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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

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INTERNATIONAL NEWS

Global exports to double from $17.4 trn to $29.7 trn over next decade

Global exports will almost double from $17.4 trillion to $29.7 trillion over the next decade, according to a recent report commissioned by Standard Chartered and prepared by PwC Singapore. The report reveals 13 markets that will drive much of this growth, and identifies major corridors and five trends that will shape the future of global trade.

Global trade will be reshaped by five key trends: the wider adoption of sustainable and fair-trade practices; a push for more inclusive participation; greater risk diversification; more digitisation and a rebalancing towards high-growth emerging markets. Almost 90 per cent of the corporate leaders surveyed agreed that these trends will shape the future of trade and will form part of their five to 10-year cross-border expansion strategies.

The report is based on an analysis of historical trade data and projections until 2030, as well as insights from a survey of more than 500 C-suite and senior leaders in global companies, Standard Chartered said in a press release. Globalisation will drive the next decade of growth. Despite the recent push towards onshoring, growth corridors of the future will not just be intraregional; they will be global spanning Africa-East Asia, ASEAN-South Asia, East Asia-Europe, East Asia-Middle East, East Asia-Europe and South Asia-US.

Asia, Africa and the Middle East will see a ramp-up in investment flows, with 82 per cent of respondents saying they are considering new production locations in these regions in the next five to 10 years, supporting the trend towards rebalancing to emerging markets and greater risk diversification of supply chains.

The research found a significant trend towards the adoption of sustainable trade practices in response to climate concerns and a rising wave of conscious consumerism. However, while almost 90 per cent of corporate leaders acknowledged the need to implement these practices across their supply chains, only 34 per cent ranked it as a 'top three' priority for execution over the next five to 10 years.

Source: fibre2fashion.com– Nov 26, 2021

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US textile & apparel exports up 20.15% in Jan-Sept 2021

The exports of textile and apparel from United States increased by 20.15 per cent year-on-year in the first nine months of this year. The value of exports stood at $16.750 billion during January-September 2021 compared to $13.941 billion in the same period last year, according to data from the Office of Textiles and Apparel, US department of commerce.

Category-wise, apparel exports increased by 28.94 per cent year-on-year to $4.385 billion, while textile mill products rose 17.31 per cent to $12.365 billion during the first nine months of 2021.

Among textile mill products, yarn exports increased by 26.09 per cent year-on-year to $2.902 billion, while fabric exports were up 15.79 per cent to $6.451 billion and made-up and miscellaneous article exports grew 12.92 per cent to $3.011 billion.

Country-wise, Mexico and Canada together accounted for nearly half of the total US textile and clothing exports during the period under review. The US supplied $4.726 billion worth of textiles and apparel to Mexico during the nine-month period, followed by $3.911 billion to Canada and $1.051 billion to Honduras.

In recent years, the US textile and clothing exports have remained in the range of $22-25 billion per annum. In 2014, they stood at $24.418 billion, while the figure was $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, and $22.905 billion in 2019. However, the value decreased to $19.330 billion last year due to the effect of COVID-19 pandemic.

Source: fibre2fashion.com– Nov 29, 2021

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China to focus on high-quality development of foreign trade

China will focus on high-quality development of foreign trade during the 14th Five-Year Plan period (2021-2025).

The State Council has already approved the implementation of a plan that will put forward guiding concepts, basic principles, main objectives, key tasks and support measures to boost foreign trade, said the country's Ministry of Commerce.

The plan takes into consideration innovation and development in foreign trade along with low-carbon transformation, digital transformation, further opening-up and better risk control.

It also outlines 45 important tasks across ten categories with regards to the structure of goods trade, service trade innovation and new modes for international trade.

In the first three quarters of this year, China's total imports and exports grew by 22.7 per cent YoY to reach 28.33 trillion yuan (approximately $4.43 trillion).

Source: fibre2fashion.com– Nov 26, 2021

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Egypt's textile exports exceed $1bln in nine months

Egypt's textile exports increased by 28% to $1.12 billion during the first nine months of 2021, compared to around $872 million in the year-ago period, the Middle East News Agency (MENA) reported.

Higher exports are driven by the gradual easing of restrictions in markets and the high vaccination rates across the world, the Egypt Textiles and Home Textiles Export Council announced.

Egypt's exports of fabrics amounted to $267 million, up about 17% year-on-year (YoY) in the January-September period of 2021, while the exports of yarn and technical textiles amounted to $210 million and $100 million, respectively.

Source: zawya.com– Nov 25, 2021

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Sri Lanka's opportunities from Chinese trade expositions

Sri Lanka, a South Asian developing country, is confronting challenges of economic vulnerability now a days. A rising trend of trade protectionism with new hidden barriers and de-globalization in the global market are impeding the economic and investment sectors to promote global trade sustainably. In this context, China's open door and cooperation policy offers a glimmer of hope for the region's prosperity and development, resuming economic growth at a faster rate.

In order to fulfill President Xi Jinping's pledge to turn the Chinese market into a market for the world, a market shared by all, and a market accessible to all, China has taken a number of concrete steps in recent years, including an all-round opening-up strategy that allows foreign enterprises greater access to the domestic market and a foreign investment law that ensures a business-friendly environment.

At the same time, China has taken new steps to strengthen bilateral, multilateral, and regional cooperation by joining trade blocs such as the Regional Comprehensive Economic Partnership (RCEP), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), hosting a series of mega trade exhibitions and improving connectivity through the Belt and Road Initiative (BRI).

Of them, China Import and Export Exhibition (Canton Fair), China International Import Expo (CIIE), China International Fair for Trade in Services (CIFTIS), China-ASEAN expo, China-South Asia expo, Euro-Asia Economic Forum and Trade Cooperation Expo, Inter-textile Shanghai Apparel Fabrics, and China Yangling Agricultural High-tech Fair are all key exhibitions that will undoubtedly be of great significance to developing economies like Sri Lanka, Bangladesh, Pakistan. It is expected that participation's in these forums would open new avenues of business opportunities and further enhance bilateral relations .

According to China Customs data, Sri Lanka's goods export to China grew by 111.2 per cent year-on-year in the first three quarters of 2021. Despite the fact that bilateral trade favors China heavily, Sri Lanka has enormous potential that has yet to be realized. It is mentionable that China imported goods worth $2.4 trillion in the 2019-20 fiscal year.

In the next ten years, China is expected to import a total of $22 trillion worth of goods. Hence, China's Expo platform will provide a great opportunity for Bangladesh to explore the vast Chinese market and expand exports to bridge the bilateral trade gap and increase revenue.

Sri Lanka exports mostly textiles and garments (52% of total exports) and tea (17%). Others include: spices, gems, coconut products, rubber and fish. Though its Main export partners are United States, United Kingdom and Germany, China could be new investment destination. The expos are important ways to learn about Chinese consumer preferences and to tap into vast China market.

Participating these expos countries can display and popularize its flagship products and diversify its export destination globally as a large number of buyers, entrepreneurs and companies from Europe, America, Australia, Southeast Asia, Middle East, and Africa attend there. For example, the China-ASEAN Expo (CAEXPO) could give Sri Lanka trilateral trade expansion opportunity to enter China and ASEAN market which has a combined population of 2 billion people and a GDP of $18.5 trillion.

Participating these expos Sri Lanka can also highlight the investment potential and create confidence in a large number of foreign investors in the Port City and Hambantota Industrial Zone.

In short, the expos offer a platform to understand Chinese people and Chinese market as well as to make new linkage with consumers, companies, experts and different technologies which could lead product specialization and export value added products to China, a market with 1.4 billion people and over 400 million middle-income people. In this regard, China can provide technical assistance in framing policy positions and export-development strategy to help Lankan products to reach the Chinese market.

Like Sri Lanka other South Asian countries, can also use the expos to promote their brands, build new trade image and expand their business opportunities in China and the worldwide market. Along with economic and commercial gains, such platforms would forge stronger cultural cooperation which will with further enhance the bilateral brotherly relations and promote win-win co-operation for common prosperity.

Source: slguardian.org– Nov 29, 2021

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Textile and garment sector could earn more if it made more local materials

Free trade agreements allow Vietnam's enterprises to enjoy preferential tariffs and thus give a competitive edge to enter member markets. The textile and garment sector is one of the industries enjoying the most benefits from these agreements. However, Vu Duc Giang, Chair of the Vietnam Textile and Apparel Association (Vitas), stressed that the benefits only occur if Vietnam can satisfy rules of origin.

Textile and garment sector could earn more if it made more local materials

Under the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), for example, Vietnam's products must satisfy the 'yarn forward' rule to be able to enjoy preferential tariffs. For EVFTA (EU-Vietnam Free Trade Agreement), it is the 'fabric forward' rule.

This means that the yarn used to form the fabric and the fabric used to produce textile and garment products must originate from Vietnam or FTA member countries.

Meanwhile, Vietnam is weak at producing yarn and fabric and these input materials are mostly imports.

Than Duc Viet, General Director of Garment Company 10, said that weak support industries and the heavy reliance on material imports are the biggest obstacles for Vietnam to develop the textile and garment industry.

It is necessary to make appropriate investments in supporting industries.

He said Vietnam's enterprises are still mostly doing outsourcing for foreign partners, with 65 percent of input materials from imports.

According to Giang, to open the door to the EU market with preferential tariffs, Vietnam also had to open its door to EU products and offer preferential tariffs. Therefore, "we need to have a strategic solution to invest in the fields that we are still weak in, so that we can take full advantage of FTAs, so the trade off when opening the market won't be futile."

He stressed "it's time for us to walk with our own feet and develop the industry with internal strength".

Lawyer Tran Huu Huynh from Vietnam International Arbitration Center (VIAC) said that a timeline for developing the weaving and dyeing industries is needed. If advanced technologies are used, there will be less environmental impact from dying cloth.

Viet suggested establishing textile and garment clusters, which not only comprise yarn, textile, dyeing and garment companies, but also downstream enterprises, such as distributors and retailers, accessories producers, specialized infrastructure providers, training and human resources establishments, and research and technique support centers such as universities, policy research agencies and vocational schools.

Source: vietnamnet.vn– Nov 26, 2021

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Pak-China coop in textile industry untapped, says Zhang Xian

China and Pakistan are both major producers and exporters of textiles and surely there is a degree of competition between both countries.

However, the different stages of industrial development between the two countries also create broad space for closer cooperation, noted Zhang Xian, Vice President of China Chamber of Commerce for Import and Export of Textiles (CCCT).

Pakistan is one of the world's leading cotton producers, ranking among the top five in terms of yield, with cotton textile products accounting for 40 percent of its exports.

Talking about competition, "Pakistan's cotton industry has obvious edges. Compared with China, Pakistan's home textiles and garment products have certain competitive advantages in the European Union and the United States," Zhang told China Economic Net (CEN). In terms of bilateral cooperation and exchange, 'Pakistan and China are perfect partners and there's a lot that can be done," remarked Zhang.

According to Pakistani customs statistics, Pakistan's imports of textiles and apparel from China accounts for 62 percent of its total imports, which makes China its largest source of textile and garment imports. As per statistics released by General Administration of Customs of China, China's imports from Pakistan are mainly cotton yarn and Pakistan ranks third among China's import sources of cotton yarn.

As a major garment producer, Pakistan's export of home textiles, clothing and other processed products to the European Union, the United States and other countries and regions has witnessed a rapid growth these years, which has also driven the rapid growth of yarn and fabric imports from China, promoting the cooperation between China and Pakistan in the industrial chain.

Also, China is competitive in brand building, enterprise management, capital operation, talent cultivation, industrial facilities and other aspects, which are of great use for Pakistan's textile industry. Zhang further said, "the potential of a combination of strengths and weaknesses provides opportunities for deepening cooperation between the two countries' textile industries." "China is willing to strengthen investment cooperation with Pakistan in the textile and garment industry," Zhang pinpointed, adding that collaboration and competition coexist for textile industry in both countries and Sino-Pak coop in textile industry is untapped.

Established in October 1988, China Chamber of Commerce for Import and Export of Textiles (CCCT), as part of Ministry of Commerce, China, is the largest textile and apparel trade agency both in China and the world.

Its member companies comprise the majority of Chinese textile and apparel enterprises incorporating domestic manufacturers, export and import enterprises as well as jointly-funded operations, the trade volume of which accounts for 70 percent of the total export and import volume of Chinese textile and apparel industry as a whole.

Source: nation.com.pk– Nov 28, 2021

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Bangladesh BGMEA partners with CNN to promote the RMG sector globally

Through this partnership BGMEA will collaborate with CNN to sketch the stories of how the garment industry has been driving Bangladesh forward and contributing to build more prosperous future for the country, reads a press release.

CNN will showcase the compelling stories of the RMG sector of Bangladesh, especially its strides in the areas of workplace safety, environmental sustainability and workers' wellbeing. The industry's moves in enhancing competitiveness through innovation, diversification, technology upgrading, and up-skilling will be also highlighted.

In this regard, BGMEA signed a memorandum of understating with CNNIC's local representative Spellbound Communications Limited.

BGMEA President Faruque Hassan inked agreement in the presence of Dr Md Jafar Uddin, Chief Executive Officer of Bangladesh Foreign Trade Institute (BFTI) at BGMEA's PR office in Gulshan on Sunday.

BGMEA Vice President Shahidullah Azim, BFTI Director Md. Obaidul Azam and Managing Director of Spellbound Communications Mohammad Sadequl Arefeen were also present on the occasion.

Source: tbsnews.net– Nov 27, 2021

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NATIONAL NEWS

Tremendous potential to grow bilateral trade with Canada: Goyal

"An initial interim agreement covering goods and services, deeper economic partnership in several sectors and a much larger and comprehensive agreement at the second stage, a little later.

He also said both sides have discussed the possibility of concluding the India-Canada comprehensive economic partnership agreement (CEPA), a kind of free trade pact, in two stages.

Bilateral trade between India and Canada stands at USD 10 billion currently and there is tremendous potential to take it to much higher levels, Commerce and Industry Minister Piyush Goyal said on Friday.

He also said both sides have discussed the possibility of concluding the India-Canada comprehensive economic partnership agreement (CEPA), a kind of free trade pact, in two stages.

"An initial interim agreement covering goods and services, deeper economic partnership in several sectors and a much larger and comprehensive agreement at the second stage, a little later.

"This way we can harvest the low hanging fruits and areas of mutual interest and provide opportunities to our business on both sides and enable greater degree of trade in goods and services," he noted. The minister said a few rounds of discussions have happened and now he hopes to take it forward on a fast track basis.

"The bilateral trade with Canada currently stands at USD 10 billion. There is tremendous potential to grow mutual trade to much higher levels," Goyal said while speaking at the 11th Canada-India Business Forum.

He added that agri and food processing, digital innovation, bio sciences, supply chain and logistics, education, skill development and renewable energy are areas of opportunities for businesses in both the countries.

India's competitive advantage in areas like textiles and footwear, and sectors where it has traditional strengths and where "we are building modern technologies" like services sector, agri-tech and edu-tech are showing tremendous potential, he said.

The minister further said Canadian pension funds have pledged over USD 55 billion in investments between 2014 and 2020. Out of that, over USD 32 billion have already been realised.

India's exports to Canada include pharma, iron and steel, chemicals, gem and jewellery, nuclear reactors and boilers. Imports comprise minerals, ores, vegetables, fertiliser, paper and pulp.

Source: financialexpress.com- Nov 25, 2021

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Gala Inauguration of “Textiles Week” at India Pavilion in Dubai Expo 2020

The ‘Textiles Week’ was inaugurated by Shri Vijoy Kumar Singh, Additional Secretary, Ministry of Textiles along with Shri Jay Karan Singh, Trade Advisor at India Pavilion in “DUBAI EXPO’ 2020 in the presence of heads of participating Export Promotion Councils, yesterday. An interactive session on the ‘Sourcing and Investment Destination for Textiles Production Linked Incentive (PLI) Scheme - A Game Changer’ was also organised at the Dubai Expo. The objective of the interaction was to project India’s commitment towards attracting investments in the Textile Sector so as to enhance production and thereby exports.

In his address Chairman EPCH, Shri Raj Kumar Malhotra, said that the India Pavilion at Expo 2020 Dubai is one of the biggest platforms that offers a golden opportunity to showcase India to the world and project the country as the next hub for growth and innovation. The Expo will be open seven days a week, from 10 am to 12 pm (midnight) from Saturday to Wednesday and 10 am to 2 am (night) (Thursday and Friday). Website: https://indiaexpo2020.com/

Speaking on the occasion, Shri R.K. Verma, Executive Director-Export Promotion Council for Handicrafts (EPCH), informed that handicrafts is one of the important exports from the Cottage sector of the country and has immense potential in the overseas market.

With the exports of around US$ 3500 million, the handicrafts of India are sold across the globe and India is one of the preferred destination of the overseas buyers for sourcing home, lifestyle, fashion, furniture and textiles items from India.

The Dubai Expo 2020 is a World Expo, currently hosted by Dubai in the United Arab Emirates from 1st October 2021 to 31st March 2022 with 192 participating country Pavilions. Union Minister of Textiles, Commerce & Industry, Consumer Affairs, Food and Public Distribution, Shri Piyush Goyal inaugurated the India Pavilion on 1st October, 2021. The India Pavilion at Expo 2020 Dubai reflects India’s commitment to the philosophy of लोका: समस्ता: सुखिनोभवन्तु (LokahSamastahSukhinoBhavantu), which means, “May everyone, in the whole world, be happy.” Informed Mr. Raj Kumar Malhotra, Chairman EPCH.

EPCH is a nodal agency under Ministry of Textiles for promoting exports of handicrafts from the Country to various destinations of the world and projecting India's image abroad as a reliable supplier of high quality handicrafts goods & services.

The Handicrafts exports during the seven months of current financial year from April to October, 2021-22 is Rs. 19119.48 Crores registering a growth of over 50.88% over the same period last year.

Source: pib.gov.in- Nov 27, 2021

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New India will be powered by Aatmanirbhar Bharat & Ease of Doing Business, says Shri Piyush Goyal

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal has said we have to find new ways of financing infrastructure. Addressing the CII National Conference on 'Ease of Doing Business for Aatmanirbhar Bharat', Shri Goyal said a New India will be powered by Aatmanirbhar Bharat & Ease of Doing Business (EoDB).

"The very fact that the Prime Minister spoke of going into the Top 50 just changed the way all of us looked at, - government and industry," adding, "The Prime Minister is already edging us, - 50 was an initial target I set in the first term, now you have to be more ambitious, - you should be in the Top 25!" said Shri Goyal.

Noting that the Top 40 countries are "very highly Developed countries, Shri Goyal pointed out "piercing that curtain and then doing better than them is a Big Challenge!" "So! That's what we are here for!" said Shri Goyal, quoting the Prime Minister.

Shri Goyal listed out the Government's 5 'Is' (Intent, Inclusion, Innovation, Infrastructure & Investment) approach to make India self-reliant. "Believe me! The most Developed countries and some of the countries who are currently on a fast trajectory of growth, if you study their growth story, you will find it one of their biggest pillars of growth story is Innovation! There are new ideas, new ways of doing things," he said.

Quoting the Prime Minister Shri Narendra Modi, Shri Goyal said the ultimate aim of EoDB reforms is to achieve Ease of Living for citizens. "I think, today India means Business and the world recognizes that. With political stability, policy continuity, pro-growth & pro-business thinking in the Government and in our young entrepreneurs and the Startups, in our traditional businesses, this is the time to really go for it."

Shri Goyal said the Government is undertaking five structural reforms for EoDB:

1. National Single Window System, - a one-stop-shop for approvals & clearances needed by investors & businesses. It includes Know Your Approval, Common Registration Form, Document repository, etc. Portal

hosts approvals across 18 Central Departments & 9 States. Shri Urging all the industry stakeholders to use the NSWS and give feedback & suggestions, Goyal said, “Further, another 14 Central Dept. & 5 States will be added by December’21, but our ambition is much, much more.”

2. Industrial Land Bank, - a GIS-based portal, serving as a one-stop repository of all industrial infrastructure related information. Integrated with GIS systems of 17 states, the ILB has a database of more than 4,000 industrial parks mapped across an area of 5.5 lakh hectare of Land. “You will be amazed, Ladies & Gentlemen, there’s 1 lakh ha of land available for industry, for business across the country,” said Shri Goyal.

3. Regulatory Compliance Portal, - it’s a real-time dashboard under direct monitoring of the Cabinet Secretary to track progress. States & UTs have eliminated burdensome compliance by removal of unnecessary licenses, permissions, rationalization of renewals, self-regulation and self-certification should be the way forward.

4. State Reforms Action Plan (SRAP), - Centre working with the states trying to promote healthy competition in a spirit of cooperative federalism among states & led to digitization of procedures. Shri Goyal said, a 301-point State Reforms Action Plan, 2020 has been shared with the States/UTs covering 15 reform areas.

5. PM Gati Shakti, - launched to build next-Gen infrastructure, the Gati Shakti portal provides multimodal connectivity to ensure integrated & seamless connectivity. Underlining that Gati Shakti will break departmental silos & institutionalize holistic planning, Shri Goyal said all Departments will now have visibility of each other’s projects through a centralized portal.

Shri Goyal said our Industry will have to lead the way in India’s endeavour to become Aatmanirbhar. “I would like to emphasis on 4 points for enhanced industry contribution,” he said.

1. For Indian Inc to be the best, need to have a greater appetite for taking risks.

2. “Holistic solution” to commercial disputes problems.

3. Need to “Look beyond cost” for building a “Resilient Ecosystem”.

4. Greater focus on Innovation, Sustainability and “Brand India”.

Making a quote, "Opportunity does not knock, it presents itself when you are actively looking for it", Shri Goyal said India today is the new land of opportunities, inviting the world to "Ideate in India, Innovate in India & Make in India - For the World."

Source: pib.gov.in- Nov 27, 2021

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Indian economy to rebound; GDP growth of 9.3% likely in FY22: Moody's

Economic growth of India will rebound strongly, with GDP growth of 9.3 per cent and 7.9 per cent in fiscal 2022 (ending on 31 March 2022) and fiscal 2023, respectively, as per a recent report by Moody's. Rising consumption, India's push for domestic manufacturing and benign funding conditions are expected to support new investments in the country.

India's rising vaccination rate, stabilising consumer confidence, low interest rates and higher public spending underpin positive credit fundamentals for nonfinancial companies, Moody's Investors Service said in the report.

"India's steady progress on inoculation against the coronavirus will support a sustained recovery in economic activity. Consumer demand, spending and manufacturing activity are recovering following the easing of pandemic restrictions. These trends, including high commodity prices, will propel significant growth in rated companies' EBITDA over the next 12-18 months," said Sweta Patodia, a Moody's Analyst.

However, if new waves of infections were to occur, it could trigger fresh lockdowns and erode consumer sentiment. Such a scenario would dampen economic activity and consumer demand, potentially leading to subdued EBITDA growth of less than 15-20 per cent for Indian companies over the next 12-18 months. In addition, delays in government spending, energy shortages that lower industrial production or softening commodity prices could curtail companies' earnings, the report added.

India's currently low interest rates will reduce funding costs and support new capital investment as demand grows. However, rising inflation may result in a faster-than-expected increase in interest rates, which would weigh on business investment, Moody's said.

Source: fibre2fashion.com- Nov 29, 2021

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BRICS nations need to strengthen coop to support economic recovery: CEA

The BRICS bond fund, which has been a long standing issue is now close to completion and would help local bond markets in the member countries.

BRICS nations need to strengthen cooperation among themselves to support economic recovery, ensure financial stability and guard against future uncertainties, Chief Economic Adviser K V Subramanian said on Friday.

He also underlined the need for strengthening international cooperation and establishing a cross border regulatory mechanism for further improving the investment environment and enhancing capital flows.

"The need of the hour is to work towards strengthening intra-BRICS cooperation in supporting the recovery of BRICS economies and maintaining macro economic and financial stability while protecting against future uncertainties and risks," he said.

He was participating in BRICS Virtual Economic Conclave organised by Research and Information System for Developing Countries.

BRICS is a grouping of five developing economies — Brazil, Russia, India, China and South Africa. Subramanian said the New Development Bank and the Contingent Reserve Arrangement have marked significant progress in expanding the tangible financial cooperation among among BRICS nations.

The BRICS bond fund, which has been a long standing issue is now close to completion and would help local bond markets in the member countries.

"We've also seen that most BRICS countries want to take measures to improve market making and participation of institutional investors such as insurance companies, pension funds, and other long long run investors like that," he said.

The Chief Economic Advisor said the COVID 19 pandemic has clearly demonstrated the importance of affordable and resilient social infrastructure alongside economic infrastructure.

Therefore, there exists positive role of digital technologies such as telemedicine, eHealth initiatives, and online education in ensuring inclusive access and affordability of social services, he said. India, he added has taken some very important steps which would provide important learnings for not only for BRICS nations, but also for the rest of the world.

Subramanian highlighted that India is running one of the largest renewable capacity expansion programmes in the world and is determined to achieve the target of 500 gigawatts of renewable energy by 2030. He also talked about the ambitious hydrogen mission.

Source: financialexpress.com- Nov 26, 2021

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This is the right time to increase our exports – says MoS Finance Bhagwat Karad

Union Minister of State for Finance, Dr Bhagwat Karad today expressed confidence that with businesses expanding after a lull phase of the Covid 19 pandemic, exports from India are moving towards a new milestone. Speaking at the 'Banking Conclave for Exports' jointly organized by Federation of Indian Export Organizations and Union Bank of India in Mumbai, Dr. Karad said "our economy is rebounding, business is expanding and this is the right time to talk about increasing exports" He further added that the export oriented policies of Government have created the right eco-system for export led growth.

Dr. Karad informed that merchandise exports in the first 8 months of 2021-22 have touched US$ 233 billion registering 54% growth over the previous year. This export growth has been led by sectors like engineering goods, gems & jewellery, electronics, chemicals and pharmaceuticals etc. He reminded the exporters that Prime Minister has called upon the exporters to become the engine of growth of India's economy. PM Modi has set a US$400 billion target for merchandise exports during the current fiscal.

Speaking about the Government initiatives, the Minister said, the Production Linked Incentive Scheme announced by the Government is having a positive impact in boosting manufacturing and promoting exports. The PLI schemes covers 13 key sectors with high potential for growth.

Dr.Bhagwat further stated that the Emergency Credit Line Guarantee Scheme (ECLGS) has proved to be important for different industries. "Due to demand from industrialists, the Government has extended the ₹4.5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) till March 31, 2022, to help businesses cope with the pandemic's adverse effects. Rs 2.9 lakh crore of this fund has been sanctioned by different banks" he added.

The Minister assured full support of the banking system to exporters and said banking scenario in the country has significantly improved with the presence of 12 public sector banks, 22 private banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96000 rural cooperative banks. He further said that RBI has enhanced the limit for classification of export credit under priority sector lending to Rs 40 Crore from Rs 25 Crore.

The Banking Conclave in Mumbai today focused on the role of banks as key catalysts for exports, export trade related banking guidelines and their impact on exports, export finance and export bill discounting issues etc.

Shri Khalid Khan, Vice President FIEO listed various challenges faced by exporters and asked intervention of relevant authorities. The Union Minister assured to convene a joint meeting of various export organizations, Bank CMDs and other stakeholders in near future to resolve the issues.

The conclave was attended by senior officials of the banking sector including CEO and MD of UCO Bank and IBA Chairman Shri Atul Kumar Goel, CEO & MD of Canara Bank Shr L V Prabhakar, CEO & MD of Bank of Baroda Shri Sanjiv Chadha, CMD, ECGC Shri Senthilnathan and Shri R S Amar, Head of RBI's Foreign Exchange Department among others. Nearly 150 exporters from MSME and non-MSME sector were also present.

Source: pib.gov.in- Nov 26, 2021

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India looking at $2.5bn investment in textiles sector

The 'Textile Week' kicked off yesterday at the India Pavilion in EXPO2020 with the country looking at a fresh investment of $2.5 billion in the sector, which would be key to a 'Self-reliant India' and becoming a preferred global sourcing partner in textiles.

The textile industry will showcase India's rich cultural heritage during the week and deliberate on key initiatives taken by the government to create an ecosystem for the country to become a preferred sourcing partner for textile and clothing. In a video message, Minister of State for Textile & Railways, Darshana V Jardosh, said, "The present-day Indian textiles not only reflect the glittering past but also cater to the demands of modern times. Indian textile industry is one of the largest in the world, with a large raw material base and manufacturing strength across the value chain."

The textiles sector contributes around 2-3% to Indian GDP, 7% to Industrial output, 12% to the export earnings of India, around 11-12% to total merchandize export and around 4.5 crore people are directly engaged with the textiles sector.

Addressing the gathering, Vijoy Kumar Singh, Additional Secretary, Ministry of Textile, said, "Despite a decline in total trade of textile & apparel sector during 2020-21, growth in textile and apparel trade reflected an encouraging trend in 2021-22 (April-Sept) with an increase of 69%, and the same stood at USD 24 billion." He added, "India has a huge potential to grow in the textiles and apparel sector. The focus is on skills up-gradation, financial assistance, and integrating the sector with the latest technology."

The PLI scheme worth Rs 10,683 (USD 1.45 Bn), launched by the Minister of Commerce and Industry, Consumer Affairs and Food & Public Distribution and Textiles, Piyush Goyal, will help boost manufacturing, increase exports and attract investments into the sector.

India has also launched Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme with an outlay of INR 4,445 crore (USD 600 Bn) to build 7 mega textile parks. These parks will create a modern, integrated large-scale, world-class industrial infrastructure including plug 'n' play facilities.

National Technical Textiles Mission Scheme approved in February 2020 with a four-year implementation period from 2020-21 to 2023-24, is aimed at improving the penetration of technical textiles and strengthening India's position as a global leader in technical textiles.

Outlining the government initiatives, Jay Karan Singh, Trade Advisor, Ministry of Textiles, said, "The aim is to attract fresh investment of INR 19,000 crore (USD 2.5 Bn) and create an additional 7.5 lakh (0.75 Mn) direct jobs in the textile sector in coming years. The PLI Scheme will also aim to increase the turnover of the textile industry by a whopping INR 3 trillion (USD 40+ Bn) over the next five years."

The 'Textile Week' will see participation from all the stakeholders in the sector, including Dr A Sakthivel, Chairman, Apparel Export Promotion Council; Chandrasekaran Thuvarapalayam Visvanathan, Chairman, Handloom Export Promotion Council; MA Ramasamy, Chairman, Powerloom Development & Export Promotion Council; Umar Hameed, Chairman, Carpet Export Promotion Council; Sanjeev Dhir, Chairman, Wool & Woollens Export Promotion Council; Bhadresh Dodhia, Vice Chairman, The synthetic and Reyon Textiles Export Promotion Council; Aakash Mittal, Vice Chairman, The Indian Silk Export Promotion Council; Prem Malik, Past Chairman, The Cotton Textiles Export Promotion Council & CITI and Vice Chairman, NSL Textiles Ltd. and T Rajkumar, Chairman CITI; Rakesh Kumar Verma, Executive Director, Export Promotion Council for Handicrafts; Siddharth Lohariwal, Vice-Chairman, Jute Products Development & Export Promotion Council and K Kalimuthu, Consul (Trade, Commerce & Economic), Consulate General of India besides other industry stalwarts.

Source: timesofoman.com- Nov 27, 2021

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Free Trade Agreement talks with U.K. could be delayed to January 2022

Negotiations between India and the U.K. on a comprehensive free trade agreement (FTA) could be delayed to January 2022, with a Cabinet change in the U.K. and the need for more "pre-negotiation" talks being the main reasons for the talks not taking off in November as expected, officials said.

The two sides have also had to shelve a plan for Commerce and Industry Minister Piyush Goyal to meet British Secretary of State for International Trade Anne-Marie Trevelyan on the sidelines of the WTO Ministerial Conference (MC 12) due to begin in Geneva on November 30. Early Saturday, the WTO meet was put off indefinitely due to concerns over the spread of the new "Omicron" variant.

Early Harvest Agreement

The timelines on the FTA negotiation, which included the announcement of an "Early Harvest Agreement" by March 2022, had been decided during a meeting between Mr. Goyal and then U.K. Minister for International Trade Liz Truss on September 14.

However, Ms. Truss was appointed Foreign Secretary and was replaced by Ms. Trevelyan just a day later. In a speech last week, Ms. Trevelyan reaffirmed the two sides were committed to launching trade talks "soon" but did not announce a new date.

"We are aiming to complete pre-negotiation scoping for a free trade agreement (FTA) with India this year and to launch negotiations as soon as possible," the British High Commission spokesperson said to questions from The Hindu, indicating a delay in the timeline.

The preparatory talks for the FTA, to be held by a number of bilateral working groups (BWGs) that began in September, were due to lead to "joint scoping" discussions in October, that would outline top priorities including the U.K. desire for lower tariffs and market access for British legal firms, and the Indian push for a full services agreement.

The BWGs were due to have set the terms of reference for the launch of negotiations by November 1, according to discussions between the two

Governments after PM Modi and PM Johnson announced an Enhanced Trade Partnership plan during their virtual summit in May.

The British HC spokesperson said the U.K. expects to release further details on its "negotiating priorities", and a full economic assessment of the potential U.K.-India FTA, but wouldn't comment on reports that suggested that an "early harvest agreement" may be put off altogether.

Another official, who preferred not to be named, indicated that the two sides are now looking for possible dates in January for the launch of talks.

Asked about the status of the negotiations, the Commerce Ministry termed the query as "speculative" and said "negotiations are continuing". Pointing to the change of guard in the U.K., the Ministry said Mr. Goyal has met Ms. Trevelyan at the G-20 summit where bilateral trade matters were also discussed.

After this meeting on October 12 on the sidelines of a G-20 Trade Ministers meeting in Sorrento, Italy, Mr. Goyal had stressed that "speedy FTA negotiations" would enable the economic partnership to spur economic prosperity in both countries.

A report by the U.K.-India Business Council "Road to a U.K.-India Free Trade Agreement: Enhancing the Partnership and Achieving Self-reliance", which had been consulted by the British Government ahead of the talks, had flagged India's Intellectual Property (IP) enforcement regime, gaps in pharma sector regulations, drug price controls, norms related to data localisation and governance.

The Council also flagged the high tariffs like 150% on U.K.-made Scotch Whiskey and the ban on its sales in CSD canteens as causes for concern.

Officials have underlined that despite Brexit, the U.K.'s exit from the European Union, and even in the absence of an FTA, the bilateral trade stands at a "strong" £18 billion or $24 billion, supporting nearly half-a-million jobs.

Source: thehindu.com- Nov 27, 2021

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Inflation fears: Corn, cotton, soybean prices surge as commodities continue relentless rise

A combination of diverse factors-new Covid epicentres, labour shortages, supply chain disruptions, political instabilities, natural calamities, energy crisis, etc is leading to the current price spikes across several agricultural commodities, says a new report.

The report by Drip Capital analyses the current price spikes across several agricultural commodities and tries to understand the impact of Covid-19 on each commodity market. It also draws attention to the current price spikes across several agro commodities while understanding how Covid-19 affected each commodity market.

Constantly rising demand not being met by equivalent supplies is one of the primary reasons for prices spiraling upwards. Beyond high demand, rising costs of common expenses like sea freight and energy, labour and raw material shortages, are responsible for the price rallies seen in staple agricultural commodities like soybean, corn, cotton, sugar, coffee, wheat, and palm oil.

On October 25, 2021, the Bloomberg Commodity Index (BCOM), a financial benchmark designed to provide diversified exposure to physical commodities via futures contracts, peaked at $105.8, a six-year high. On the contrary, throughout 2019, before the coronavirus shook the world, the index averaged just close to $80. Interestingly, the World Bank too significantly increased its price forecasts for many agricultural commodities in their October 2021 release compared to the October 2020 release. Market sentiments during the depths of the pandemic were starkly different from what they are in 2021.

Covid-19 also led to major structural changes in buying patterns. Pushkar Mukewar, co-founder, CEO, Drip Capital, in a statement said, “Over the past 1.5 years, buyers were less inclined to enter long-term purchase contracts. Due to the pandemic-induced uncertainty and unevenness, they preferred buying at the rates offered in the spot market — a reason why the market is in backwardation. Sometimes, even suppliers were compelled to back out of their contracts when spot prices were much above contract prices. This unpredictability, along with constantly rising demand and speculations around the supply of primary goods, is the triad responsible for the volatile prices seen across staple agro commodities like soybean, corn, cotton, sugar, etc."

Overall, in the past year, Covid-19 and the resulting shipping crisis brought about a massive challenge for small and medium-sized enterprises (MSMEs), who were trying to stay afloat and continue business as usual. "Processors who were buying a commodity, processing it, and then selling it struggled because they were impacted by prices across all markets - the buying and selling side. But larger companies that possessed infrastructure, from plantations, processing plants to warehouses, etc., could procure for the entire year, store the crops during the downtime and utilize the stocks when demand increased. The larger hold a business had on the entire supply chain, the easier it was to survive covid-19 and unfortunately, MSMEs were stretched to their fullest capacities," he added in the statement.

Drip Capital's research further stated that some agro commodities exhibited significant volatility over the last two years. Since December 2019, corn futures, which are traded on the Chicago Board of Trade (CBOT), are up by over 50% -$5.7 per bushel. From now on, rising crude oil prices are one determinant that could reverse the downward pressure on corn prices towards the usual $4/bushel average.

Even cotton prices are on a high. Cotton futures on the Intercontinental Exchange (ICE) have been up almost 80% since December 2019. They are trading around the $1.2 a pound handle after ten years, primarily due to tight supplies. In India, the attack of pink bollworm pests has raised concerns over reduced supplies, prompting the Cotton Association of India (CAI) to predict a 38% drop in exports in the 2021-2022 season. While its reserves will mainly determine the commodity's prices in 2022, the level of apparel demand from Europe will also be an essential factor.

Soybean futures traded on the CBOT are up almost 40%, compared to the $9/bushel average during H1 2020. In May 2021, soybean prices went up to $16.2/bushel after eight years. However, the current market sentiment seems to be that prices will revert to the average of $10/bushel, usually seen by the end of the year.

On the other hand, sugar futures on the ICE have risen over 50% since December 2019. They are trading around 20 cents per lb, close to levels not seen since early 2017. Globally, stakeholders in this industry are expecting lower supplies owing to poor weather conditions.

Agriculture commodity prices across many markets had rallied in the first half of 2021, and some are still rising. But, as supply catches up, stocks are replenished and socio-economic conditions stabilize, speculative behavior will start normalizing, the report states.

Source: economictimes.com- Nov 27, 2021

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Bring in three-rate GST structure, says study by Finance Ministry-backed think-tank

The Government can rationalise the GST rate structure without losing revenues by rejigging the four major rates of 5%, 12%, 18% and 28% with a three-rate framework of 8%, 15% and 30%, as per a National Institute of Public Finance and Policy (NIPFP) study.

The findings of the NIPFP, an autonomous think tank backed by the Finance Ministry, assume significance as the GST Council has tasked a Group of Ministers, headed by Karnataka CM Basavaraj S. Bommai, to propose a rationalisation of tax rates and a possible merger of different tax slabs by December to shore up revenues.

Multiple rate changes since the introduction of the GST regime in July 2017 have brought the effective GST rate to 11.6% from the original revenue neutral rate of 15.5%, Finance Minister Nirmala Sitharaman pointed out at the last Council meeting in September.

"Merging the 12% and 18% GST rates into any tax rate lower than 18% may result in revenue loss. Our study proposes that the GST Council may consider a three-rate structure by adopting 8%, 15% and 30% for revenue neutrality," NIPFP associate professor Sacchidananda Mukherjee told The Hindu.

The nature of rate changes has also meant that over 40% of taxable turnover value now falls in the 18% tax slab, thus any move to dovetail that slab with a lower rate will trigger losses to the tax kitty that need to be offset by marginal hikes in other remaining major rates — 5% and 28%.

The 28% rate is levied on demerit goods such as tobacco products, automobiles and aerated drinks, along with additional GST compensation cess.

If the revenue loss from merging the 12% and 18% slabs were to be met by just hiking the rate on demerit or sin goods, the highest GST rate would have to be raised to almost 38%. Alternatively, the lowest standard rate will have to be raised from 5% to about 9%.

'Revenue leakages'

Currently, the GST regime levies eight different rates, including zero for essential goods and special rates of 0.25% on diamonds, precious stones and 3% on gems and jewellery. The NIPFP paper assumes these rates remain unchanged after noting that raising rates on ‘high-value low volume goods’ like precious stones and jewellery ‘may encourage unaccounted (undisclosed) transactions and therefore revenue leakages’.

Restructuring GST rates is a timely idea to improve revenues, Mr. Mukherjee said, adding that it was important to sequence the transition to the new rate structure so as to minimise the costs associated with tax compliance, administration and economic distortions.

If the GST rate structure prevailing at its onset in July 2017 was restored last year, additional GST revenues of nearly ₹1.25 lakh crore could have accrued in 2020-21, estimates the NIPFP paper titled, Revenue Implications of GST Rates Restructuring in India: An Analysis.

‘Useful methodology’

“The results are indicative given the limitations of data, but the methodology developed in this paper could be useful for any future analysis of restructuring of the GST rate structure,” Mr. Mukherjee said.

“The GST Council may consider placing some aggregate data in the public domain to help policy research as binding data limitations hinder meaningful research of the GST regime,” he averred.

Source: thehindu.com- Nov 26, 2021

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The rate reset: On slashing GST slabs

Slashing multiple GST slabs is essential, as is resisting frequent tinkering with rates

Since its onset in 2017, the GST regime to subsume multiple State and Central levies was criticised for far too many tax rates that were amenable to creating complications instead of simplifying taxation. The Government had hinted that rates could be reviewed once the system stabilised. Now, with GST in its fifth year, the Government has assessed it is about time to consider a reboot, partly because revenues are falling short of expectations, despite healthy monthly collections.

Next month, a Group of Ministers set up by the GST Council is expected to propose changes, including merging slabs, with a road map for immediate, short- and medium-term changes. This mandate marked an expansion of its initially stated task of rationalising tax rates to bolster revenues. To recap, there are eight effective GST rates, including zero on essential goods, standard rates of 5%, 12% and 18% for most goods and services, and a 28% tax plus GST Compensation Cess on sin or demerit goods. Special low rates are specified for jewellery, precious stones and supplies to exporters.

The effective tax rate under GST has slipped from the original revenue-neutral rate of 15.5% to 11.6%, which Finance Minister Nirmala Sitharaman said occurred due to rate cuts effected across categories since 2017. Quite a few stemmed from the GST's hasty beginning and errors in the initial rate-setting.

The Council continues to resolve genuine hardships this created for industry segments, but the constant tweaks have also altered the original revenue dynamics envisaged. The 18% tax rate, levied even on insurance premium payments, now accounts for the largest taxable turnover, as a National Institute of Public Finance and Policy (NIPFP) paper points out.

Reducing the 18% rate or merging it with the 12% slab will thus entail revenue losses that would have to be offset by hikes in the lowest and/or highest rates. The NIPFP has suggested a structure of 8%, 15% and a 30% rate for sin goods, to protect revenue concerns while minimising the need for a sharp hike at either end of the spectrum and leaving special rates untouched. This may be less contentious than raising rates on bullion, reportedly proposed to the GoM, which could only spur tax evasion.

Sequencing the implementation of new rates and avoiding far-too-frequent rethinks would be critical to minimise disruptions and engender investor confidence. The Council must also urgently address data limitations flagged by the NIPFP. For several months this year, the Government did not reveal returns filed by taxpayers even as it claimed GST collections reflect recovery and improved compliance.

Also, many GST rate cuts that triggered the current resource worries were aimed at pandering to regional considerations ahead of critical elections. With key State polls soon, the Government's resolve to carry out a hard reset on GST rates now may be tested.

Source: thehindu.com- Nov 27, 2021

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How e-comm is powering jobs in India

It is creating an inclusive job ecosystem for highly skilled professionals as well as those with minimal qualifications

Even before the pandemic hit, growing tech and digital enhancements had been propelling the growth of e-commerce both within and outside India. However, the outbreak of Covid-19 brought disruptive-level changes in consumption habits and retailers responded with alacrity.

Much of the growth for the retail industry has been triggered by an increase in internet and smartphone penetration as well as the easy payment accessibility from the rise in fintech and digital platforms. As of August 2021, the number of internet connections in India stood at around 760 million, driven by the 'Digital India' programme. Out of the total internet connections, 61 per cent was in urban areas, of which, 97 per cent was wireless.

Additionally, smartphone shipments in India increased by around 10 per cent y-o-y to reach 60 million units in the first quarter of FY22, driven by positive shipments of all smartphone vendors in the market.

The e-commerce market in India is projected to grow to a mammoth $200 billion by 2026 from $46.2 billion in 2020. Online retail sales in India are expected to grow 31 per cent in the same period, to touch $32.70 billion, led by e-commerce companies.

The rise in online businesses and e-tail has also been accelerated by the growth of fintech and digital payments with multitude of platforms filling the supply gap such as MobiKwik, Paytm, PhonePe and others. Not to mention the inter-bank connectivity facilitated by the UPI offering. The various processes and experiences of selecting, shopping, paying, ordering, and delivery are catapulting the retail and e-commerce industry to new heights.

Competitive advantages

Growing demand: E-commerce companies in India reported sales of $4.1 billion across platforms in the festival season of October 2021 (driven by increased demand for smartphones). Of the total sales, 55 per cent was generated from tier-II cities, suggesting untapped demand in the underserved areas of India.

Policy support: The government guidelines on allowing 100 per cent FDI in B2B e-commerce as well as the automatic route in the marketplace e-commerce model offer a positive business environment.

Increasing investments: E-commerce and consumer internet companies in India received more than $4.32 billion from private equity and venture capital players, which will further support and consolidate the industry.

New e-commerce and social commerce start-ups are coming up to fulfil the e-commerce and online shopping demand in Tier-2 and Tier-3 cities. It's also opening up opportunities for cottage industries and entrepreneurs in a big way and this includes the most marginalised sections and women. All this is creating an inclusive job ecosystem for both highly qualified and skilled professionals as well as those with minimal qualifications.

Apart from logistics and warehousing jobs, the requirement of user analytics, data mining and cybersecurity functions, the e-tail industry is in dire need of specialised and customised e-commerce centric products and services to fulfil these requirements.

This transformation calls for skilled IT and ITeS professionals, data scientists, warehouse workers, supply chain managers, delivery persons, customer service executives, and call centre operators. The market is teeming with jobs for people right from software product development to web architects, user interface designers, analytics experts, and data miners, among others.

Along with the increased demand for skilled and unskilled blue-collar workforce in logistics, warehousing, and supply chain,E-tail is also generating growth in allied industries like fintech, marketing and advertising amongst others. The sector has had a significant impact on entrepreneurship and start-up culture and is helping SMEs, handicraft workers, artisans, and women earn a livelihood.

E-commerce players are experimenting with various kinds of engagement models including temporary and contractual employment during peak season, as well as permanent positions for more professional services.

This is leading to a transformation in the lives of blue-collar workers, helping people build careers from a range of varied skills.

The future of e-commerce

The e-commerce industry has been directly impacting micro, small and medium enterprises (MSMEs) by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest e-commerce market in the world by 2034.

The growth in the e-commerce sector will also boost employment, increase revenues from exports, increase tax collection by exchequers, and provide better products and services to customers in the long-term. Smartphone usage is expected to rise 84 per cent to reach 859 million by 2022.

The e-retail market is expected to continue its strong growth — it registered a CAGR of over 35 per cent to reach ₹1.8 trillion. Over the next five years, the Indian e-retail industry is projected to be around 350 million shoppers, propelling the online gross merchandise value to $100-120 billion by 2026.

Source: thehindubusinessline.com- Nov 28, 2021

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Five focus areas including trade, connectivity can further enhance Indo-Bangladesh ties: Goyal

Bangladesh is India's biggest trade partner in South Asia with a volume of over USD 10 billion in trade

Commerce and Industry Minister Piyush Goyal on Sunday suggested five focus areas including trade, connectivity, health and tourism for further enhancing economic ties between India and Bangladesh.

He also said that Bangladesh is India's biggest trade partner in South Asia with a volume of over USD 10 billion of trade and both the countries are looking to advance the Comprehensive Economic Partnership Agreement (CEPA).

"I would like to suggest 5 focus areas for strengthening India-Bangladesh relationship: Trade, Technology, Connectivity, Entrepreneurship, Health & Tourism," he said while addressing the Bangladesh International Investment Summit.

The minister added that efforts to further improve this connectivity is imperative for the expansion of bilateral trade and realisation of investment potential between Bangladesh and Eastern India.

Source: thehindubusinessline.com- Nov 23, 2021

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India's forex kitty increases by $289 mln to $640.40 bln

Foreign Currency Assets (FCA), a major component of the overall reserves, increased by USD 225 million to USD 575.712 billion, according to the Reserve Bank of India's (RBI) weekly data.

India's forex exchange reserves increased by USD 289 million to USD 640.401 billion for the week ended November 19, the Reserve Bank said on Friday.

The overall reserves had declined by USD 763 million to USD 640.112 billion in the previous reporting week. They had touched a life time high of USD 642.453 billion in the week ended September 3, 2021.

Foreign Currency Assets (FCA), a major component of the overall reserves, increased by USD 225 million to USD 575.712 billion, according to the Reserve Bank of India's (RBI) weekly data.

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

The value of the gold reserves continued their journey north, increasing by USD 152 million to USD 40.391 billion in the reporting week, the data showed.

The Special Drawing Rights (SDRs) with the International Monetary Fund (IMF) dipped by USD 74 million to USD 19.11 billion.

The country's reserve position with the IMF was down by USD 13 million to USD 5.188 billion in the reporting week.

Source: tradearabia.com- Nov 24, 2021

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Don't hike GST on cotton fabric: Industrialists to government

Industrialists and traders, especially those dealing with textile industry, have expressed shock over the government's decision to hike GST on cotton fabrics from 5 per cent to 12 per cent from January 1, 2022. Those in trade believe that if this happens cotton fabric industry will vanish.

Talking to The Tribune, Bobby Jindal, dealing in the textile industry, said suppose a small factory of cotton cloth makes 1,000 kg of cloth, he will have to pay 7 per cent GST on 500 kg on daily basis, which makes about Rs 35,000 GST. How is it possible to pay this much GST? Instead of putting increased GST on fabric, 12 per cent GST should be levied on cotton yarn only, said Jindal.

Meanwhile, cloth merchants, too, have requested the government to maintain status quo on the GST on textiles, including sarees, at 5 per cent. A delegation of Punjab textile merchants met Som Praksh, Union Minister of State for Commerce and Industry, in Amritsar recently on the issue. The sole agenda was of the repercussions on increase in the GST from 5 to 12 per cent on textiles, including sarees, from January 1, 2022.

Sonu Nilibar from Nilibar Store here said this proposed increase in the GST to 12 per cent would not increase in tax collection but rather people would be indulging more in non-billing transaction.

"There would no ease of doing business what the government promises but headache, rather nightmare, for the textile fraternity as a whole. We have proposed uniformity of 5 per cent tax structure for inputs on actual user condition," said Nilibar.

Source: tribuneindia.com- Nov 29, 2021

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Unable to run units to capacity for want of enough raw cotton, ginners face losses in Punjab

All 82 cotton ginning units of Punjab are unable to keep their operations running to capacity due to a shortage of nearly one-fourth of the required natural fibre in the market.

Industry sources say the shortage of raw cotton is due to pink bollworm attack in the major cotton-growing districts of Bathinda and Mansa and pockets of Barnala, Sangrur and Muktsar. State government's projection says a drastic drop in cotton production due to the pest attack. Factory owners say they are facing financial losses as the units are working between 25-50% of the capacity while nearly 10 units are lying shut in Bathinda and Mansa.

A leading cotton ginner from Malout in Muktsar Bhagwan Bansal said against the average minimum requirement of 150 bales or 750 quintals per day, meagre 200 quintal cotton is available for processing. "A cotton ginning unit operator has to pay about ₹10 lakh fixed electricity charges for the nine-month season from September 1 onwards. As the pest attack has severely hit crop production, we are unable to run factories. We have to pay fixed charges even when electricity is not used," he said.

"Punjab government was quick to grant compensation to affected cotton growers, the interest of ginners has been overlooked. The government is biased towards investors," said Bansal, who led a delegation of ginners for a meeting with state agriculture minister Randeep Singh Nabha on Friday, demanding a relief package for the sector.

Ashwani Kumar, who strengthened his cotton factory after shifting it from Bathinda city limits to Sangat town this year, said the sector is struggling for survival.

"A factory employs about 125 workers with an estimated annual salary commitment of ₹25 lakh. A planned policy in the adjoining Rajasthan made it a major cotton-growing state in a decade producing over one crore quintals. It has incentivised entrepreneurs with zero market committee fees for cotton. Punjab still charges 1% fees with no incentive for ginners," he said.

For the current season, ginners were expecting 60 lakh quintal raw cotton after Punjab saw an increase of 25% area under cotton. As per Punjab Mandi Board data, different districts of south Malwa had recorded sales of 8.60 lakh quintals till November 27.

Board authorities opine the production this year may be around 25 lakh quintals while the industry say cotton arrival may touch the 30-35 lakh quintal mark.

Punjab Cotton Mills and Ginning Association president Suresh Bansal said owing to the negligent attitude of the state government, 76% of factories closed down since 2005. He blames the absence of a dedicated policy for agriculture and the industrial sector in Punjab.

“Punjab had 335 ginning factories 16 years ago that came down to 82 in 2021. In 2005, factories were ginning 18 lakh bales or 90 lakh quintals in a season and in 2020-21 kharif season, Punjab produced 49 lakh quintals,” he said.

“After irrigation system strengthened in over last decade, farmers of the semi-arid region of Malwa switched from the traditional cotton to less labour-intensive crop of non-basmati rice. Kotkapura town used to be a major purchase centre where 20-lakh quintal cotton was a regular feature 10-12 years ago. In 2020-21, the entire Faridkot district registered the arrival of mere 50,000 quintals. It shows the government has failed to set its priorities right,” said Bansal.

Source: hindustantimes.com- Nov 29, 2021

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GHCL to invest ₹500 cr. in T.N.

GHCL will invest ₹500 crore in Tamil Nadu to set up textile units in Tiruchi and Madurai districts.

A release from the company said it signed a Memorandum of Understanding with the State government recently to set up 40,000 ring spindles at Manaparai in Tiruchi district to produce synthetic and blended yarn.

It would install another 40,000 ring spindles with 24 knitting machines at Paravai in Madurai district to produce 100 % cotton yarn and knitted fabrics.

GHCL also proposed a 20 MW solar energy park near Musiri in Tiruchi district.

At present, 52 % of energy requirements of its yarn business was met through renewable energy sources.

When the solar park was commissioned, almost 70 % of GHCL's spinning division requirements would come from renewable energy.

GHCL, which already had textile manufacturing facilities in Tamil Nadu, planned to commission the plant to come up at Manaparai by the first quarter of next financial year. It would invest in phases and would have commissioned all the proposed plants by the third quarter of 2024-25.

According to the release, R.S. Jalan, Managing Director of GHCL, said that going forward, the company will enhance its energy portfolio to fulfil almost 90 % of its energy requirements from renewable energy.

Source: thehindu.com- Nov 28, 2021

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