yet entirely behind us. In particular, we must continue on the path of digitalisation and sustainability," ACIMIT's President concludes.

Source: knittingindustry.com– Nov 12, 2021

HOME

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China's ports to ride on economic recovery and rising exports: Moody's

China's port sector will remain resilient on the back of an economic recovery, rising export demand and its dominant position globally, according to Moody's Investor Service, which recently said in its inaugural chartbook on China's ports that geopolitical tensions will add uncertainty to trade negotiations and could weigh on container throughput volumes. China's economic rebound and rising exports amid reduced production in countries facing lockdowns will continue to buoy the country's ports, says Moody's.

"We forecast China's GDP [gross domestic product] will grow at 8.0 per cent in 2021 and 5.3 per cent in 2022 and container throughput to rise at 9 per cent in 2021 and 4 per cent in 2022. China's market position will continue to be dominant over the next three years, supported by the country's port connectivity, well-established port infrastructure and integrated supply chain," said Ralph Ng, a Moody's vice president and senior analyst, in a company press release.

Moreover, consolidation among the country's ports will reduce internal competition and enable better resource allocation. Meanwhile, announced port tariff reductions are mainly related to government levies and have minimum impact on ports. China captures about 30 per cent of global total container throughput with seven of the 10 busiest container ports located in the country as of 2020.

The International Monetary Fund projects global GDP to grow at 5.9 per cent in 2021 and 4.9 per cent in 2022. Similarly, the World Trade Organisation estimates global trade volumes will increase by 10.8 per cent in 2021 and 4.7 per cent in 2022. Global GDP and container throughput declined in 2020 because of lockdowns and the suspension of business activities.

Prolonged disputes between China and the US, the EU, Canada and Australia have affected throughput volumes. Tensions on multiple fronts are likely to continue, which could weigh on the rebound of throughput volumes, Moody's added.

Source: fibre2fashion.com– Nov 15, 2021

HOME

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S Africa, India call for inclusive development of global e-com at WTO

India and South Africa have jointly sought inclusive development of global e-commerce and measures, including technology transfer, to bridge the digital divide between the rich and poor that has 'worsened' during the COVID-19 pandemic. Both the countries recently made a joint submission to the World Trade Organisation (WTO) over the issue.

The joint paper highlighted the need for developing countries to enact laws on data sovereignty and preserve their policy and fiscal space to revive trade competitiveness.

The move comes weeks before the 12th WTO Ministerial Conference (MC12), where a group of countries, including the United States, Japan, Singapore and Australia, will reportedly try to push plurilateral negotiations on trade-related aspects of e-commerce that doesn't have the support of many developing countries, including India.

The joint paper is a counter to the efforts being made by the proponents of the WTO negotiations on trade-related aspects of e-commerce to push a substantial agreement at the MC12 in Geneva on November 30-December 1.

India and many other non-participants are concerned that these efforts, largely from the developed countries, could have a bearing on global e-commerce rules and worsen the equation between developed and developing nations.

"Three developed countries (US, Japan and Germany) together account for 45 per cent of global e-commerce sales...and a handful of digital platforms have captured the cross-border e-commerce markets. Covid-19 has further increased the market dominance of digital platforms and big-tech firms," the two countries said in the paper submitted to the WTO Committee on Trade and Development. They cited an UNCTAD report from 2019.

The narrative that MSME vendors can expand their sales and exports by linking with online retail platforms completely ignores the adverse impact of practices followed by many online retail platforms on MSME vendors who seek to sell through such platforms, the paper said.

On the importance of controlling domestic data, "The need to collect, store and process data and regulate its flows for development is well understood. For this, national laws and regulations, like laws regarding data sovereignty, will need to be designed and enacted," Indian media quoted the paper as saying.

The submission also raised concerns on the fast spread of 3D printing that could potentially replace almost 40 per cent of cross-border physical global trade by 2040 if investments in 3D printing is doubled. The most affected sectors would include labour-intensive ones in India such as textiles and clothing, footwear, auto-components, toys, mechanical appliances, and hand tools.

"Digital technology transfers will be pivotal in bridging the digital divide and building export competitiveness of developing countries. The active role of developed countries to realise such technology transfers will also be crucial," the paper concluded.

Source: fibre2fashion.com– Nov 15, 2021

HOME

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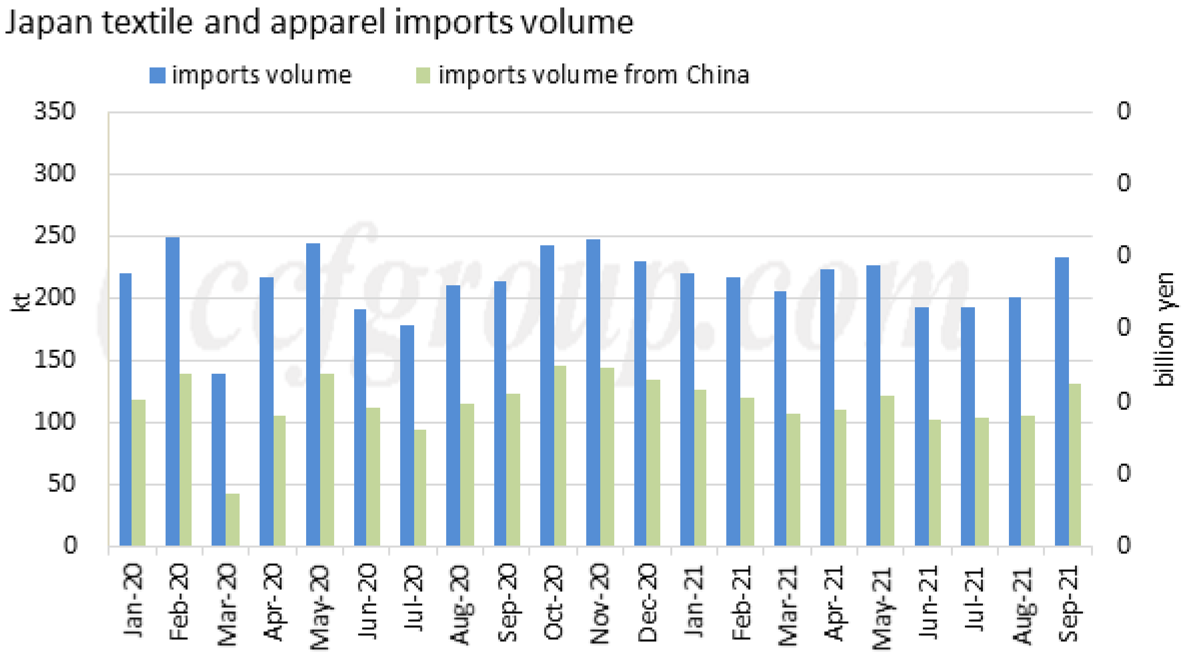
Did the import unit price of Japan's textile and apparel drop?

Japan' s textile and apparel import demand in Sep recovered month-on-month but still remained sluggish

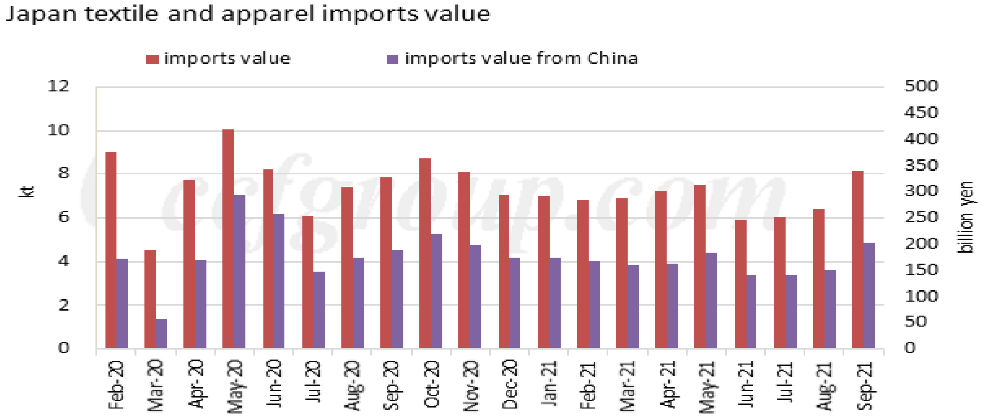
The latest data showed that Japan' s textile and apparel import volume in Sep reached 242kt, up 0.2% year-on-year and 4.4% month-on-month respectively, but was 7.2 percentage lower than that in the same period of 2019. Japan imported more than 144kt in textile and apparel from China, down 1.7% year-on-year but up 9.5% month-on-month respectively, and 3.1 percentage lower than that in the same period of 2019, indicating that Japan's textile and apparel import demand was still recovering and did not recover to pre-Covid level.

During Jan to Sep, Japan' s textile and apparel import volume reached 1929kt, up 2.4% year-on-year, but was 4.6 percentage lower than that in the same period of 2019. Japan imported more than 1047kt in textile and apparel from China, up 2.9% year-on-year but 0.1 percentage lower than that in the same period of 2019, indicating that although Japan' s textile and apparel industry was recovering in the first three quarters, it still performed poorly compared with that of the United States and the European Union.



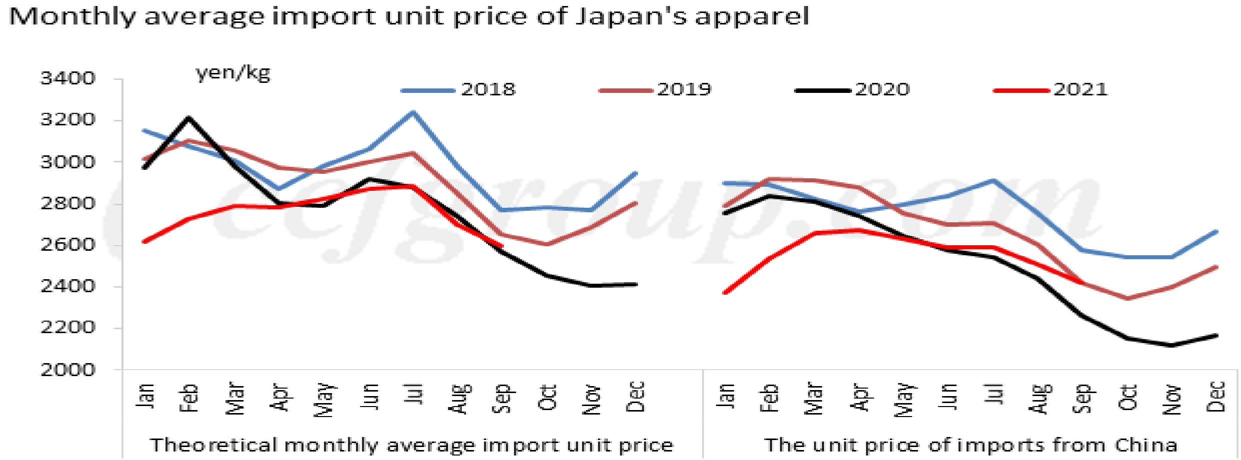
From the seasonal changes of Japan's textile and apparel imports over the years, most of the time the annual imports peak was in September-October, while the high point of the imports from China also occurred in Sep. In Sep this year, Japan' s textile and apparel imports reached the highest monthly volume from January to September. A new high may be in October.

Japan' s textile and apparel imports value in Sep were 357.04 billion yen, down 1.9% from the same period last year, up 5.2% from the same period last year, and 9.6% from the same period in 2019. Japan imported 223.64 billion yen in textile and apparel from China, up 2% year-on-year and 10% month-on-month respectively, but was 9.6 percentage lower than that in the same period of 2019, indicating that the recovery of Japan' s textile and apparel import value was not as good as that in volume.



Theoretical monthly average unit price of Japan' s textile and apparel varied greatly

The changes in the import volume and value of Japan' s textile and apparel were different, which may be due to the influence of the import product structure and unit price of textile and apparel.

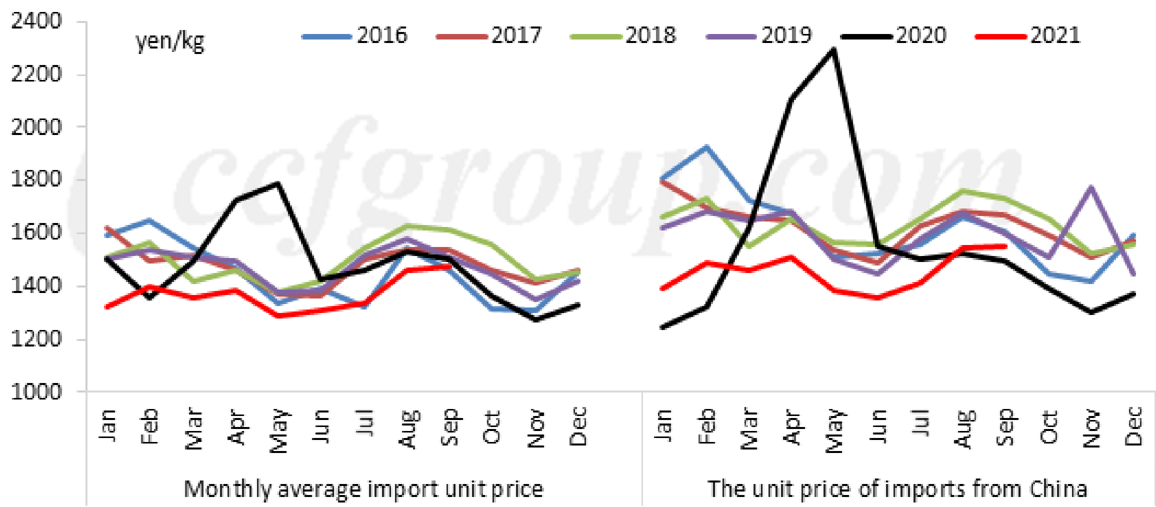


Note: average unit price=import value/import volume

It can be seen that the monthly average import unit price of Japan' s textile and apparel was fluctuating during 2016-2019, while the price fluctuated sharply last year due to the pandemic. In the first half of last year, the proportion of the epidemic prevention materials was large, and the unit price rose, so the actual import unit price was also at a high level, and then gradually fell back. Since the second half of last year, the unit price showed downward and then an upward trend. The price rise accelerated from June to September this year, rising from 1285yen/kg in May to 1474yen/kg in September, up 14.8%.

The trend of the theoretical monthly average import unit price of Japan' s textile and apparel from China was similar to that of the total unit price, but the price was the lowest in June, rising 14.4% from 1,358yen/kg in June to 1,553yen/kg in September. The monthly average unit price also had a certain seasonality, but like the total unit price, the average import cost has indeed dropped greatly this year. What problems can cause the large fall?

Monthly average import unit price of Japan's textile and apparel



Theoretical import average price of Japan' s apparel in September declined, mainly because the price fluctuation and structure of textile semi-finished products and manufactured goods led to a rise in unit prices.

With the change of season, the product category varied, so the unit price also changed greatly.

Total monthly unit price generally showed downward from February to May, an upward trend from June to August, decreased again from September to November, and increased from December to January.

Although changes in the types of imported products and origins led to changes in the theoretical average unit price, from the theoretical data, the comprehensive cost of Japan's textile and apparel imports this year was lower than that in previous years, which seemed to deviate from the sharp rise in commodity prices caused by inflation in China and the beyond.

However, in terms of consumption in China's end-users market, the prices of end products such as apparel and home textiles have not risen significantly this year.

On the contrary, there were many discounts, so the actual end-users retail did not rise sharply as in the midstream and upstream, but the profit distribution changed.

Source: ccfgroup.com– Nov 12, 2021

HOME

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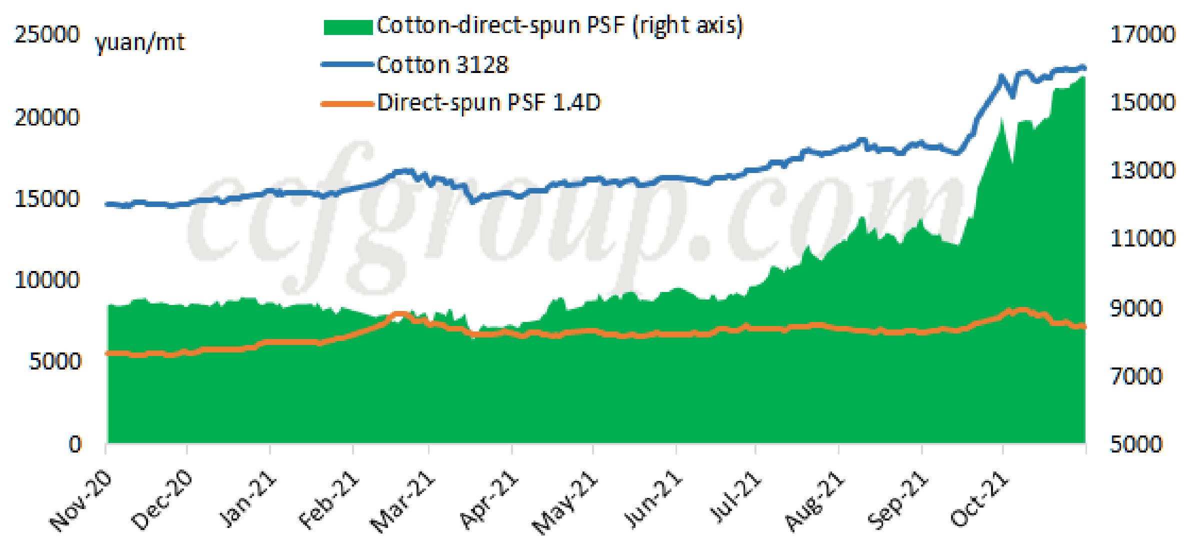
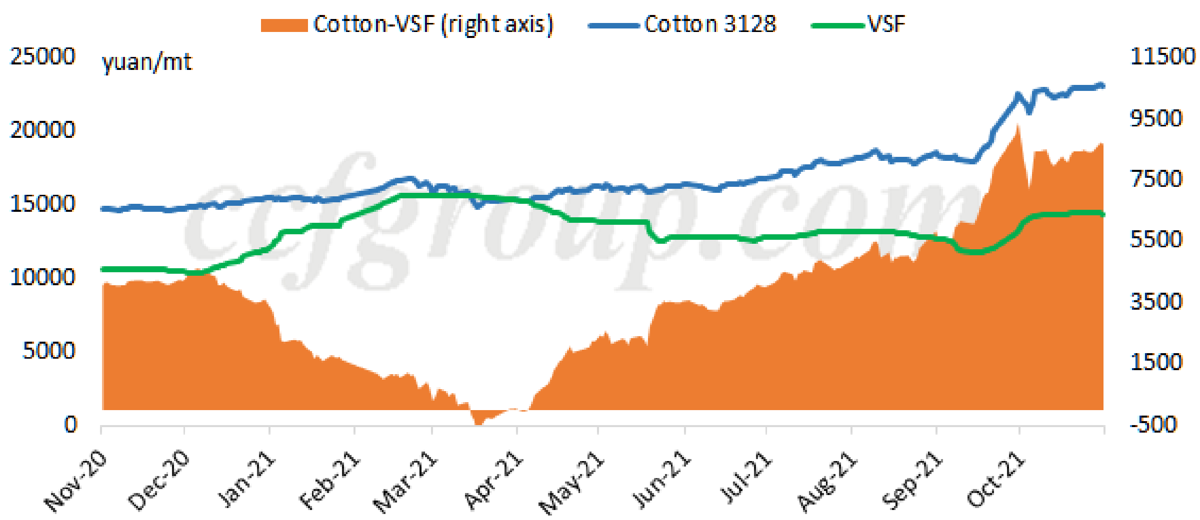
China: Survey on production shift of polyester yarn mills amid high cotton price

The surge of cotton during late Sep to Oct has widened the price spread between cotton and other textile raw materials. Currently, cotton 3128 is about 15,800yuan/mt higher than direct-spun PSF semi-dull 1.4D, up nearly 5,000yuan/mt; and about 8,700yuan/mt higher than VSF 1.2D, up about 3,000yuan/mt.

Price spread of cotton and direct-spun PSF



Price spread of cotton and VSF



When the price spread expands to a certain extent, the production shift happens. But the production shift depends on not only the price gap, but also the demand and continuity of the market situation. Cotton yarn and polyester/cotton yarn have weakened since late Aug.

In Sep and Oct, the rush procurement of seed cotton soared the price of cotton and triggered obvious contradiction between the cost and demand, making downstream resistant to cotton. By now, the procurement of seed cotton is coming to an end and the costs of new cotton stabilized at over 24,000yuan/mt. Therefore, some companies have changed or plan to change the products they are producing.

Company	Location	Total capacity (10,000 spindles)	Production shift description
1	Changle, Fujian	68	The capacity of cotton-contained products take up about 1/4 of total, mainly TC and CVC yarns. At present, the orders are not many and other products are also hard to be sold, so it decides not to shift production.
2	Changle, Fujian	65	The capacity of cotton-contained products is about 200,000 spindles. It holds orders at hand now, so ti will not change production.
3	Changle, Fujian	30	The capacity of cotton-contained products is about 150,000 spindles. With stable customers and orders, it will not switch production easily.
4	Sanming, Fujian	38	The capacity of cotton-contained products is less than 100,000 spindles. There are scarce new orders and with previous orders unfinished, it will not switch production.
5	Fuzhou, Fujian	18	The products are mainly cotton yarn, TC yarn and CVC yarn. Now it has reduced the production of cotton yarn and CVC yarn, shifted a part to TC yarn and some capacity has been idle.
6	Putian, Fujian	15	The capacity of cotton-contained products is 130,000 spindles. The quality of its products is good in the industry. Now it has orders under production, so it does not switch production.
7	Fengxin, Jiangxi	30	The capacity of cotton-contained products is 80,000 spindles. A half of TC yarn has been shifted into pure hemp grey yarn, and CVC yarn production has not been decided.
8	Fengxin, Jiangxi	39	The capacity of cotton-contained products is over 100,000 spindles. It plans to shift a part of CVC yarn into TC yarn.

9	Yangzhou, Jiangsu	22	The capacity of cotton-contained products is about 50,000 spindles. It has shifted a half of TC and CVC yarns into TR.
10	Yangzhou, Jiangsu	8	It has shifted a half of polyester slub yarn and conventional polyester yarn into TR yarn.
11	Zhangjiagang, Jiangsu	5	The production of cotton-contained products remains unchanged.
12	Liaocheng, Shandong	8	The orders at hand could be processed for one month, so it does not plan to shift production.
13	Tai'an, Shandong	11	As there was a close contact of the pandemic, the government required all the employees in the company to be quarantined. It will have orders to be finished and the quality products also guarantee its orders, so it will not shift production.
14	Dongying, Shandong	8	Before Oct, the capacity of TC yarn took up 1/3 of total capacity and CVC 2/3. Since Oct, some CVC capacity has been switched into TC one and now TC takes up 2/3 of total and CVC 1/3.
15	Xingtai, Hebei	10	It holds a lot of orders and the pandemic in Jinzhou also promotes its sales.
16	Gaoyi, Hebei	10	It mainly produce cotton yarn and CVC yarn and it does not change production.
17	Anqing, Anhui	80	It receives some new orders, but the profits are compressed. The use of VSF and modal increases but cotton use decreases.
18	Xi'an, Shaanxi	3	It mainly produce TC yarn. It does not shift production as other varieties also perform bad.
19	Zhengzhou, Henan	10	It suspended 40,000 spindles of cotton yarn from Oct. With scarce new orders and dull business, it will not shift production at present.
20	Macheng, Hubei	8	It has reduced CVC production and increased TC75/25 and TC85/15.

Among above 20 companies, 9 have shifted or cut production, accounting for 45%. They change from CVC to TC, from cotton yarn to TC blended yarn or from TC to TR blended. It is obviously seen that the use of cotton is reducing and PSF and VSF increase instead. In addition, yarn mills in Hebei report dull business and scarce new orders.

Most of them do not have inventory pressure now. Those companies with good fames have orders to be finished while other companies are passive. This situation will be more obvious as the market softens. Later, more and more yarn mills will cut or shift production under inventory. After all, cotton is much higher than VSF and PSF and harder to be accepted by downstream mills.

Source: ccfgroup.com– Nov 12, 2021

HOME

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Cotton Australia, PaperTale & Gina Tricot partner for traceability

Cotton Australia has partnered with blockchain creators PaperTale and Swedish fashion label Gina Tricot to tell the story of growers involved in growing the cotton used for manufacturing the fashion label's women's clothing, through a blockchain-based app.

By scanning a button sewn into the garment, cotton used to create a selection of women's clothing by fashion label Gina Tricot can be traced back to the farmers who grew the cotton in the Macquarie Valley, New South Wales in Australia.

According to Cotton Australia's supply chain consultant Brooke Summers, the use of technology to trace products is becoming more sought after. "There's no doubt our brand and retail customers are looking for clever ways to trace and track their products and impact right back to farm level, and we expect new technologies to facilitate this will become more prevalent in the market," she said.

"By getting involved in pilots like these we can learn a lot about what our customers need, as well as the limitations and challenges in working within these technologies," she said.

Angus O'Brien, farms at Warren in the Macquarie region and was one of the farmers identified and said the blockchain technology was "impressive". "I have an appreciation of the cotton growing process, but for someone who is in a country far removed from where this happens, it would be amazing for them to see this and learn about where their cotton came from," he said.

Source: fibre2fashion.com– Nov 12, 2021

HOME

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Morocco, an attractive destination for global textile manufacturers

Morocco is becoming a growingly attractive destination for global textile companies, as world's leading textile groups are migrating from traditional Asian manufacturers to closer markets offering favorable conditions, such as Morocco.

Several brands from the European Union, the UK and the U.S. have been sealing deals with Moroccan companies in the textile industry as an outsource, away from their Asian partners.

Spanish brand Mango and group Inditex as well as French group Camaïeu have already established connection with Morocco local producers, local media Media24 notes.

Logistical costs, the downturn caused by the pandemic and the increase of salaries in China can induce western textile giants to look for more favorable partners, Mohammed Boubouh President of the Moroccan Association of textile and clothing industries (AMITH) told Media24.

AMITH former President Karim Tazi confirmed the trend and called on the Moroccan private and public sectors to seize the opportunity.

"The recovery is undeniable, we feel it. Northern European players, such as the British, are arriving in droves to learn about the Moroccan offer and capabilities. Distributors who used to buy exclusively in Asia are now shopping in Morocco," he also told Media24.

"There is a great demand today. It must be accompanied by a willingness on the part of the private sector and public authorities to take advantage of this momentum. This is a unique opportunity. We have not known in Morocco an opportunity as important to become a major textile player, since the 1980s," Karim Tazi added.

With the trend, the kingdom of Morocco is set to become a major stakeholder in the global textile industry but several hurdles are still standing in the way. For Boubouh there is a need to provide credit insurance for the Moroccan producers to ease the export process.

Tazi on the other hand urged Moroccan textile companies which are largely specialized in packaging to step up and become producers of finished products.

He suggested the creation of textile aggregators in the kingdom as they constitute the connecting link between subcontracted producers and the distributors.

These aggregators have a know-how that traditional manufacturers do not have, he stressed adding that the Moroccan manufacturers lack several expertise including creativity, marketing, logistics, technical development.

The kingdom though attractive, is facing daunting competition from Turkey, which is also a favorite outsourcing market for the global textile leaders.

“When a Turkish manufacturer buys a Chinese fabric, it exports to Morocco with zero customs duty. While the same Chinese fabric, when purchased by a Moroccan industrialist, makes him pay 12.5% of customs duties. We are taxed not only at the purchase, but also at the sale on the value added,” Boubouh explains while highlighting the steady devaluation of the Turkish Lira – favorable factor for export.

Tazi on the other hand argues that Turkey’s superiority on Morocco also lies in the commitment to decarbonize their products and establish environment-friendly textile companies.

Source: northafricapost.com– Nov 11, 2021

HOME

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Bangladesh: Many textile mills in BD investing in synthetic and blended yarns

As demand for MMF-based apparel items keeps increasing in the global market, more and more textile mills in Bangladesh are investing in synthetic & blended yarns to support garment makers who look to move up the value chain by making MMF-based, value-added products to exploit the existing and upcoming opportunities. Here's a lowdown on what's the latest development in terms of synthetic and blended yarns.

Data from the International Textile Manufacturers Federation (ITMF), a Switzerland-based platform for global textile makers, underlined that of all garment items produced in the world, 78 per cent is made from man-made fibre while cotton fibre accounts for the rest even as for Bangladesh, the case is opposite to the global trend as of the total garment items made in Bangladesh, more than 74 per cent are from cotton with industry insiders claiming the use of cotton fibres instead of man-made ones for export-oriented garment items is one of the major reasons premium prices cannot be availed from global brands and retailers with the price chart indicating the value of 'Made in Bangladesh' garment items not increasing since the Rana Plaza tragedy.

"The price of garments has gradually been declining by buyers despite the recent increase in export orders...," maintained BGMEA First Vice President Syed Nazrul Islam Chowdhury while addressing the association's Standing Committee on Customs (Bond) and Customs (Sea) not so long ago even as Faruque Hassan, President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), also said the industry has been suffering from surging costs of production with the revival of business from the fallouts of COVID-19 even as he underlined that although the cost of production has increased by around 30 per cent, price per unit of garment items exported from Bangladesh has declined by 3.7 per cent over the past one year due to lower demand.

He also maintained that, in many cases, the exporters have been doing business either with the hope of making a profit in the future or reducing other costs of production in different ways while underlining most suppliers have been surviving through exporting higher volumes of goods, rather than through better values.

Understandably so, more and more garment makers are now moving towards MMF-based apparel as they look to move up the value chain and make high-end, value-added products while basic items, which have been the staple of the Bangladesh garment industry so far, have started to lose their appeal, thanks to faltering profit margins.

Keeping with the changing trend, Bangladesh's primary textile sector is now undergoing rapid changes as well with local millers taking to producing significant amounts of man-made fibres even as import of manmade fibres grew a substantial 45.72 per cent to reach 99,597 tonnes in the first five months (January to May) of this year – of the imports, about 61,693 tonnes were polyester staple fibre, 32,454 tonnes viscose staple fibre, and around 5,450 tonnes Tencel and flax fibre – compared to 68,348 tonnes during the corresponding period in 2020, according to the Bangladesh Textile Mills Association (BTMA) data.

Apparel exporters in Bangladesh need to shift their focus more towards value-added, high-end apparel items like technical apparel as their demand is high in the global market, said Faruque Hassan recently while addressing a discussion organised by the Bangladesh Apparel Youth Leaders Association even as he added demand for man-made fibre (MMF)-based garment items is on the rise in the global market, and Bangladeshi apparel exporters should make use of the opportunity.

"Bangladesh should aim to pursue a higher growth vision, diversifying textile material from cotton to non-cotton to make its business sustainable amid the fierce competition in the global market," stated the BGMEA President, adding, "Now is time to shift from quantity to quality, from volume to value."

He also reportedly called for foreign investment in Bangladesh's non-cotton textile industry such as the production of man-made fibre (MMF)-based apparel which will create demand for artificial fibres and other raw materials in the local market.

So, even as the BGMEA President called upon the garment makers to focus more on value addition through using MMF to bargain better price points, the number of spinners producing different types of synthetic and blended yarns for high-end garments have now reportedly reached to around 50 from 10 over the last five years even as many have stepped up investing more in synthetic and blended yarns in response to the increasing use of such yarns globally while also to decrease dependency on cotton yarns and stay competitive in the global market.

Many of the leading spinners in Bangladesh are now reportedly setting up new facilities for manufacturing synthetic and blended yarns even as the global synthetic fibres market size was valued at US $ 59.95 billion in 2020 and is expected to grow at a compound annual growth rate of 6.6 per cent from 2021 to 2028 while according to research (Grand View Research), the synthetic fibres market size will amount to US $ 99.78 billion by 2028.

Meanwhile, Envoy Group is reportedly investing Tk 125 crore to set up a synthetic blended yarn production capacity even as the new unit will reportedly produce 12 tonnes of yarn per day.

Source: dailyindustry.news– Nov 14, 2021

HOME

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Bangladesh: Exporters now brace for continued spike in Chinese raw material prices

Bangladesh's exporters now brace for a bigger blow to its raw material sourcing from China as the ongoing gas and electricity crisis in the world's second largest economy is expected to continue for at least four more months with the advent of winter when consumption peaks.

Domestic cost pressures, fuelled by energy shortages, have already halved factory outputs in China, eventually forcing its suppliers to hike product prices by up to a 100%.

Bangladesh, which depends on China for about 60% of its raw materials required for export sectors, is not shielded from the impacts.

The country's export industries have started feeling the heat as they are having to import industrial inputs from China even at high costs to meet increasing demand for products flowing in from buyers.

Bangladesh's exports registered double-digit growth in the last three months, which saw over 60% year-on-year rise in October, according to the Export Promotion Bureau (EPB).

Only months ago, global economists had banked on China's strong growth momentum propelling the global recovery. Now, China's V-shaped economic rebound is fading faster, posing a new headwind for an uneven global recovery, says Bloomberg.

The latest cost burden on Bangladesh industries comes on top of exorbitant global freight charges and recent spike in domestic transportation cost owing to fuel price hike.

On the other hand, shipping vessel shortages have also put Bangladeshi entrepreneurs in a tighter spot over maintaining lead time and export competitiveness, according to the industry people.

Fazlee Shamim Ehsan, chief executive officer at Fatullah Apparels Limited, told The Business Standard, "Raw material prices have doubled over a month, and shipments that would take a week now take more than a month."

For example, Chinese dyes-chemicals now cost $22 per kg, while it was only $13 per kg a month ago.

India could be an alternative sourcing country for some items, but Indian exporters charge $2-$3 higher than China's and they are now charging more capitalising on the ongoing crisis, he added.
This situation may not be normalised before March next year as China's power shortage might not end before the advent of spring, Ehsan said.

Sayeed Ahmad Chowdhury, director (operation) at Square Denims Ltd, said, "The way prices of raw materials increased is unbelievable for Bangladeshi importers, but we still have to procure at very high prices to maintain export commitments."

Liquid indigo now costs $8.20 per kg, which was $4.80 per kg just two weeks ago, he also said.

Md Shahidullah Azim, vice-president at Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told TBS that freight costs rose to $12,000-13,000 per 20-foot container from $2,500-$3,000 a year ago.

On top of it, their production cost will go up further by 5% because of 23%-30% rises on transport cost, container handling charges and other services, he added.

Kutubuddin Ahmed, a former president at the BGMEA, said costs of inputs from China have added to woes of textile and apparel industries, which have already been hit hard owing to shipping vessel crisis and rising petrochemical prices in the global market.

But it is now not possible to shift to another country to source such raw materials and capital machinery owing to pricing issues as China is a more competitive sourcing hub for the globe, he added.

Kutubuddin said if the situation continues for a long time, alternative suppliers will be developed.

Bangladesh, also one of the largest importers, has an opportunity to develop some backward linkages for manufacturing synthetic yarn, woven fabrics and chemicals, etc, he added.

"We have to go for a joint venture initiative to set up such facilities as currently, we do not have technological knowhow for the purpose," he noted.

Imports from China totalled $13.55 billion in the last fiscal year, merchandises include industrial raw materials and capital machinery, apart from a host of consumer goods.

Source: tbsnews.net– Nov 14, 2021

HOME

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Pakistan: Cotton prices soar amid modest trading

The Spot Rate Committee of the Karachi Cotton Association on Saturday increased the spot rate by Rs 200 per maund and closed it at Rs 16300 per maund. The polyester fiber was available at Rs 247 per kg.

The local cotton market remained stable and trading volume remained low.

Cotton Analyst Naseem Usman told that the rate of cotton in Sindh remained between Rs 13000 to Rs 16,800 per maund and the rate of cotton in Punjab was registered at Rs 14,300 to Rs 16,700 per maund.

The rate of the new crop of Phutti in Sindh was remained between Rs 4500 to Rs 7,200 per 40 kg. While Phutti prices in Punjab were between Rs 5,800 to Rs 8,000 per 40 kg.

Similarly, prices of cotton in Balochistan were remained at Rs 13,800 to 16,400 per maund while Phutti prices were high as compared to other two provinces which were Rs 6,200 to 8,000 per maund, said Naseem Usman.

The rate of Banola in Sindh was in between Rs 1350 to Rs 2,000 per maund. While in Punjab rates of Banola were in between Rs 1650 to Rs 2,200 per maund.

1200 bales of Saleh Pat were sold at Rs 15800 to Rs 16200 per maund, 1400 bales of Sadiqabad were sold at Rs 16500 to Rs 17000 per maund, 1600 bales of Khan Pur were sold at Rs 16500 to Rs 17000 per maund, 1200 bales of Rahim Yar Khan were sold at Rs 16500 to Rs 17000 per maund, 1000 bales of Chichawatni were sold at Rs 16600 per maund, 600 bales of Dharanwala were sold at Rs 16000 per maund, 1000 bales of Hasil Pur were sold at Rs 15900 per maund and 1000 bales of Fort Abbas were sold at Rs 15800 to RS 16000 per maund.

With textile exports, especially value-added, marking a significant growth in first four months of this fiscal year, industry officials on Thursday said a wave of new investment in the sector was on cards.

Officials said the sector invested $3-3.5 billion on modernisation and expansion in the last few years and the investment is likely to match $5 billion, witnessed during Musharraf era when the sector was undergoing major modernisation, balancing and replacement (BMR).

"The figures can be matched in next six to eight months provided the government provides the sector level-playing field", Zubair Motiwala, a leading textile industrialist told The News International.

Exports of various categories of value-added textile goods went up substantially in July-October period of this financial year compared to the corresponding period of previous year, as per latest figures released by Ministry of Commerce.

Exports of men's garments jumped by a massive 32 percent to $1.584 billion in the months under review compared to $1.201 billion in the same period last year.

Home textile exports grew 22 percent to $1.575 billion in July-October of 2021-22 against $1.294 billion in the same months a year ago.

Exports of cotton fabric increased 20 percent to $745 million in first four months of current fiscal compared to $622 million in the same months of last fiscal.

Likewise, exports of jerseys and cardigans soared 60 percent and women's garments increased 20 percent in the period under review compared to same months during the last fiscal.

Motiwala attributed the growth in value-added textile exports to global Covid lockdowns when India was closed and orders were diverted to Pakistan.

Similarly, buyers also moved to Pakistan after being dismayed by Bangladesh child labour issues.

"Buyers do not change their suppliers swiftly. Luckily, Pakistan captured these buyers in Covid times and it is very hard for them to again switch to new suppliers," said Motiwala.

He pointed out that export figures of value-added textile goods would have been much bigger if the shipping charges had not been raised massively in recent times.

"Textile sector only wants even-playing field from the government in the form of continuous supply of gas to the sector as disruption will pose serious threat to the sector, which is presently buoyant by registering the much-needed growth for the country."

He said more investment in the import of machinery for textile sector expansion and modernization would boost sector's prospects in terms of high growth in exports.

"We believe that $5 billion investment in Musharraf era would be matched in next six to eight months as the sector has invested $5 billion so far," Motiwala hoped.

Source: brecorder.com– Nov 14, 2021

HOME

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NATIONAL NEWS

FTAs with nations to help provide more market access to Indian goods, says Piyush Goyal

Talks for the proposed free trade agreements (FTAs) with countries, including Australia, the UK and the UAE, are moving at a fast pace and these pacts, when implemented, would help provide greater market access to domestic goods, Commerce and Industry Minister Piyush Goyal said on Sunday.

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.

Goyal said that talks for such pacts are going on with Australia, UAE, GCC (Gulf Cooperation Council), European Union, Israel and the UK.

Member countries of GCC are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (UAE).

When these agreements would be finalised, it would provide "greater access to our manufactured goods as there will be less or zero customs duties," the minister said at Vaishya Samaj Sammelan.

He also said that Uttar Pradesh plays a key role in promoting the country's exports.

Source: financialexpress.com- Nov 14, 2021

HOME

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India is on track to achieve historic highs in exports, says Union Minister Piyush Goyal

Union Minister Piyush Goyal on Sunday said India's economy was witnessing a bounce back in every sphere, and the country is well on track to achieve historical highs in goods and services exports.

Goyal said India is on course to achieve USD 400 billion of merchandise exports in the current financial year ending March.

"Also, on the services (exports) side, we are well on track to go up to a USD 150 billion. So, collectively we are on track for historic goods and services exports," he said.

Inaugurating the India International Trade Fair (IITF) here, the commerce and industry minister said the country witnessed the "highest ever" FDI inflow of USD 27 billion in the first four months this fiscal, a 62 per cent jump over the same period last year.

Asserting that the world takes India as a trusted global partner in maintaining global supply chains, Goyal said despite the lockdown, India did not default on any service support to the global community.

The minister also highlighted that the government is implementing the largest vaccination drive in the world, having administered more than 110 crore doses.

He said 500 crore vaccine doses will be produced next year and 5 or 6 vaccines will be made in India, including the world's first nasal vaccine and first DNA vaccine.

"India will provide vaccine security and make the world a safer place. India will ensure that every part of the world gets equitable vaccine to get safe," Goyal said.

The minister said India can become the world's hub of industry and services. The Indian industry can soar to new heights on quality, competitiveness and economies of scale. IITF will help realise the goal of 'Local goes Global' and 'Make in India for the World', he said.

He also observed that the India Exhibition and Convention Center being developed at Pragati Maidan will be among the best in the world and will attract a lot of attention, and huge trade fairs coming up in the years to come.

Referring to GST collections for October at Rs 1.3 lakh crore, he said this truly shows how quickly the economy is coming back towards normalcy.

Every statistic — whether it is registration of employment, EPFO or ESIC — are suggestive of rapid economic growth, the minister said.

“Moody’s recently upgraded India’s sovereign rating from negative to stable again, recognising the good work that has happened,” Goyal said.

He listed five major sutras of Bharat i.e. economy, exports, infrastructure, demand and diversity.

The minister said that better infrastructure, demand for good development and diversity in growth will become the pivot of economic resurgence.

Merchandise exports in April-October 2021 stood at USD 232 billion.

Source: financialexpress.com- Nov 14, 2021

HOME

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India has potential to become fashion capital of world: Piyush Goyal

India has the potential to become the fashion capital of the world, leveraging its fast-growing fashion industry, commerce and industry, and textiles minister Piyush Goyal said. The minister was addressing the convocation ceremony at the National Institute of Fashion Technology (NIFT), Delhi on Friday.

Minister also urged NIFT students and alumni to think about giving back to society and empower country's weavers and artisans by connecting them to the market.

He urged the students and NIFT alumni to take on this challenge to replace all other parts of the world and bring fashion capital to India in the next five years.

"Brands that some of you promote should be recognised the world over. An Indian brand should rule the roost," Goyal said..

To do this, India has to move to one quality standard that is nothing short of the best in the world. "Indian quality should define what is world class," he said recalling that there was time when Indian textiles was most sought after.

NIFT can nurture innovative ideas for fabrics, and textiles of India and has the means to put our rich tradition in textile, design, embroidery on a global platform.

Goyal made a strong case for helping the weavers and artisans of the country and help them get their rightful dues.

The real value for art is in its design packaging and branding, it is this that will give our weavers true value for the humongous effort that they put in their produce, Goyal said, urging students to think of something for a better future for them.

Source: economictimes.com- Nov 15, 2021

HOME

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Retail direct, integrated ombudsman scheme will make country stronger: Modi

Prime Minister Narendra Modi on Friday launched the Reserve Bank of India's (RBI's) 'retail direct' platform and 'integrated ombudsman scheme'. While doing so, he said this will ensure safety of the common man's investment, coupled with stable returns.

The Prime Minister also added that this will make funds available for the government to invest in infrastructure and other needs of the country.

Through a retail direct scheme, an individual investor can directly invest in government securities (G-sec) without any fees, and without the need for a fund manager.

Since they are government-guaranteed and the highest asset class that a sovereign can offer, the investments are secure. While there will be no credit risk, there will be interest rate risk, which investors have to keep in mind.

"So far, our middle class and senior citizens had to go to banks, insurance firms or mutual funds to invest in government securities. Now, they can invest directly and safely from the convenience of their homes. This is the best way to invest. The ease of investment and safety will develop the wealth of the nation," the Prime Minister said, adding that the substantial benefit accrued will boost the common man's confidence in financial savings.

Under the scheme, retail individual investors can open a retail direct gilt (RDG) account with the RBI using an online portal and invest in primary as well as secondary market government securities market.

While the minimum investment is Rs 10,000, the maximum an investor can invest is Rs 2 crore per security. There will be no income tax benefits attached to this investment.

Payments for transactions can be done using a savings bank account through internet banking or Unified Payments Interface (UPI). While there will be no charges that will be levied by the RBI, payments made through internet banking will attract normal transaction charges. Payment through UPI will have no charges.

RBI Governor Shaktikanta Das said, “The retail direct scheme seeks to widen the investor base for government securities by creating an ecosystem whereby retail investors can easily participate in the government securities market, which is so far dominated by institutional investors. By doing so, India is setting an example in democratisation of the government securities market.”

The idea was first floated by the RBI in the February 2021 monetary policy. It potentially challenges, or perhaps complements, debt mutual funds and bank savings.

In the February policy, the RBI governor had described the initiative as a “major structural reform”, and experts had agreed. In fact, India will only be the third nation in the world, after the United States and Brazil, where retail participants can take direct exposure to the government bond market.

In every government security, there is a guaranteed settlement. Small investors will get assurance. People will get good returns, and the government will get the required funds to develop the country.

“This is Atmanirbhar Bharat. Here, the citizens and the government work together for a common goal,” the Prime Minister said.

Experts do not expect the RBI retail direct scheme to take off in a big way. What this will do is provide an alternative investment avenue to investors, especially high net worth individuals (HNIs) and pensioners, who are looking for stable returns over a long period of time, they felt.

The move is aimed at diversifying the government securities market, which is dominated by institutional investors such as banks, insurance companies, mutual funds and others. While foreign portfolio investors were allowed to invest in G-secs, their holding is around 2-3 per cent in the overall market.

The integrated ombudsman scheme has amalgamated the three existing ombudsman schemes — namely banking ombudsman, ombudsman for non-banking financial companies (NBFCs), and ombudsman for digital transactions — into one. It also includes under its ambit non-scheduled primary co-operative banks with a deposit size of Rs 50 crore and above.

The PM said the strength of a democracy lies in how easy and quick the grievance redressal mechanism is. In that aspect, the RBI’s integrated ombudsman scheme is a major step.

Das said the existing ombudsman schemes are being integrated into a single scheme, which will offer the benefit of a single platform to customers for getting speedy resolution of their grievances.

“A common man will not have to run around to lodge his complaints. No matter what the nature of the financial grievance, the complainant can lodge it online, and track it online for a time-bound resolution process,” the Prime Minister said.

This one nation-one ombudsman scheme will directly help 440 million loan accounts and 2.2 billion deposit account holders, he said.

This will not only help prevent fraud, but will also improve digital penetration and customer confidence in the banking system will increase.

“All RBI-regulated entities will be covered by this. Any complaint by account holders can be resolved through this one platform. In case of online fraud or cyber fraud, among others, the RBI will massively use artificial intelligence,” Modi said.

Source: business-standard.com- Nov 12, 2021

HOME

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Huge opportunities for Korean firms in India's startup ecosystem: Goyal

Huge opportunities exist for Korean investors in India's startup ecosystem and both the countries need to increase collaboration in sectors such as automobile, textiles, food processing, and chemicals to enhance economic ties, Commerce and Industry Minister Piyush Goyal said on Friday.

The minister also invited Korean businesses to invest in India.

"Korean investors and the startup ecosystem I believe can find huge opportunities in India's startup ecosystem. We need to complement our strengths in automobile, textiles, food processing, metals, mining, chemicals and also grow some of our traditional sectors like steel," he said at the fourth edition of the India-Korea Business Forum.

He said the government has recently launched a National Infrastructure Pipeline with projects worth over a trillion dollars and it can provide opportunities for companies.

"Today India is the preferred destination for investments. Our exports are at an all-time high, our economy is bouncing back and will possibly see one of the fastest growth rates across the world," he added.

Goyal informed that nearly 15,000 Koreans call India their home and about 12,000 Indians live in Korea.

Source: business-standard.com- Nov 13, 2021

HOME

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India, Australia negotiations on interim FTA speed up as Dec deadline approaches

India and Australia are on track so far for signing an interim free trade agreement (FTA) next month with officials from both sides engaged in exchanging lists of demands and offers in the goods, services and investments sectors, a source has said.

“India is trying to get concessions on as many goods as possible in the interim agreement that in all likelihood will be signed next month. The focus is largely on areas where Indian businesses face tariffs and other barriers such as textiles, readymade garments automobiles and pharmaceuticals,” the source said.

Commerce Minister Piyush Goyal and his Australian counterpart Dan Tehan, in a meeting in New Delhi on September 30, set a target for concluding bilateral FTA talks by end of 2022 and have in place an interim agreement, also called early harvest package, by Christmas this year.

“After discussions between officials, both sides agreed that the interim agreement could include limited commitments in a number of areas such as goods, services, investment, government procurement, rules of origin, energy and standards,” the source said.

Intense discussions are on between officials from the two sides to give a final share to the interim package so that it is ready to be signed next month.

New Delhi is also trying to look for liberalisation in norms for visas for skilled workers. “We are hoping that we could work out something quickly for skilled workers movement for inclusion in the early harvest package,” the source said.

Australia wants India to trim or eliminate duties on a wide range of goods, including agriculture and dairy products, but New Delhi is treading carefully in the area.

“We understand that we have to give concessions in some items in the area of agriculture but these have to be the ones where our local producers do not have a substantial interest. Larger market access could be granted in premium products,” the source added.

The Australian Minister had indicated that his country would want lower duties in wines and spirits too, but India may not want to give substantial commitments at least for the early harvest.

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

India and Australia had started talks on a CECA in 2011, but the negotiations stopped in 2015. This was due to some disagreements between the two sides in areas such as market access for agriculture in India for Australian exports as well as more liberal visa rules in Australia for Indian professionals.

Another reason for the stalling of bilateral talks was that the two sides also got engaged in the negotiations for the ambitious Regional Comprehensive Economic Partnership pact, that India subsequently exited.

Source: thehindubusinessline.com- Nov 13, 2021

HOME

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Economic Survey to be single-volume this year amid search for new CEA

The Economic Survey for 2021-22 is likely to have only one volume comprised largely of data for the fiscal year across sectors and will not have the policy prescriptions which form part of the main Volume-1 due to the absence of a full-time chief economic advisor (CEA).

Last month, the government started the search for a new CEA, saying the process is likely to be completed by January, after the current CEA Krishnamurthy Subramanian announced his plan to return to academia after his three-year stint ends on December 7.

“We won’t have a full-time CEA to take ownership of the Economic Survey. It will be a single-volume document,” said an official, who did not wish to be named, the TOI reported.

The survey is akin to a report card of the economy and has been used by CEAs to push through reform ideas. The CEA has to be present in Parliament to answer queries with regard to the economic survey.

At the start of the NDA II’s term, the then economic affairs secretary Arvind Mayaram was credited with driving the survey as Arvind Subramanian had not taken over as the CEA. Unlike in the past, some major reform initiatives outlined in the survey were implemented by the government to help the economy recover during the pandemic.

Subramanian will be overseeing some of the groundwork for the single-volume survey, officials said, while moves are on to appoint the new CEA. Subramanian had started several initiatives such as the monthly economic report (MER) which needs to be carried through by the incoming CEA.

The Economic Survey for 2020-21 had forecast GDP growth to rebound to 10.5% and forcefully articulated that the economy will register a V-shaped recovery. The Budget session of the Parliament had begun with the presentation of the Economic Survey on January 29.

Source: economictimes.com- Nov 12, 2021

HOME

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PM Modi tasks entire Council of Ministers to develop resources for further improving governance

In a major push for a hands-on approach to governance, the Modi Government is planning to rope in young professionals, seek suggestions from retiring officials and make the best use of technology for project monitoring, besides various other steps to be overseen by eight different groups comprising of members from the entire Council of Ministers, sources said.

The 77 Ministers have been divided into eight groups to develop technology-based resources, create a pool of professionals for recruiting in their teams and other similar initiatives to be adopted in the offices of all Ministers' offices to bring more transparency and further improve and efficiency of the Modi Government, the sources said.

This exercise of dividing the Ministers into eight groups was done following 'Chintan Shivirs' (brainstorming sessions) of the entire Council that were chaired by Prime Minister Narendra Modi, with each meeting lasting for nearly five hours.

A total of five such sessions were held — one each on Personal Efficiency, Focused Implementation, Ministry Functioning and Stakeholder Engagement, Party Coordination and Effective Communication and the last one was on Parliamentary practices.

The last brainstorming meeting was also attended by the Lok Sabha Speaker Om Birla and Rajya Sabha Chairman M. Venkaiah Naidu.

All these meetings primarily focused on improving the efficiency and the delivery system of the Modi Government. The forming of groups is another step in that direction, broadly focusing on overall improvement in the governance by making Ministers more hands-on approach, the sources said. All the 77 Ministers in the Council are part of one of these eight groups, each comprising nine to ten Ministers with one Union Minister designated as a group coordinator, sources said.

Developing a portal in each Minister's office that gives updates on the performance of the Centre's flagship schemes and policies, a dashboard for monitoring decisions made by the respective Ministers and a system to schedule meetings and managing correspondence are among the tasks assigned to these groups.

They have also been asked to create profiles of all districts, States and Ministries and develop stakeholder engagement programmes.

One of the groups has been assigned to set up a mechanism for creating a team of at least three young professionals with command over research, communication and other key areas, the sources said.

Similarly, a group has been assigned to create a portal that maintains feedback and experiences of the retiring employees, sources said.

Union Ministers Hardeep Singh Puri, Narendra Singh Tomar, Piyush Goyal, Dharmendra Pradhan, Smriti Irani, Anurag Thakur are among the Ministers who are the coordinators of their respective groups, the sources said.

They have been given this responsibility so that they can share the good practices of their respective offices with other Cabinet colleagues.
Most of the Ministers who had given presentations during the 'Chintan Shivirs' have been given the responsibility of coordinating their respective groups.

Meanwhile, for attending these brainstorming sessions, Union Ministers on the instruction of Prime Minister Modi did carpooling with their cabinet colleagues from different ministries and hailing from different States.

Source: thehindu.com- Nov 14, 2021

HOME

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'We're back in business': Piyush Goyal says India set to hit historic high on exports

Piyush Goyal, the Union minister of commerce and industry, said on Sunday that India is on its way to hitting a historic high on exports of goods and services this year. Assuring that the economy that suffered due to the Covid-19 pandemic will soon be back on track, the minister said India has been witnessing a constant growth in foreign direct investment (FDI) for the past seven years.

"We're back in business," said Goyal, who also holds the portfolios for textiles, consumer affairs, and food and public distribution, while speaking at an event in Delhi's Pragati Maidan. He was addressing the launch of the 40th India International Trade Fair in the national capital. The event will continue till November 27.

"Collectively, we are on the track for a historical high on exports of goods and services in the current year," he said, adding, "India has been witnessing constant growth for the last seven years on FDI".

Elaborating further on the positive outlook for India's businesses, Goyal said, "Today's launch of this trade fair reflects the five 'sutras' of India – economy, exports, infrastructure, demand, and diversity."

The Union minister said that with the launch of the 40th India International Trade Fair, one of the finest and largest convention centres made in the country will arrive at the Pragati maidan complex, along with two other exhibition halls. "'Make in India, make for the world' isn't just a slogan," he added, "It implies assurance, thoughts, and trust in ourselves."

On Saturday, World Economic Forum president Borge Brende highlighted India's efforts towards strengthening the fight against Covid-19 and the economic reforms undertaken in the country while speaking to Prime Minister Narendra Modi at an event. Calling India the "fastest-growing among the large economies," Brende extended his greetings on the country's 75 years of independence from colonial rule. He said he expected a "two-digit growth" the next year while India prepares for its G20 presidency.

Source: hindustantimes.com- Nov 14, 2021

HOME

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USTR to visit India this month; countries to discuss trade, investment issues

India and the US will discuss ways to promote trade and investments besides increasing cooperation in agriculture sector and intellectual property rights during a meeting this month between US Trade Representative Katherine Tai and Commerce Minister Piyush Goyal, an official said. The two-day meeting will begin from November 22.

The US Trade Representative (USTR) is visiting India to revive the Trade Policy Forum (TPF), which has not met for the last four years, the official said.

The meeting is also important as the 12th ministerial conference of the World Trade Organization (WTO) is scheduled from November 30 to December 3 in Geneva. Both India and the US are members of the 164-member multilateral organisation which deals with global exports and imports.

The TPF is a premier forum to resolve trade and investment issues between India and the US. It has five focus groups: Agriculture, Investment, Innovation and Creativity (intellectual property rights), Services, and Tariff and Non-Tariff Barriers.

"Both sides would discuss ways to further boost bilateral trade and investments," the official added.

The bilateral trade between the countries stood at USD 80.5 billion in 2020-21. India has received USD 13. 8 billion foreign direct investment from the US during 2020-21.

Source: economictimes.com- Nov 14, 2021

HOME

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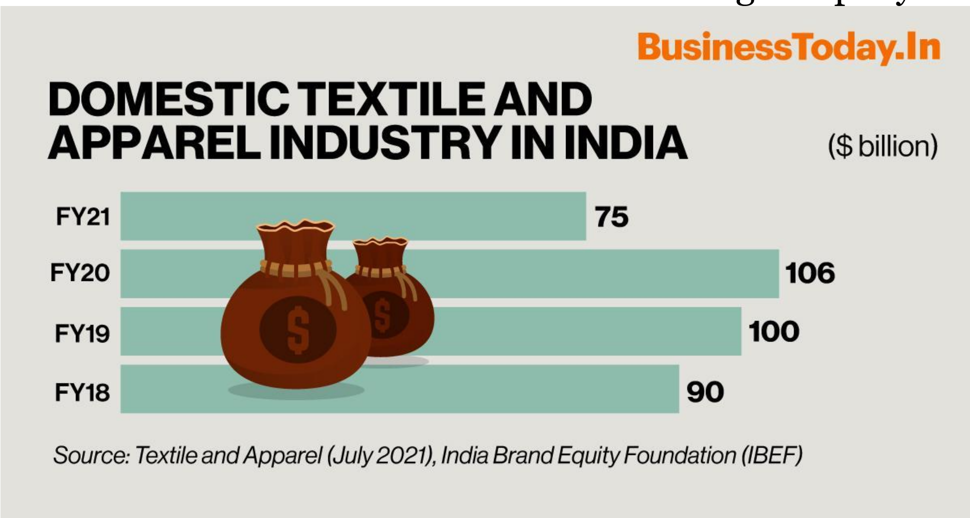
Road to recovery: Textile industry pegged to grow 300% over next 2 years despite COVID impact, says report

After being hit hard by COVID-19, India's textile industry is well on course on the road to recovery. During the pandemic, the domestic textiles and apparels industry slumped to $75 billion after peaking at $106 billion in FY2020.

However, government initiatives to bolster the sector have raised hopes of the sector growing to $300 billion by 2025-26, a growth of 300 per cent in the next 2 years.

There has been a remarkable turnaround in technical textiles. In terms of value, technical textiles imports exceeded exports by Rs 1,058 crore in FY20 while in FY21 exports exceeded imports by Rs 2,998 crore. These are some major findings of a report titled 'Textile Industry: Trends and Prospects' released by Infomerics Valuation and Rating Pvt Ltd., a SEBI-registered and RBI-accredited financial services credit rating company.



The report analyses the factors that have affected the sector's performance. It notes that apart from the impact of COVID-19, other reasons which are acting as bottlenecks are high tariffs faced by Indian exporters in key markets, such as the European Union, and logistics.

The report compares the high tariffs in the EU with zero duty access given to competing nations like Bangladesh, Sri Lanka, Pakistan, and Turkey, which affected export performance.

The report also highlights logistics as one of the major constraints with Indian exporters. For comparative purposes, the turnaround time (TAT) (from order to delivery) is 50 days for Bangladesh and 63 days for India, whereas the time taken to reach port is one day for Bangladesh and 7-10 days for India.

Turnround in technical textiles

India has transitioned from being a net importer, in terms of value, of technical textiles (imports exceeded exports by Rs 1,058 crore) in FY20 to a net exporter of the same (exports exceeded imports by Rs 2,998 crore) in FY21.

"In January 2019, 207 HSN Codes have been classified and notified as technical textiles with a view for ease of doing business," the report stated.

BusinessToday.In

IMPORT AND EXPORT PERFORMANCE OF TECHNICAL TEXTILES

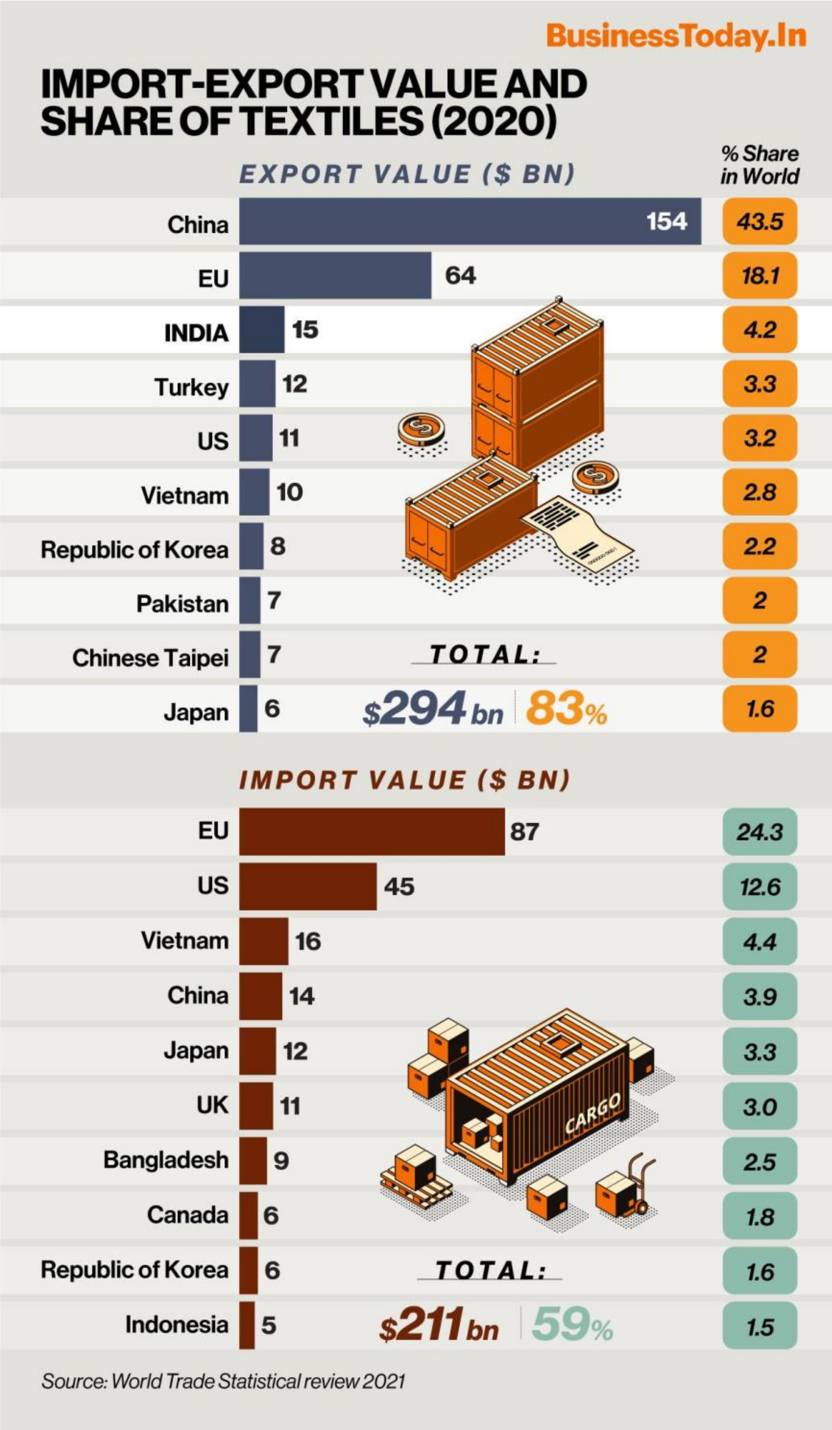
(₹ crore)

Segment	FY20	FY21	Growth	FY20	FY21	Growth
Agrotech	630	692	18%	338	289	32%
Buildtech	728	729	-1%	1,900	1,221	2%
Clothtech	202	207	13%	267	196	32%
Geotech	1,129	1,841	65%	1,495	1,262	42%
Hometech	136	166	73%	571	381	-18%
Indutech	1,878	1,824	23%	2,513	2,330	25%
Meditech	1,122	1,224	16%	612	850	113%
Mobiltech	1,430	1325	1%	4,608	4,061	40%
Packtech	5,247	5,807	58%	571	440	-21%
Protech	511	441	-5%	419	414	80%

Source: Annual Report (2020-21), Ministry of Textiles, Government of India

The government earlier approved the proposal for the creation of National Technical Textiles Mission (NTTM) for a period of four years (2020-21 to 2023-24) with an outlay of Rs 1,480 crore.

Indian technical textiles market could increase at a CAGR of 7.6 per cent in Asia-Pacific to reach $23.3 billion in 2027, up from $14 billion in 2020, says the report. Currently, Indian technical textiles constitute approximately 8 per cent of the global share.

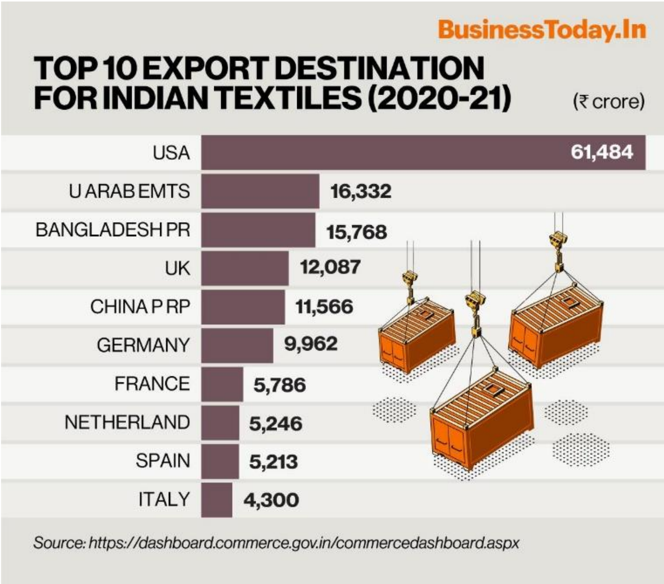


A target has been taken by the government, to increase the export of technical textiles to five times in three years, from the current approximately $2 billion to $10 billion.

Other government interventions

The report also outlines the various initiatives taken by the government to help and bolster the sector.

Historically such initiatives include the introduction of Technology Mission on Cotton (TMC), Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Park (SITP), etc. Some of the recent measures include National Technical Textiles Mission (NTTM) for a period of four years (2020-21 to 2023-24) with an outlay of Rs 1480 crores.



State-level action is also visible whereby Tamil Nadu, one of the largest T&A hubs in the country, signed up for Techtextil India 2021 - the leading international trade fair for technical textiles and non-wovens. It notes that this is likely to open doors for innovation and reduce foreign dependence.

Other measures include the Scheme for Capacity Building in Textile Sector (SAMARTH) to address the shortage of skilled workers in the textile sector with a target of training 10 lakh persons.

Challenges

Fund allocation is a major limitation for the textile industry, says the report, pointing out that the Finance Ministry approved only Rs 3,631.64 crore for the textile ministry as against the proposed outlay of Rs 16,883 crore during the FY22.

Further, the industry has been lately witnessing low manufacturing activity accompanied by high prices for the final product reflected in the annual NIC-2 digit and sectoral indices of industrial production wherein the index for 'manufacturing of textiles' has fallen below the 100 marks, settling at 91.1 for the first time in almost a decade, according to the report.

The yearly wholesale price index for 'manufacturing of textiles' has been nearing the 118-point mark which is 6-7 notches above the decadal average of approximately 112.

The report also highlights other generic factors like weakened consumer demand or production networks; obsolete technology, inflexible labour laws, infrastructure bottlenecks, and fragmented industry; the major role of the unorganised and small players hit by the triple whammy of demonetisation, rolling out of GST and the COVID-19 pandemic.

More specifically, it outlines industry risk factors, which relate to the GST issue, gap in proposed outlay and amount approved, low performance and high price, and poor textile machinery performance.

The way ahead

The report stresses that the industry needs to command premium prices; target niche products and markets; redesign products in higher value-added segments. It also needs to focus on regional and cluster subsidies, technology upgradation and skill development subsidies for sustained development.

Investment in value added services, e.g., marketing, warehouse rentals, logistics, courier, other product fulfilment costs constitute a pre-requisite for the sector going to scale.

However, the report is optimistic about the potential for growth and structural transformation of the textile industry.

India's textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. It is the second-largest producer of man-made fibre (MMF) after China.

The textiles and apparel (T&A) industry contribute 2.3 per cent to the country's GDP, 13 per cent to industrial production and 12 per cent to exports.

The report further recommends that the industry needs to effectively address the risk factors, the distinctive peculiarities of the sector and the integration of the textile value chain for steady growth and consolidation of the Indian textiles position in the comity of nations.

Source: businesstoday.in- Nov 14, 2021

HOME

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FM to interact with States' CMs, UTs' LT Governors to chart out big investment push

Finance Minister Nirmala Sitharaman will meet chief ministers and State finance ministers on Monday to discuss measures to attract private investments to help boost the economy.

The meeting comes in the backdrop of strong economic recovery post the two Covid waves, and the Central government has made a big push in capital expenditure. According to Finance Secretary T V Somanathan, the focus of this interaction will be on State-level issues, opportunities and challenges, which will enable us to go to a higher trajectory of investment and growth.

He said that there is capital expenditure from the government side, and there is a positive sentiment from the private sector side, though perhaps not fully translated into actual investment in big scale. At the same time, capital market activity indicates that a lot of investment is probably on the cards.

"This positive sentiment is something that the Government believe should be capitalised on in order to take India forward to a higher, sustainable growth trajectory. It's an opportunity, an opportunity that we should not let go," Somanathan said while briefing reporters about the meeting.

He said the global geopolitical developments give India a certain advantage position, and therefore India is becoming, in relative terms, a more attractive destination for investment, both domestic and foreign.

"So, in order to take India to higher growth, there are actions to be taken by the private sector, and there are policy actions to be taken by the Government. Some of the actions lie with the Central government and the central government has been making efforts to do what is needed. But, several of the things which are needed to push India to a sustainable higher growth path lies with states," he said.

The purpose is to use this present juncture not only to drive growth through central policies but also take States along, he said, adding that the focus of the meeting would be the economic impulses of the States and not on States' revenues.

State-level issues

Economic Affairs Secretary Ajay Seth said the discussion during the meeting will revolve around state-level issues, like land, water, electricity availability and how policies can be eased for attracting investments.

In a statement, the Finance Ministry said growth had slowed down during the pandemic. However, after the first quarter of the current fiscal, the economy has picked up again, with green shoots of recovery clearly visible. Indian economy contracted 7.3 per cent in the last financial year after a 4 per cent growth in 2019-20.

In the April-June quarter of the current fiscal, the economy grew 20.1 per cent.

"While the investor sentiment is good, there is a need to capitalise on the momentum already created. The first four months of FY 2021-22 have already witnessed inflows of $64-billion foreign direct investment," the statement said. The interaction will attempt to create a policy discourse and a facilitative environment for inward investment-led growth.

Source: thehindubusinessline.com- Nov 13, 2021

HOME

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Cotton output pegged at 362 lakh bales this year

Textile mills may seek 322 lakh bales

Cotton production during the current season (October 2021 to September 2022) is projected to reach 362.18 lakh bales, according to the provisional estimates of the Committee on Cotton Production and Consumption.

The committee decided at its meeting on Saturday that with opening stock of 73.20 lakh bales and import of 10.50 lakh bales, the total availability this season was likely to be 445.88 lakh bales as against 485.66 bales the previous season. The demand from textile mills, including small-scale units, is estimated at 322 lakh bales, and exports pegged at 45 lakh bales. Exports in the 2020-2021 season were almost 73 lakh bales.

Industry sources said last season's consumption by textile mills were likely to have been lower than the estimate due to the impact of COVID-19. Hence, the opening stock for the current season may be higher.

Observing that the cotton position was expected to be comfortable this season, Southern India Mills' Association Chairman Ravi Sam suggested that textile mills should wait for bulk arrivals to pick up and not rush into purchases now.

On Saturday, a candy of the Shankar-6 variety of cotton was priced at ₹66,200.

Source: thehindu.com- Nov 13, 2021

HOME

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Electricity Amendments Bill 2021: A game changer for the power sector

It is no secret that a healthy and efficient power sector can catalyse India's post pandemic economic recovery. Universal access to affordable, clean and modern energy is key to the wellbeing of a growing population besides enhancing industrial competitiveness. In this context, the recent amendments proposed by the government to the Electricity Act 2003 can be a game changer, by unleashing the next generation of legislative and regulatory reforms, in tune with the radical transformation the sector has undergone.

The power sector today is seeing increased private participation, a thrust on renewables and other structural changes across the value chain, that call for a fresh set of ground rules addressing current pain points. The Electricity Amendments Bill 2021 aims to reinvigorate the sector while focusing on the 4 Cs—customer, competition, compliance and climate. The changes can potentially make the sector more viable, transparent and investor-friendly, besides helping achieve India's ambitious clean energy targets. It is thus critical that after two previous unsuccessful attempts, these amendments see the light of day.

At present, distribution is the sector's Achilles heel, with most discoms in abject financial and operational health. In 2021, India recorded AT&C losses of 24.54%, more than double the global average. Cash strapped discoms have failed to meet their payment obligations to generators with dues of nearly Rs 70,000 crore (March 2021), creating stress across the value chain. Being perennially in the red has also prevented modernisation of their infrastructure and investment in technology such as smart meters. The new Bill looks to tackle legacy issues responsible for this by proposing that retail tariffs be "cost-reflective", i.e., should no longer incorporate subsidies, which states would pass onto customers via Direct Benefit Transfer (DBT).

This is a welcome rationalisation that should ease the liquidity crunch discoms face, improve the quality of power supply and boost overall profitability of the sector. The government has also proposed a progressive reduction in cross-subsidy surcharges which should reduce the cost of commercial power, thereby enhancing the competitiveness of domestic industries as we look to build an Atmanirbhar Bharat. These reforms will also provide financial relief to the states burdened by discom resource crunch, while helping attract more investments due to reduced industrial tariff. DBT should ensure targeted subsidy, further easing the burden on states.

A stand-out feature is the proposal to “delicense” distribution, by adopting a sub-licencee or franchisee model. This will facilitate private firms in entering and competing with discoms. While consumers benefit through lower tariffs and improved service, this will also attract fresh capital, novel practices and the latest technology, boosting efficiency and reducing losses.

Another key area of focus is compliance as the Bill seeks to strengthen and streamline various regulatory bodies, for better governance and faster dispute resolution. The proposal to establish an Electricity Contract Enforcement Authority (ECEA) with powers of a civil court will inspire confidence amongst investors who have often been at the receiving end of discoms unilaterally reneging on PPAs or renegotiating tariffs.

The Bill also recommends an expansion of the Appellate Tribunal (APTEL) for speedier disposal of cases, inclusion of a member with experience in law in SERCs for stricter enforcement, a common Selection Committee and uniform criteria for appointing members of APTEL, CERC, ECEA and SERCs in a transparent manner and a legal sanction for the NLDC to monitor overall grid operations and security. All of these are well conceived and timely changes that should instill greater discipline and remove bottlenecks.

Perhaps the most dramatic transformation the sector has seen is the rising adoption of renewable energy, with India focused on reducing its carbon footprint, in line with Paris Agreement commitments. Backed by a favorable policy framework, renewables capacity has surged in the last few years, crossing the 100 GW milestone recently. This transition to clean energy is set to continue as India eyes 450 GW by 2030 with concomitant growth in battery storage, clean mobility, energy efficiency and Green Hydrogen.

The sector needs to be ready and provide an enabling ecosystem to accelerate this change. This is exactly what the proposed National Renewable Energy Policy is expected to do—by setting emission reduction targets, creating a conducive investment climate, fostering R&D and establishing required market mechanisms. Another important reform is the planned shifting of the responsibility of fixing RPOs & HPOs from states to the Centre, given our national climate goals. This, coupled with stringent penalties for non-compliance, will greatly incentivise RE generators.

The proposed amendments should galvanise the power sector as we pursue a "greener" grid and affordable power for all. However, on ground implementation will be key and this will be possible only when the Centre actively engages with the states and takes them along in the true spirit of cooperative federalism. I do hope that the states will align themselves to the broader vision and extend their full cooperation, in the interest of a sustainable, efficient and future ready power sector.

Source: financialexpress.com- Nov 15, 2021

HOME

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India can contribute more to global growth

The constraints to growth such as supply-side bottlenecks, financial inadequacies and macroeconomic volatility are waning

In India's battle with Covid-19, recovery was largely under-predicted and financial sector distress over-predicted. Because of the slowdown through the 2010s, structural features were thought to limit growth, while financial sector malfunction lowered monetary transmission. Therefore the reliance on the latter, while fiscal policy remained conservative, was expected to give a weak recovery.

The inference from better-than-expected outcomes is that supply-side reforms have reached a threshold that allows higher growth and low real rates aligned with surplus liquidity to raise demand and output. Sufficient diversity and deepening have occurred to make the financial sector more stable and less dependent on banks for financing.

It was tight monetary-financial conditions through the past decade, along with shocks that were not smoothed, that reduced growth. A turnaround in liquidity in 2019 had led to a rise in high frequency indicators by the end of the year before Covid-19 hit. Similarly, it aided better-than-expected recovery after each Covid-19 wave.

More than fundamental reforms, sustaining Indian growth requires continued fiscal supply-side action that reduces costs of doing business and therefore inflation. This allows monetary policy to keep real interests at a level that stimulates demand. Such monetary-fiscal coordination works best in Indian conditions of migration to higher productivity employment amid supply bottlenecks. External shocks have to be smoothed and large domestic policy shocks avoided to lower growth volatility.

Feasible reforms

We briefly discuss the continuing reforms that can deliver and how they are supported by softening of traditional macroeconomic constraints.

Reforms are necessary to sustain growth and employment. But the focus should be on feasible reforms that build on current trends and opportunities. For India these are in the large share of youth in our population in the context of developments in technology.

Digitalisation and outsourcing have got a fillip from the Covid-19 period. Many Indian unicorns have been created and are using the boom in equities and venture financing to float IPOs.

Covid-19 induced supply chain diversification, together with the government's PLI scheme and other incentives for firms may help India create jobs in labour intensive manufacturing that it has so far missed. This phase of export competition must be distinguished from the pre-liberalisation import substitution.

Schemes must be well-targeted and transient with minimal distortions of tariffs. Reforms to enhance opportunities are in education, skilling, infrastructure, institutions, empowerment, improvements in governance, including at the third tier — many initiatives have been taken in these areas. Central and State governments have large assets built up over the Plan years that are utilised poorly.

This dormant wealth is being creatively monetised to restructure the fisc towards infrastructure, health and education expenditure that has higher growth spillovers and improves productivity. Other advantages are it can create opportunities for private business, if the allocation of risk is correctly done and regulation strengthened, while reducing current financing requirements and limiting debt increase.

Monetary-fiscal coordination

If continuing improvement in supply conditions reduce costs of doing business and inflation, then monetary policy can keep real interest rates below growth rates. This is the snowball effect that reduces debt ratios. It has been used to justify more government borrowing in advanced economies for Covid-19 stimulus and protection spending. While this combination often holds in emerging markets, high volatility in growth and real interest rates limits its benefits. Therefore countercyclical macroeconomic policy has to smooth shocks. Indian policy has the degrees of freedom to do so.

Monetary transmission to output is effective, with the share of retail loans growing. Housing and consumer durable loans are reviving as well as investment in specific sectors. Higher government debt and interest payment burden limit fiscal demand stimulus.

Fiscal deficits cannot expand beyond a point. Reforms to improve the supply-side are feasible, however. This is the monetary-fiscal coordination required in Indian conditions. After Covid-19 demand and supply shocks, advanced economies have begun to talk of the necessity of monetary-fiscal coordination; in India, these justifications held earlier also. Higher growth is feasible also since the major constraints that aborted such cycles in the past are waning. Among these constraints are commodity price shocks and other supply-side bottlenecks, financial inadequacies and macroeconomic volatility.

Low relative food prices are essential for sustained growth in populous countries where food has a large share in the consumption basket. Therefore a rise in agricultural productivity has to precede a growth surge. A jump in food inflation contributed to halting India's high growth phase in the 2000s. By the mid-2010s, however, India seems to have entered a period of agricultural surpluses. There is evidence of rising productivity and diversification to horticulture, aquaculture, etc., that have multiple crop cycles.

India's dependence on oil imports makes it vulnerable to oil price shocks. But shale oil, which has a more elastic supply response, and climate change related efforts to develop green alternatives reduce the power of the OPEC lobby. This change in the political economy of oil pricing has the potential to relax a major constraint for India, despite the current shortages and spikes. OPEC itself does not like excessive spikes since they encourage substitution away from oil. Moreover, oil efficiency is rising steadily so that higher oil prices have less impact on prices.

The financial sector has developed to a stage where it can avoid the problems that come from government dominance and discretion as well as those from excess market volatility and exclusion. There is more diversity and institutional deepening.

PSBs remain essential for many development tasks, but they are now doing risk-based sustainable lending. Net NPAs have fallen to low levels, they have made good recoveries, provisioning and capital buffers are high and their boards are stronger and more independent.

Government warranties are a healthier way to finance small enterprises, allowing private banks to also participate. The bankruptcy code was an essential reform.

The modern development finance institution being set up, on the lines of the successful Chinese and German development banks, will help with infrastructure financing, leverage many opportunities in green finance, as well as revive the corporate bond market. Ongoing improvements in corporate governance are also critical for successful corporate bond markets. Multiple participant sets make equity markets less volatile.

The sheer size and diversity of a $2 trillion economy creates much more depth and resilience and the ability to absorb shocks, with the appropriate countercyclical policy. India thus has reached the stage where it can make major contributions to global growth. Its demographic profile, added to openness, transparent rule of law and democracy can make it an innovation hub that helps find solutions to global problems.

Source: thehindubusinessline.com- Nov 14, 2021

HOME

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JNPT to connect with other ports & boost coastal container traffic of India through new Coastal Berth; details

The Jawaharlal Nehru Port Trust is set to connect with other Indian ports as well as boost coastal container traffic of the country through its newly constructed Coastal Berth. According to the Ministry of Ports, Shipping and Waterways, it has a capacity of 1.5 million tonnes per year of liquid cargo as well as 1 million tonnes per year of general cargo.

One of the major benefits of the coastal berth's construction is that it will cater to coastal movement of cement as well as edible oil under the new policy in which a green channel is provided for coastal cargo which is not possible in customs notified area.

According to the Ministry of Ports, Shipping and Waterways, another key benefit of this move is that the coastal berth will allow setting up of permanent structure like storage silos and tank farms for liquid storage within the vicinity of the berth.

According to the ministry, Union Minister for Ports, Shipping & Waterways SarbanandaSonowal will inaugurate Road Concretization Project tomorrow at JNPT. The minister will also launch the Medical Oxygen Plant at the JNP Hospital. Besides, he will also review Small Port initiative at BMCTPL. The ministry further said that presentations will be made on EODB, Wadhwan ports, Dwarf Containers as well as other infrastructure projects. Then, the Union Minister will conduct meetings with several stake holders at the port. The JNPT at Navi Mumbai, the ministry said, is the premier container handling port in the country, accounting for nearly 50 per cent of the total containerized cargo volume, across India's major ports.

Commissioned on 26 May 1989, JNPT has transformed from a bulk- cargo terminal to become the premier container port in India. It is linked to more than 200 ports in the world and also, it is in 33rd positioned in the list of top 100 Container Ports globally.

Source: financialexpress.com- Nov 12, 2021

HOME

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India's forex reserves decline USD 1.14 bln to USD 640.8 bln

India's forex reserves decreased by USD 1.145 billion to USD 640.874 billion for the week ended on November 5 on a fall in currency and gold assets, the Reserve Bank said on Friday.

The overall reserves had increased by USD 1.919 billion to USD 642.019 billion for the previous reporting week.

Foreign currency assets, a major part of the overall reserves, decreased by USD 881 million to USD 577.581 billion for the reporting week, the RBI said in the weekly data.

Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

Value of the gold reserves decreased by USD 234 million to USD 38.778 billion in the reporting week, the data showed.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) decreased by USD 17 million to USD 19.287 billion.

The country's reserve position with the IMF decreased by USD 14 million to USD 5.228 billion in the reporting week, the data showed.

Source: financialexpress.com- Nov 12, 2021

HOME

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Guntur: Cotton fetches Rs 10,000 per quintal as demand surges

While the cotton demand is rising across the world, the farmers in the district have no stock to sell due to poor yield. Due to inadequate production price of quality cotton skyrocketed this season. The quality cotton is being sold at Rs 10,000 per quintal in the market which is a record price during this season. Cotton price has increased from Rs 7,500 per quintal to Rs 10,000 per quintal, due to increase of demand for quality cotton in the market.

If the same situation prevails, prices may go up further and likely to touch Rs 12,000 per quintal mark.

According to sources, cotton sowing area reduced to over 1 lakh acres in Guntur district due to lack of remunerative price for cotton during the last season. When the chilli price touched Rs 16,000 per quintal during the last season, the cotton farmer shifted to chilli crop. To make matters worse, the suffered the pink bollworm attack and unseasonal rains in the district.

As a result, the cotton yield was affected. Generally, farmers will get 15 quintals to 20 quintals yield per acre. Due to pink bollworm attack and rains, cotton farmers got only five to seven quintals yield per acre. The traders are offering the lower price for inferior quality yield.

Due to Covid-19, cotton consumption increased across the globe. Cotton is being used for making face masks, hand gloves and PPE kits. As a result, the demand for cotton increased. When the demand increased, cotton stocks were exhausted.

An official in the Agriculture Marketing Department, T Bhaskar Reddy said, "Demand for quality cotton is increasing. Taking this into consideration, the traders are offering better price for quality cotton."

K Sambasiva Rao, a farmer said, "Due to heavy rains and pink bollworm attack, we got very much less yield. I got seven quintals yield per acre and got inferior quality of the cotton. Traders are offering lower price for inferior quality of the cotton."

Source: thehansindia.com- Nov 13, 2021

HOME

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Andhra Pradesh govt lobbies for textile park in Kopparthy

The state government is lobbying for a textile park at the Kopparthi mega industrial park in Kadapa. The Centre has already proposed seven major textile parks to be set up across the country this year. The state had placed a request for one park and had promised its support to establish it.

Minister for industries, Mekapati Gautham Reddy, who concluded his two-day visit to the national capital on Friday, met several Union ministers during his visit and placed requests on behalf of the state government.

The minister also made a strong request to the Centre for establishing solar power plants in the state. He told the Centre that Coal India Limited (CIL) had come forward to establish a solar wafer cell PV modular manufacturing unit at Kopparthy. This would come up at an investment of Rs 7,200 crore, for which CIL has already established a special purpose vehicle (SPV), he told the Union minister of power.

Gautham Reddy also requested the Centre to allot a power equipment manufacturing zone to Andhra Pradesh. As the Centre had proposed establishing three power equipment manufacturing zones in the country, the minister wanted that one of these be set up in the state. He also offered land and other facilities at Mannavaram in Chittoor.

He said Mannavaram is strategically located near the electronics and manufacturing cluster (EMC) in Satyavedu, and also close to Krishnapatnam Port. The two clusters would add value to planned heavy power equipment manufacturing operations, as resource mobilisation and logistics would be easier, he added.

Source: timesofindia.com- Nov 13, 2021

HOME

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Green threads of change

Textile brand Siyaram launches a range of Bamboo fabrics

Sustainable fashion has got a leg up, with textile brand Siyaram's launching a range of Bamboo fabrics endorsed by Bollywood star Ranveer Singh. Bamboo is considered as one of the most renewable, biodegradable and, fastest-growing resources on the planet. A team of expert innovators at Siyaram's spent multiple man-hours behind the research and development of this product, to create the fabric.

"Siyaram's bamboo fabric is a material that we have created with a lot of passion without compromising on the style quotient, the texture, the feel, and, the range of colours it will be made available in," said Ramesh Poddar, CMD of Siyaram Silk Mills.

Source: thehindubusinessline.com- Nov 14, 2021

HOME

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