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INTERNATIONAL NEWS

Goods Barometer points to slowing trade growth due to disruptions in critical sectors

Barometer consistent with WTO's revised trade growth forecast of 10.8 per cent in 2021

The Goods Trade Barometer is a composite leading indicator providing real-time information on the trajectory of merchandise trade relative to recent trends ahead of conventional trade volume statistics. The latest barometer reading of 99.5 is close to the baseline value of 100 for the index, indicating growth in line with recent trends.

The return to trend follows the record reading of 110.4 in the previous barometer issued in August, which reflected both the strength of the trade recovery and the depth of the pandemic-induced shock last year. Recent supply shocks, including port gridlock arising from surging import demand in the first half of the year and disrupted production of widely traded goods such as automobiles and semiconductors, have contributed to the barometer's decline.

It now appears that demand for traded goods is also easing, as illustrated by falling export orders, which further weighed down the barometer. Cooling import demand could help ease port congestion, but backlogs and delays are unlikely to be eliminated as long as container throughput remains at or near record levels.

All of the barometer's component indices were declining in the latest period, reflecting a broad loss of momentum in global goods trade. The steepest decline was seen in the automotive products index (85.9), which dropped below trend as a shortage of semiconductors hampered vehicle production worldwide.

his shortage was also reflected in the electronic components index (99.6), which fell from above trend to on trend. Indices for container shipping (100.3) and raw materials (100.0) also returned to near their recent trends. Only the air freight index (106.1) remained firmly above trend as shippers sought substitutes for ocean transport.

The latest barometer reading is broadly consistent with the WTO's revised trade forecast of 4 October, which foresaw global merchandise trade volume growth of 10.8% in 2021 — up from 8.0% forecasted in March — followed by a 4.7% rise in 2022. The forecast also showed quarterly trade growth slowing in the second half of 2021 as the volume of merchandise trade volume approached its pre-pandemic trend.

The outlook for world trade continues to be overshadowed by considerable downside risks, including regional disparities, continued weakness in services trade, and lagging vaccination rates, particularly in poor countries. COVID-19 continues to pose the greatest threat to the outlook for trade, as new waves of infection could easily undermine the recovery.

The full Goods Trade Barometer is available here.

Source: wto.org– Nov 15, 2021

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US business bodies urge reduction in tariffs on Chinese goods

About two dozen US business associations led by the US-China Business Council recently urged the Joe Biden administration to reduce tariffs on Chinese goods to offer relief to Americans amid rising inflation pressures. They wrote a letter to US trade representative (USTR) Katherine Tai and treasury secretary Janet Yellen in this connection.

"Tariffs put in place over the last several years continue to disproportionately cause economic harm to U.S. businesses, farmers, workers and families," the business associations said last week. American importers have paid over $110 billion for the Section 301 tariffs on Chinese goods, of which about $40 billion has been assessed during the Biden administration, according to the letter.

"These costs, compounded by other inflationary pressures, impose a significant burden on American businesses, farmers and families trying to recover from the effects of the pandemic," the letter said.

"We agree with secretary Yellen's recent comments that tariffs tend to increase domestic prices and raise costs to consumers and businesses due to higher cost inputs and that lowering US and Chinese tariffs could help ease inflation," the letter said, urging the US administration to work toward removal of the Section 301 tariffs on Chinese goods.

"We also request immediate action to significantly broaden the tariff exclusion process to provide additional relief to Americans," Chinese media reported quoting the letter. The other 24 business associations that signed the letter include the US Chamber of Commerce, the Business Roundtable, the National Retail Federation, American Farm Bureau Federation and the Semiconductor Industry Association.

Americans for Free Trade, a coalition of more than 150 industry associations that are united in the fight against tariffs, has also recently urged the US administration to remove tariffs on imports from China amid continued concerns over inflation.

Source: fibre2fashion.com– Nov 16, 2021

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China's retail sales up 4.9% in Oct 2021: NBS

China's retail sales of consumer goods rose by 4.9 per cent year on year (YoY), totalling around 4.05 trillion yuan (about $633 billion) in October, according to the National Bureau of Statistics (NBS), which said the figure increased by 9.4 per cent over October 2019, putting the two-year average growth at 4.6 per cent.

In the January-October period, China's total retail sales of consumer goods stood at 35.85 trillion yuan, up by 14.9 per cent YoY.

The October figure reflects resilience in China's consumption recovery, highlighting a steady rebound in the sales of consumer goods, as well as the strong internal impetus and new consumption patterns supporting the growth, said NBS spokesperson Fu Linghui.

In the first 10 months, China's online retail sales rose by 17.4 per cent YoY to reach about 10.38 trillion yuan, NBS data showed.

But, the complex and rapidly changing international environment, the raging pandemic and the sporadic resurgence of domestic COVID-19 cases are still restricting consumption activities that require contact, Fu cautioned.

He, however, expressed confidence that China's economic recovery, employment expansion, residential income increase and improvement in the social safety net will sustain growth in consumption, according to information on a Chinese government website.

Source: fibre2fashion.com– Nov 16, 2021

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57 Chinese textile firms join hands to tackle climate change

Fifty seven major Chinese textile firms recently announced the Climate Stewardship 2030 Accelerating Plan, and pledged to jointly reduce carbon emissions and achieve carbon neutrality by implementing a gamut of measures. Within six months, they would start launching training sessions on tackling climate change, the companies announced last month.

The companies include K-Boxing, Peacebird, Weiqiao Pioneering Group, Chenfeng Group, Wensli Group and Sateri. Within a year, these will draw up specific goals about how to reach carbon neutrality. Within two years, specific plans and road maps will be disclosed to the public, according to official Chinese media outlets.

To meet the target of peaking carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060, China is speeding up the transformation to a clean and low-carbon energy consumption structure.

China's textile sector provides jobs to over 27 million in both production and sales. On June 1, the China National Textile and Apparel Council launched the accelerating plan to help speed up Chinese fashion brands' stewardship in tackling climate change. The council aims to first support 30 renowned fashion brands and 60 key textile-manufacturing enterprises to take action to mitigate the effects of climate change.

China's textile firms have for some time been actively exploring sustainable growth paths and contributing to the country's carbon emission goals. The sector will continue to explore sustainable production and consumption models, and push forward green transformation of the global fashion industry, the council said.

The council will help integrate advantageous resources in the global industrial chain from entities such as governments, industrial management departments, think tanks, scientific research institutions and technical institutions. By pulling together resources, the council will help to support the research and development, innovation in technologies and products, and talent training for textile firms.

Source: fibre2fashion.com– Nov 15, 2021

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UK-EU trade agreement has 'caused £44bn hit to trade'

The terms of the EU-UK Trade and Cooperation Agreement (TCA) caused UK exports to the EU to fall by 14% and trade in the opposite direction to fall by almost a quarter in the first seven months of its enforcement – or an estimated combined blow to the UK economy of around £44bn, according to a report out today by the UK Trade Policy Observatory (UKTPO).

After months of brinkmanship and political deadlock, the trade deal was signed on December 31 last year, with provisions that build upon World Trade Organization (WTO) principles, facilitate trade, and address non-tariff barriers such as import and export licensing restrictions. Speaking at the time of the deal's signing, British Prime Minister Boris Johnson said it would "allow our companies and our exporters to do even more business with our European friends" – words that now ring hollow in the face of the UKTPO's findings.

Using three econometric techniques that removed confounding factors such as the Covid-19 pandemic, the UKTPO research examines the period between January and July this year, revealing the extent to which new regulations and customs formalities brought in since Brexit are hampering Britain's business with its largest trading partner.

In goods trade, the UKTPO calculates that a whopping £32.5bn has been lost in potential imports to the UK, and £11bn in exports to the EU, while the Brexit effect was felt even more strongly in the services sector, leading to 12% drop in exports and a 37% reduction in imports.

"The evidence our analysis has uncovered on the impact of UK services trade reflects some of the worrying costs of Brexit for the UK economy," says Guillermo Larbalestier, research assistant in international trade at the UKTPO. "UK trade with the EU has declined so much since the implementation of the TCA that it has largely compromised the UK's post-pandemic economic recovery."

One of the most concerning issues uncovered by the UKTPO's analysis is that of tariffs. In a first for the EU, the TCA includes 100% tariff liberalisation, whereby no tariffs or quotas are imposed upon the movement of goods between the two sides.

However, this condition is only valid if exporters can prove that their goods meet rules of origin, which is often an arduous task, and one for which many companies are ill-prepared. Any failure to adhere to the documentation requirements on qualifying goods means that customs duties are still payable.

In its research, the UKTPO found that tariffs are still being applied to as much as 32% of those UK exports that qualify for preferential treatment under the TCA, as UK firms struggle with the detail needed to meet zero-tariff conditions.

“Even some exporters that can meet the rules of origin may instead choose to pay the tariff because of the cost of the paperwork and requirements for certification,” the report says. “This means that, in practice, firms may end up paying tariffs despite the zero-tariff and zero-quota deal under the TCA.”

In total, the UKTPO finds that UK exports to the EU worth between £7.89bn and £10.56bn incurred tariffs in the first seven months of the new trading conditions. These tariffs aren’t small change: rates on some agricultural products can be over 50%, while for many items of textiles and clothing the tariffs are set at 12% or 16%. Overall, the foregone duty savings amount to an eye-watering £534.6mn, the report says.

Given the importance of the EU as a trade destination, these increased costs and complexity are having a deleterious effect on numerous exporting sectors, the UKTPO says. The worst hit sectors, plagued by persistent and lingering losses, include footwear and headgear, which has seen exports drop by 77.2%, textiles and clothing, which has experienced a decline of 60.2%, and vegetable products, which have fallen by 43.5%.

“For some firms which can meet the rules of origin it is simply not worth it because the tariff is so low, but for other firms such as in textiles and clothing the need to satisfy rules of origin appears to have hit hard, says Yohannes Ayele, research fellow in the economics of Brexit at the UKTPO.

The UKTPO’s analysis does not distinguish between the impacts by firm type or size, but its researchers suggest – as does common sense – that the challenges and impacts of trading with the EU are more likely to be greater for small and medium-sized enterprises (SMEs).

"The immediate impact on UK trade for firms and for consumers has been sharp and in many cases severe," says Michael Gasiorek, director of the UKTPO and professor of economics at the University of Sussex Business School. "In the longer term, this will affect UK jobs and investment, and the challenges will be harder for SMEs to overcome."

Some of the reduction in trade flows, notably among UK exports to the EU, may be accounted for by teething problems during the TCA transition period at the start of the year. However, the UKTPO's research shows that losses have persisted into the second quarter. Effectively, far from allowing tariff-free, quota-free access to the EU market, the terms of the TCA mean that the spectre of Brexit will continue to haunt Britain's trading performance for some time to come.

Source: gtreview.com– Nov 15, 2021

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Global cotton prices at decade high, here's why

Agri, industrial commodities have been rising – rubber prices are trading at a 4-month high, cotton is also surging and global cotton prices are highest in the last 10 years.

US is the largest exporter in the world and the stock piles have declined by 4 percent and this is the lowest in a year. US harvest also is down by 6 percent as compared to the average in the last many years and that clearly has been adding premium to prices.

The pent-up demand has come in for cotton as in other commodities also so data from Cotlook also shows that the global deficit could actually double in the next year from where we stand right now, at around 122,000 tonne to around 207,000 tonne in the next year.

The concerns also are coming in from India because of lower sowing, haphazard monsoons this time around. Last year the exports were really strong, the expectation is that in this season the exports could actually decline by 38 percent.

The other reason for the decline in exports on Indian cotton is the higher prices. Indian markets also have seen all-time high levels in case of cotton prices.

Chinese demand is expected to be quite strong and to curb the prices, China also is planning to lend out cotton from the reserves for a second time in this year. So that is another development that the markets will be watching out for.

The cotton prices in the meanwhile, have gained up by nearly a couple of percentage points in the previous week. It is 10 percent up in the last one month and 70 percent up in this year until now, and the markets do believe that this perhaps is a new normal and you will see the cotton prices around these levels for this year and the next as well.

Source: cnbctv18.com– Nov 15, 2021

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Bangladesh: LC settlements fall 5.26pc to $5.27b in October

Bangladesh's import volume fell in October as apparel exporters had earlier made contingency stockpile of textiles in line with buyers' orders to avert global price volatility and cut down purchase.

Settlement of letters of credit (LC), generally known as actual import, in terms of value, fell by 5.26 per cent to $5.27 billion in October 2021 from $5.56 billion in the previous month, according to the central bank's latest statistics.

The LC valuations were worth $5.17 billion in August.

On the other hand, the opening of LCs, generally known as import orders, dropped by more than 15 per cent to $5.63 billion in the past month from $6.63 billion a month ago. It was $6.29 billion in August 2021.

Bangladesh Bank (BB) officials as well as the market operators predicted that the downturn in imports may continue in the coming months while upward trend in export earnings is expected to carry on until December this calendar year.

"Our overall imports may fall gradually in the near future. And it will come back to pre-pandemic level," a BB senior official told the FE Sunday.

Overall import in September was a temporary phenomenon just after curbing the coronavirus infections in Bangladesh, the central banker explained.

A senior executive of a leading private commercial bank (PCB), however, predicts country's overall import payment-obligations may not fall significantly in the months ahead if the rising trend in petroleum products along with other commodities' prices on the global market continues.

Imports under back-to-back LC settlement of textiles products dropped by more than 15 per cent to $622.64 million in the month of October from $735.74 million in September 2021, the BB data showed.

Talking to the FE, Sayeed Ahmad Chowdhury, director, operations, of Square Denims, said a section of apparel manufactures had already booked their raw materials until December to avert price volatility of various products related to readymade garments on the international market.

"We expect that the existing upward trend in export earnings will continue until December despite falling trend in the textiles products," Mr Chowdhury explained.

The export earnings increased 60.37 per cent year on year to $4.73 billion in October--the highest ever for a single month in the history of Bangladesh--as apparel shipments rebounded from pandemic recession.

Meanwhile, actual imports for petroleum products jumped by nearly 87 per cent to $359.93 million in October from $192.63 million in September 2021, according to the central bank data.

The demand for fuel oils has been on the increase in recent months as economies have started reopening gradually around the world, the market operators added.

"Import expense for petroleum products has increased significantly during the period under review following the rising trend in both price and quantity," a senior official of the state-run Bangladesh Petroleum Corporation (BPC) told the FE while explaining the latest fuel-oil situation of the country.

He also said the import-payment obligation for fuel oil is likely to increase further in the coming months mainly due to seasonal impact.

Import of capital machinery or industrial equipment used for production was up by over 11 per cent to $346.40 million in October as against $310.88 million a month before.

Higher capital-machinery imports were needed for apparel and clothing, pharmaceutical industries along with implementation of different infrastructure-development projects, including Dhaka Metro Rail, according to another BB official.

Source: thefinancialexpress.com.bd– Nov 15, 2021

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Pakistan: Textile exports up 26.55pc in 4MFY22

The exports of textile and clothing posted growth of 26.55 per cent in the first four months of this year to $6.02 billion compared to $4.75bn over the year, data released by the Pakistan Bureau of Statistics (PBS) showed on Monday.

The growth momentum in textile and clothing export is steady on the back of rising demand from the global market as well as massive depreciation of the rupee as exports posted growth of over 24.24pc in October from a year ago.

The Ministry of Commerce estimates that the easing of lockdown in North America and European countries — top markets for Pakistani textile goods — will help boost the exports. The demand for textiles collapsed during the first wave of the Covid-19 pandemic, but eventually recovered in the outgoing fiscal year.

In the budget 2021-22, the government had drastically reduced duty and taxes on imports of several hundred raw materials to bring down the input cost of exportable products. Liquidity issues were also resolved to a large extent by timely releasing refunds as well as payment of cash subsidies.

With a delay of more than two years, the government has recently announced the Strategic Trade Policy Framework for the non-textile sector. However, the textile and clothing sector specific policy is still awaited.

The PBS data showed ready-made garments exports jumped by 22.34pc in value and in quantity by 20.50pc during July-Oct FY22, while those of knitwear edged up 35.45pc in value, but dipped 13.11pc in quantity, bedwear posted positive growth of 21.30pc in value and 23.53pc in quantity.

Towel exports were up by 14.17pc in value and 7.75pc in quantity, whereas those of cotton cloth rose by 18.54pc in value and dipped by 76.83pc in quantity.

Among primary commodities, cotton yarn exports surged by 71.39pc, while yarn other than cotton by 114pc. The export of made-up articles — excluding towels — rose by 11.55pc, and tents, canvas and tarpaulin dipped by a massive 23.98pc during the months under review. The export of raw cotton declined by 100pc during the months under review.

The import of textile machinery increased by 110pc in July-Oct FY22 — a sign that expansion or modernisation projects were taken up by the textile industry during the months.

To bridge the shortfall in the domestic sector, the industry imported 235,691 tonnes of raw cotton in July-Oct FY22 against 183,216 tonnes last year, an increase of 28.64pc. Similarly, the import of synthetic fibre posted a slight decline of 1.05pc as industry imported 169,337 tonnes this year as against 171,140 tonnes. The import of synthetic and artificial silk yarn stood at 132,610 tonnes this year as against 128,826 tonnes last year, a rise of 2.94pc.

The import of worn clothing recorded a growth of 189pc to 340,359 tonnes this year as against 117,725 tonnes last year.

The overall country's exports posted a growth of over 24.94pc year-on-year to $9.46bn in July-Oct FY22 compared to $7.57bn in the corresponding period last year.

Source: dawn.com– Nov 17, 2021

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NATIONAL NEWS

INDIA'S FOREIGN TRADE: OCTOBER2021

India's overall exports (Merchandise and Services combined) in October 2021* are estimated to be USD 56.51Billion, exhibiting a positive growth of 35.16per cent over the same period last year and a positive growth of 29.13per cent over October 2019. Overall imports in October 2021* are estimated to be USD 68.09Billion, exhibiting a positive growth of 57.32per cent over the same period last year and a positive growth of 40.82per cent over October 2019.

India's overall exports (Merchandise and Services combined) in April-October 2021* are estimated to be USD 369.39Billion, exhibiting a positive growth of 39.83per cent over the same period last year and a positive growth of 19.97per cent over April-October 2019. Overall imports in April-October 2021* are estimated to be USD 409.30Billion, exhibiting a positive growth of 63.64per cent over the same period last year and a positive growth of 13.57per cent over April-October 2019.

I. MERCHANDISE TRADE

EXPORTS (including re-exports)

- Exports in October 2021 were USD 35.65 Billion, as compared to USD 24.92 Billion in October 2020, exhibiting a positive growth of 43.05 per cent. In Rupee terms, exports were Rs. 2,67,056.26 Crore in October 2021, as compared to Rs. 1,83,060.60 Crore in October 2020, registering a positive growth of 45.88 per cent. As compared to October 2019, exports in October 2021 exhibited a positive growth of 35.89 per cent in Dollar terms and 43.30per cent in Rupee terms.
- The commodities/commodity groups which have recorded positive growth during October 2021 vis-à-vis October 2020 are Petroleum Products (240.23%), Coffee (80.73%), Engineering goods (50.89%), **Cotton yarn/fabs./made-ups, handloom products etc. (46.2%),** Gems & jewellery (44.23%), Organic & inorganic chemicals (41.93%), Electronic goods (39.51%), Fruits & vegetables (34.03%), Plastic & Linoleum (30.51%), Mica, Coal & other ores, minerals including processed minerals (30.39%), Man-made yarn/fabs./made-ups etc. (29.12%), Jute mfg. including floor covering (27.44%),

Cashew (18.39%), Marine products (18.08%), Leather & leather products (15.64%), Tobacco (11.58%), Carpet (10.06%), Handicrafts excl. handmade Carpet (9.72%), RMG of all textiles (6.42%), Cereal preparations & miscellaneous processed items (5.64%), Spices (1.19%) and Other cereals (0.36%).

- The commodities/commodity groups which have recorded negative growth during October 2021 vis-à-vis October 2020 are Iron ore (-76.7%), Oil meals (-50.66%), Oil seeds (-16.25%), Tea (-10.85%), Ceramic products & glassware (-6.6%), Meat, dairy & poultry products (-4.59%) and Drugs & pharmaceuticals (-0.88%).
- Cumulative value of exports for the period April-October 2021 was USD 233.54 Billion (Rs. 17,30,104.50Crore) as against USD 150.54 Billion (Rs. 11,24,418.69 Crore) during the period April-October 2020, registering a positive growth of 55.13 per cent in Dollar terms (positive growth of 53.87 per cent in Rupee terms). As compared to April-October 2019, exports in April-October 2021 exhibited a positive growth of 25.97 per cent in Dollar terms and 33.06 per cent in Rupee terms.
- Non-petroleum and Non-Gems and Jewellery exports in October 2021 were USD 26.09 Billion, as compared to USD 20.43 Billion in October 2020, registering a positive growth of 27.75 per cent. As compared to October 2019, Non-petroleum and Non-Gems and Jewellery exports in October 2021registered a positive growth of 36.82 per cent. Non-petroleum and Non-Gems and Jewellery exports in April-October 2021 were USD 175.99 Billion, as compared to USD 125.23 Billion for the corresponding period in 2020-21, which is an increase of 40.53 per cent. As compared to April-October 2019, Non-petroleum and Non-Gems and Jewellery exports in April-October 2021 registered a positive growth of 27.79 per cent.

Click here for more details

Source: pib.gov.in- Nov 15, 2021

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Finance Minister Smt. Nirmala Sitharaman interacts with Chief Ministers/ State Finance Ministers and Lt Governors of UTs to step up investment, infrastructure and growth

With a view to enhance the investment climate in the country in the wake of strong recovery and the opportunities accorded by a shift in geo-political realities post pandemic, Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman interacted with Chief Ministers and Finance Ministers of all States/ Lt Governors of UTs via virtual conference here today.

The meeting was attended by Chief Ministers of Assam, Chhattisgarh, Goa, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Tripura, and Uttar Pradesh. Lt Governors of Jammu and Kashmir; Deputy Chief Ministers of Arunachal Pradesh, Bihar, and Delhi. State Ministers of Andhra Pradesh, Gujarat, Kerala, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttarakhand, and West Bengal; State Government Officials of Ladakh, Maharashtra, Jharkhand, Andaman & Nicobar, Chandigarh, Dadra and Nagar Haveli & Daman and Diu, Lakshadweep along withSecretaries of GoI Line Ministries, Chief Secretaries and Finance Secretaries Secretary (Economic Affairs), Joint Secretaries (Economic Affairs) and other officials of Centre and State.

In her opening remarks, Finance Minister emphasized that the economy has been growing significantly post the second wave of pandemic and indicators such as imports, exports, PMI manufacturing, digital payments, etc. have already reached pre-pandemic levels. Smt. Sitharaman highlighted that with favourable international perception of India's growth and in light of the structural, sectoral & financial, reforms undertaken by Government of India, global and domestic investors are upbeat about the investment attractiveness of the country. States should leverage this opportunity to scale up investments and growth.

The Finance Minister also said that the Government of India has taken concrete steps to increase capital spending and drive an infrastructure and investment-led growth. Benefits of higher investment in Infrastructure manifest in form of increased employment opportunities, access to market and materials, improved quality of life and empowerment of vulnerable sections. Union Budget FY 2021-22 has allocated Rs 5.54 lakh crore capital outlay, an increase of 34.5% over last year. Additionally, around Rs 2 lakh crore allocation is for states and autonomous bodies for their capital expenditure. Over and above this, a new incentive scheme was launched by GoI for states that could achieve at least 15 % of the target set for FY21-22 by the end of 1st quarter, 45% by end of 2nd quarter, 70 % by the end of 3rd quarter. States that achieve their targets become eligible for incremental borrowing. After the end of 1st quarter, 11 states got permission to mobilise an additional total amount of Rs 15,271 crore.

Smt. Sitharaman further said that the recently launched National Monetization Pipeline includes only Central government assets and State assets have been out of its purview as of now. Smt. Sitharaman suggested that there is a significant potentially monetizable asset base in states which could be leveraged to enhance the capital available for new infrastructure creation and other social sector pressing priorities.

Smt. Sitharaman urged states to help India become the fastest growing economy in coming years, through facilitating investment attractiveness and expediting ease of doing business measures and undertake power reforms with regards to reduction in AT&C and ACS-RRR. Smt. Sitharaman further emphasized that since in many cases land is one of the major bottlenecks for project on-grounding, states must contrive to smoothen land acquisition procedures and create land banks to be tapped at the time of investment.

The Finance Minister urged the States to strengthen their urban local bodies (ULBs) in light of the fact that there has been decidedly a larger allocation to ULBs than earlier and are increasingly been encouraged to pursue resource mobilization.

Since infrastructure projects require technical assistance in addition to financial resources, Smt. Sitharaman said that GoI Line Ministries and DEA would extend all possible cooperation for technical or advisory assistance to states. Moreover, the Viability Gap Funding provision will help finance socially relevant but financially unviable projects especially across social sectors.

The Finance Minister said that she is looking forward to listening from states and understand their ideas and plans in the direction of investment enhancement. In the open interaction, States thanked GoI for organizing this consultative interaction. Each of the states enumerated the list of reforms and pro-active policies they are pursuing to establish good governance and to facilitate investments.

Following are the key ideas and requests shared by states to facilitate investment promotion:

- **Affidavit-based clearance system** - ABCS by Karnataka **and a similar system in UP** to provideall clearances in a time-bound manner including plan approval, identification of land, conversion of land, environmental approvals and electricity supply for new enterprises. Affidavit based clearance is given upfront once basic infrastructure is in place and then the investor has 2 years to procure all approvals post-facto.
- **Transparent Mechanism for Investment Facilitation** that involves sharing with states, leads of prospective investors who are in touch with GoI. More emphasis on adoption of technology and increase of digital infrastructure
- Need for a clear-cut **policy and SOPs on environment and forest clearances** by Government of India, on the lines of 'Eco-Economics' and more powers to States under Forest/Environmental matters
- Need to reassess the **District Mineral Fund policy for fund utilization** for leveraging across the entire state instead of confining it to a district.
- Fast-track clearance and **approvals for externally-aided projects** by GoI. Reimbursement requested in advance mode.
- Similar approach to **coastal zone regulations** framework and application across all coastal states
- Need for a legal reassessment and intervention on the **legality of conversion of several different types of lands into industrial parks**
- Need for strengthening of the **dispute resolution mechanism, post-award contract enforcement** and of model concession agreements to strengthen infrastructure PPP ecosystem
- Special emphasis on **enhancing road connectivity** in North Eastern states even as a lot of work has been done in this regard. These states are rich in resources such as bamboo, which can potentially be utilized in industry but cannot be sent as of now due to connectivity gaps in road and highways.

- Instill greater increase in **banking penetration as well as credit-deposit ratio** in states vis-à-vis their dependent population. Moreover, even if in absence of new banking infrastructure, strengthening of existing banks in terms of manpower and systems should be able to address a critical gap.
- GoI should engage with NE states to develop a **State-specific International trade** policy in North East depending on location (Look East, Look West, Look South etc)
- Development of **agri-specific infrastructure** (GI labs, cold storage, farmer's market) throughout the country, but especially in North East since a majority of population is dependent on agriculture.
- Emphasis on increased **air connectivity** for Himalayan states to support tourism prospects.
- Need for policy for **offshore wind energy**
- Continuation of Centre's Scheme of **loan for capital expenditure** beyond the current financial year

The meeting ended with vote of thanks to the chair.

Source: pib.gov.in- Nov 15, 2021

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India textile industry to be worth $300 bn by 2025-26: Report

The Indian textile industry is expected to be worth $300 billion by 2025-26, as the government pushes for Production-Linked Incentive (PLI) Scheme worth $1.42 billion for the setting up of 7 mega textile parks, and to increase the production and exports of man-made fibres. The country's domestic textile industry dropped to $75 billion in FY21 from $106 billion in FY20.

India's exports of textiles and apparel dropped from ₹2,67,108 crore in 2018-19 to ₹2,34,094 crore in 2020-21, mainly due to the on-going global slowdown, which was aggravated due to the COVID-19 crisis. The latter resulted in large scale disruptions in supply chains and demand resulting in cancellation of orders.

Other main reason for decline is high tariffs faced by Indian exporters in key markets, such as, EU as compared to zero duty access given to competing nations like Bangladesh, Sri Lanka, Pakistan and Turkey, which affected export performance, according to a report by credit rating agency Infomerics Valuation and Rating.

Further, logistics is 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, time taken to reach port is 1 day for Bangladesh and 7-10 days for India.

Additionally, the report said that the Indian technical textiles market could increase at CAGR of 7.6 per cent in Asia-Pacific to reach at $23.3 billion in 2027, up from $14 billion in 2020. With a view to boost technical textiles sector in the country, the government earlier approved the proposal for creation of National Technical Textiles Mission (NTTM) for a period of 4 years (2020-21 to 2023-24) with an outlay of ₹1480 crores.

The report added that the industry has been severely hit by the triple whammy of demonetisation, GST and COVID-19 generating both demand and supply side pressures. There are also generic factors like weakened - consumer demand or production networks, obsolete technology, inflexible labour laws, infrastructure bottlenecks, and fragmented industry.

The industry risk factors relate to the GST issue; gap in proposed outlay and amount approved; low performance and high price; and poor textile machinery performance.

In case of cotton textiles, there are several challenges like growing popularity of synthetic fibres; higher cotton production cost because of high per-acre energy costs in manufacturing and logistics, water consumption and labour shortages; price volatility in cotton industry; high competition for acreage among agricultural crops; and employment in hometowns for migrant workers and high attrition.

The focus areas suggested by the report include investment in value added services, e.g., marketing, warehouse rentals, logistics, courier, other product fulfilment costs; apparel industry-refund of input tax credit (ITC); and quicker alignment to GST regime, revised export incentives, and credit squeeze for SMEs adversely impacted exports.

Source: fibre2fashion.com- Nov 15, 2021

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Cotton slides on heavy arrivals, stock limit fears

Prices might drop further over the next few weeks on a spurt in arrivals, say Telangana traders

Cotton prices have dropped by 8-10 per cent in Telangana from the maximum levels seen 10 days ago. Prices have dropped to ₹7,830 a quintal from the a high of ₹8,710 in a few mandis.

Prices in other parts of the country have also dropped by some three per cent, while on the Multi Commodity Exchange (MCX), cotton futures fell five per cent on Monday.

The fall in prices is mainly attributed to arrivals gathering pace but a Rajkot-based trader in Gujarat blamed the fall on speculators on MCX and European markets.

Ajay Shah, General Secretary, Gujarat Cotton Trade Association, said prices had dropped since the government had taken a serious view of the sharp rise in prices.

Sharp hike worries govt

"We, in our association, have asked buyers not to resort to any panic purchases. The threat of stock limits looms and hence prices are softening. But there won't be any sharp fall," he said.

Prices might drop further over the next few weeks on a spurt in arrivals, say traders in Telangana. The Rajkot trader said arrivals are unlikely to witness any huge spurt and prices might drop another ₹500-1,000 quintal. They will still rule higher than the minimum support price of ₹5,726 for this season (October 2020-September 2021).

"No one was selling since prices were high, while buyers too were reluctant earlier," the trader said. Prices of Shankar-6, the benchmark for exports, have dropped from ₹70,000 a candy (356 kg) to ₹66,500 on Monday.

A cotton trader in Warangal said: "At Warangal, they quoted a price of ₹8,500 on November 1. It fell to ₹8,290 on November 8 and to ₹7,830 on November 15." Arrivals continue to hover around about 10,000-12,000 a day at Warangal.

The situation at Adilabad and Mahboobnagar market yards is no different. “The farmers should get at least over ₹7,000 a quintal to recover their investments,” T Sagar, Secretary of Telangana Rythu Sangham, said.

All-India Kisan Sabha leader S Malla Reddy said there is a good demand for the fibre crop globally. He hoped that the farmers would continue to get a better price this season.

Hostile weather, untimely rains and outbreak of pink bollworm in some areas resulted in poor output this season. Owing to strong demand and poor output, prices are expected to be higher this season.

“The prices might come down a bit further as the market yards are expected to see increased volumes in the next few weeks,” Malla Reddy said.

Source: thehindubusinessline.com- Nov 15, 2021

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FY 2021-22: Rising Industrial growth, Restrained Inflation and Strong Services Revival

The release of quick estimates of Index of Industrial Production (IIP) for the month of September, 2021 shows a sustained increase in industrial production. The IIP, in FY 2021-22, has grown from an average of 121.3 in Q1 to 130.2 in Q2. The IIP in Q2 would have been still higher but for heavy monsoons disrupting mining activity, especially coal and consequently electricity generation, that repressed the growth of overall production index.

The manufacturing index in IIP has held steady and is likely to rise in subsequent months mirroring the eight-month high in Purchasing Manager's Index (PMI) for manufacturing reaching 55.9 in October, 2021.

A sharp increase in capital goods index from an average of 74.0 in Q1 of FY 2021-22 to 91.7 in Q2 underscores a significant recovery in investment.

There are clear signs of investment being induced by rise in consumption in FY 2021-22 as consumer durables index increases from 91.7 in Q1 to 121.2 in Q2 while consumer non-durables index also moves up from 139.1 to 146.9 across the two quarters.

The release of Consumer Price Index (CPI) numbers for the month of October 2021 shows that the decline in annual consumer price inflation has now gradually set in FY 2021-22. The annual CPI inflation has declined from 5.6 per cent in Q1 to 5.1 per cent in Q2 and it is lower still at 4.5 per cent in October of FY 2021-22.

Similarly, Consumer Food Price Inflation (CFPI) has declined from 4.0 per cent in Q1 of FY 2021-22 to 2.6 per cent in Q2 and further to 0.8 per cent in October showing that supply side disruptions to food distribution have considerably eased.

Activity levels have been steadily increasing in FY 2021-22 as reflected in the latest levels of several High Frequency Indicators including E-way bills, power consumption and GST collections. GST collections have soared in FY 2021-22 to reach its second highest monthly collections ever of Rs.1.3 lakh crore in October, 2021, reflecting robustness of growth revival. Tractor sales hit a record high of 1,15,615 units in October 2021, 25 % higher than September, 2021 volumes, indicative of sustained growth in the agricultural sector.

PMI services has accelerated to a decadal high of 58.4 in October, 2021, suggesting a strong revival in contact-based services sector with the weakening of the pandemic. Average Hotel Occupancy rate in leisure destinations rising from about 55 per cent in Q1 of FY 2021-22 to over 60 per cent in Q2 underscores the service sector growing optimism.

Exports are visibly emerging as the engine of growth for India's economy having crossed $30 billion for the seventh successive month in October of FY 2021-22. On a cumulative basis, India's merchandise exports in April-October stood at $232.58 billion, up 54.5% over the same period in 2019.

Outstanding credit of the scheduled commercial banks has been steadily rising in FY 2021-22. Retail credit in particular has been noticeably increasing suggestive of strengthening consumption in the economy. According to CIBIL, inquiry volumes have increased by 54 per cent between February and October of 2021 as economic activity has gained momentum.

Source: pib.gov.in- Nov 15, 2021

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CBIC Chairman inaugurates Customs & GST pavilion at 40th India International Trade Fair

Shri M. Ajit Kumar, Chairman, CBIC, inaugurated the Customs & GST pavilion here today at Hall no.12 of Pragati Maidan, New Delhi.

Central Board of Indirect Taxes and Customs (CBIC) has set up Customs & GST pavilion in the 40th edition of India International Trade Fair. The CBIC has been putting up pavilions in the IITFs since 2012 with an objective to educate visiting members of trade & public about compliance requirements under GST and Customs Acts and to inform them about various trade facilitation measures which the Department periodically takes.

Aligned to ITPO's theme of Atmanirbhar Bharat, theme-based events on each day are being organised in the Customs & GST pavilion. Sessions on Government of India initiatives to encourage 'Make in India' such as Manufacturing and other Operations in Warehouse Regulations (MOOWR) Scheme, Production linked Incentive (PLI) Scheme and Import of Goods at Concessional Rate of Duty Rules, 2017 (IGCR, 2017) are being organised.

CBIC's initiatives on leveraging technology in Customs & GST, cross-border e-Commerce, and securing transactions in Customs will also be showcased and discussed. Various Industry partners such as Invest India, EICI, FIEO and CII have associated with CBIC to organise these theme-based events.

Six Helpdesks viz. GST, Customs, Authorized Economic Operator (AEO) scheme, GSTN and Systems have been setup in the pavilion. Officers from the concerned departments will be available to discuss and suggesting resolution to the issues faced by the tax-payers and visitors. Based on the theme of taxation, the pavilion will also engage and educate general public through quiz competitions, nukkad nataks, pantomimes etc. Some of the illustrious and internationally awarded sports persons who are employed with Department will also be available for interaction with public.

All Covid-19 protocols are being followed at the Customs & GST pavilion.

Source: pib.gov.in- Nov 15, 2021

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India sees sustained increase in industrial production in FY 2021-22

The release of quick estimates of Index of Industrial Production (IIP) for the month of September, 2021 shows a sustained increase in industrial production in India. The IIP, in FY 2021-22, has grown from an average of 121.3 in Q1 to 130.2 in Q2. The IIP in Q2 would have been still higher but for heavy monsoons disrupting mining activity, especially coal and consequently electricity generation, that repressed the growth of overall production index.

The manufacturing index in IIP has held steady and is likely to rise in subsequent months mirroring the eight-month high in Purchasing Manager's Index (PMI) for manufacturing reaching 55.9 in October 2021, the Indian Ministry of Finance said in a press release. A sharp increase in capital goods index from an average of 74 in Q1 of FY 2021-22 to 91.7 in Q2 underscores a significant recovery in investment.

There are clear signs of investment being induced by rise in consumption in FY 2021-22 as consumer durables index increases from 91.7 in Q1 to 121.2 in Q2, while consumer non-durables index also moves up from 139.1 to 146.9 across the two quarters. The release of Consumer Price Index (CPI) numbers for the month of October 2021 shows that the decline in annual consumer price inflation has now gradually set in FY 2021-22. The annual CPI inflation has declined from 5.6 per cent in Q1 to 5.1 per cent in Q2 and it is lower still at 4.5 per cent in October of FY 2021-22.

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Exports are visibly emerging as the engine of growth for India's economy having crossed $30 billion for the seventh successive month in October of FY 2021-22. On a cumulative basis, India's merchandise exports in April-October stood at $232.58 billion, up 54.5 per cent over the same period in 2019.

Source: fibre2fashion.com- Nov 15, 2021

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Built-in clause for new private cargo terminals to renew concession period

Policy on renewing concession added to the revised model of Ports Ministry

New private cargo-handling terminals at Centre-owned major ports will have a built-in clause to renew the concession period for a fresh term, said the Ministry of Ports, Shipping and Waterways, as it seeks to address a situation when the original period ends in 30 years.

Revised model

The policy on renewing the concession for a further term has been incorporated in the revised model concession agreement finalised by the Ministry for private participation in building new cargo handing terminals at major ports.

The policy is expected to be made applicable to existing cargo handling terminals also, some of which are nearing the end of their 30-year concession this decade. Under the existing contract terms, the terminal assets revert to the port authority (concessioning authority) free of cost at the end of the concession period.

Nhava Sheva International Container Terminal, the terminal run by Dubai government-owned DP World at JN Port Authority; PSA-Sical Terminals Ltd, which is 51 per cent owned by Singapore's PSA International Pte Ltd, at VO Chidambaranar Port Authority, among others, will benefit when the concession renewal policy for existing terminals is approved by the ministry.

A concession agreement sets out the terms and conditions of a port contract and puts the project in motion. For new cargo handling contracts that use the revised model concession agreement, the private terminal operator (concessionaire) has to intimate the port authority between the 25th and 27th year of concession of its interest, and request to renew the concession.

While making the request, the terminal operator should confirm that it is agreeable to participate in the international competitive bidding process initiated by the port authority for price discovery (royalty) for the fresh term.

In the bidding process, the terminal operator will be given the right to match the highest bid, if its bid is within 10 per cent of the highest bid offered. The affiliate(s) of the concessionaire shall not be qualified, either directly or indirectly, to participate in the bidding process.

The concessionaire shall be deemed to be qualified to submit the financial bid without the requirement to participate in the pre-qualification process, and shall not be required to submit any documents for pre-qualification.

However, if the concessionaire has been in material default of the provisions of the original concession agreement, because of which the cumulative damages imposed upon it comes to 20 per cent of the performance security, then the port authority will not be under any obligation to renew or extend the concession period or provide the right to match the highest bid to the concessionaire, according to the revised model concession agreement.

The final decision on renewing/extending the concession period will vest with the port authority awarding the concession.

Source: economictimes.com- Nov 12, 2021

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India's WPI inflation rises again in October 2021

India’s annual rate of inflation, based on monthly wholesale price index (WPI), increased again in October 2021 compared to the previous month. In October, WPI inflation stood at 12.54 per cent, compared to 10.66 in September, and an all-time high of 12.94 per cent in May 2021. WPI inflation was 1.31 per cent in October 2020 (over October 2019).

“The high rate of inflation in October 2021 is primarily due to primarily due to rise in prices of mineral oils, basic metals, food products, crude petroleum & natural gas, chemicals and chemical products, etc as compared to the corresponding month of the previous year,” the Office of Economic Adviser, department for promotion of industry and internal trade, under the ministry of commerce and industry, said.

The official WPI for all commodities (Base: 2011-12 = 100) for the month of October 2021 increased to 139.1 from previous month’s 136.0.

The index for manufactured products (weight 64.23 per cent) for October 2021 increased to 134.9 from 133.8 for the month of September 2021. The index for ‘Manufacture of Textiles’ sub-group increased to 133.9 from previous month’s 132.7, while the index for ‘Manufacture of Wearing Apparel’ rose slightly to 143.8 from 143.7 in September 2021.

The index for primary articles (weight 22.62 per cent) rose to 159.7 in October 2021 from previous month’s 154.9. The index for fuel and power (weight 13.15 per cent) too increased to 124.7 from 114.7 in September 2021.

Meanwhile, the all-India inflation rate for consumer price index (CPI) on base 2012=100 stood at 4.48 (provisional) in October 2021 compared to 4.35 (final) in September 2021 and 7.61 in October 2020, according to the Central Statistics Office, ministry of statistics and programme implementation.

Source: fibre2fashion.com- Nov 15, 2021

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Monetary, credit conditions conducive for durable economic recovery: RBI

Overall monetary and credit conditions in India remain conducive for a durable economic recovery, the Reserve Bank of India (RBI) has said in its 'State of the Economy' report, part of the November bulletin.

While recovery has gained strength, the speed and pace of improvement remains uneven across different sectors of the economy, the report said.

The central bank said the Indian economy is differentiating itself from the global situation, which is marred by supply disruptions, stubborn inflation and surges of infections in various parts of the world. It referred to improving mobility indicators, a pick-up in the job market, reduced infections and faster vaccinations as markers of strength.

"The global economic outlook remains clouded by uncertainty with headwinds from multiple fronts at a time when many economies are still struggling with nascent recoveries. There is a risk of faster policy normalisation by major central banks leading to tightening of financial conditions and stifling of growth impulses," the report said, adding that domestic conditions are poised better. "Overall monetary and credit conditions stay conducive for a durable economic recovery to take root," it said.

Indicators of aggregate demand posit a brighter near-term outlook than before. On the supply side, the rabi season has set in early on a positive note on the back of a record kharif harvest, and manufacturing is showing improvement in overall operating conditions, while services are in strong expansion mode.

The report did take note of rising cost pressures across segments. Input costs pressures, as reflected in the purchasing managers' index (PMIs), increased across manufacturing and services in October, with cost conditions turning more adverse in manufacturing. The number of services firms that increased selling prices rose in October.

Consumer prices rose, too. The food price index rose for the third consecutive month in October, marking its highest level since July 2011, primarily led by scaling vegetable oil and cereal prices. Edible oils inflation, in spite of some moderation, remained elevated. Among key vegetables, prices of tomatoes and onions have seen sharp increases in November so far, with tomato prices inching up higher than levels a year ago, the report said.

Demand conditions also exhibited strength, with record imports of electronic goods for the second consecutive month in October, driven by ongoing mega sales organised by major e-commerce companies during the festive season.

The purchase of coal, coke and briquettes has increased significantly from pre-Covid levels, given the low level of domestic coal-stock positions. “The non-oil non-gold imports exhibited a resounding growth for the fifth consecutive month,” the report said.

The comfortable revenue position of the government has enabled it to incur higher expenditure, the report said. Capital and revenue expenditure accelerated by 38.3% and 6.3% over 2020-21, respectively. The growth in capital expenditure was led by the ministry of road transport and highways, which has exhausted 68.2% of its budgeted capital expenditure for FY22. The report attributed the Centre’s decision to reduce the excise duty on fuel to the “upbeat fiscal scenario”.

Source: financialexpress.com- Nov 16, 2021

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Centre's tax devolution to states doubled to Rs 95K cr in November: FM

Union Finance Minister Nirmala Sitharaman on Monday said the Centre would release double the monthly amount of tax devolution -- a total of Rs 95,082 crore -- in November to enable the states to step up their capex and spur economic growth close to double digits this fiscal year.

The states were to be given Rs 47,541 crore in November in line with the 15th Finance Commission's formula of devolving 41 per cent of central taxes to the states, Sitharaman told reporters after a meeting with chief ministers and finance ministers of states, and lieutenant governors of Union Territories.

"The chief ministers requested that if part of tax devolution be front-loaded, it would be helpful. I have directed the finance secretary to do this immediately. This is an exceptional year. States should not be short of money when we are requesting them to push up capital expenditure," she said. Union Finance Secretary T V Somanathan said devolution was done in 14 instalments.

Sitharaman also said two states -- Madhya Pradesh and Sikkim -- asked for further relaxation in the Fiscal Responsibility and Budget Management (FRBM) Act. States are allowed to borrow from the markets to the extent that it does not increase their fiscal deficit beyond 3 per cent of their gross state domestic product (GSDP). They can borrow 2 per cent more this fiscal year, 1 per cent with riders and 1 per cent is unconditional.

She said the entire GST compensation to the states had been given in November itself. Somanathan said states had high cash balances at Rs 2.66 trillion as on October 30, but four states had negative cash balances. He said 20 states' capex was 79 per cent higher during the first six months of FY22 year-on-year due to a low base effect. However, this was also higher by 23 per cent against the corresponding period of 2019-20, a pre-pandemic year.

The finance minister said states asked for a better dispute resolution mechanism after the approval of projects, improving road connectivity, etc.

Source: business-standard.com- Nov 15, 2021

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Grasim Industries gains after Q2 FY22 PAT soars 41% to Rs 1,359 cr

Grasim Industries rose 1% to Rs 1,876.35 after the company's consolidated net profit jumped 40.7% to Rs 1,359.19 crore on a 25.7% surge in net sales to Rs 22,564.22 crore in Q2 September 2021 over Q2 September 2020.

Consolidated EBITDA grew 19% to Rs 4,282 crore in Q2 FY22 as against Rs 3,603 crore in Q2 FY21. The demand momentum picked up in Q2 FY22 and continued thereafter across all businesses. Realisation and volumes have improved in key businesses on account of strong demand, offsetting the cost increase.

The Chinese textile demand was impacted by weak business sentiment in the value chain. The Viscose Staple Fibre (VSF) prices in China moderated during the quarter, however, the prices have witnessed a considerable improvement since October 2021, driven by drastic operating rate cuts in fibre and yarn manufacturing.

The demand for textile products in India witnessed a significant bounce back during Q2 FY22 with the onset of the festive season, phased reopening of schools, educational institutions, offices and increased textile sourcing from India by global brands as a part of the China+1 strategy.

Among its various businesses, the VSF business reported a strong operational and financial performance driven by demand momentum and better product mix.

The VSF business recorded the highest ever total sales volume with domestic sales volume, back to the pre-pandemic level in Q2 FY22. The share of value-added products in the overall sales mix almost doubled Y-o-Y (year-on-year) to 27%. The VFY sales volume was also the highest ever, with demand recovery driven by inventory liquidation in the value chain and lower imports.

In chemical business, the caustic soda prices in India recovered from multi-quarter lows supported by the recovery in demand, tightness in supply led by production losses and higher export sales driven by better overseas realisation. The caustic soda capacity utilization stood at 86% in Q2 FY22, sequentially higher.

The domestic demand for caustic soda was driven by the textile and pulp & paper sectors. Advanced Material (Epoxy Resins) business witnessed a significant improvement in the operational and financial performance on a Y-o-Y basis, driven by better realisation and strong demand. The demand for Advanced Materials in India is expected to remain strong with a pickup in the pace of construction activity, thrust on renewables, and thin inventory across product segments.

In paint business, the company had acquired land at 5 locations as part of its pan-India footprint for paints manufacturing. These locations have been identified in different regions, basis proximity to key consumption hubs across India.

The process of Environmental Clearance is also underway for various project sites. The contracts for Basic Engineering and Detailed Engineering have been awarded. The Civil work at various sites shall commence post receipt of the Environmental Clearance.

Grasim Industries has made considerable progress in its commissioning schedule. VSF brownfield expansion at Vilayat (300 TPD) has been commissioned in November 2021, while the second line of 300 TPD will be ready for commissioning in Q3 FY22 as planned.

In the Chlor-alkali business, Caustic Soda expansion of 170 TPD at Rehla (Jharkhand) and Chloromethane plant of 150 TPD at Vilayat (Gujarat) have also been commissioned in Q3 FY22. Additionally, Caustic Soda capacities at BBPuram (200 TPD) and Vilayat Phase I (200 TPD) will be commissioned in H2 FY22.

Grasim Industries is a leading global producer of Viscose Staple Fibre, the largest Chlor-Alkali, Linen and Insulators player in India. Through its subsidiaries, UltraTech Cement and Aditya Birla Capital, it is also India's largest cement producer and a leading diversified financial services player.

Source: business-standard.com- Nov 15, 2021

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