IBTEX No. 238 of 2021 December 06, 2021

US 75.18| EUR 84.88| GBP 99.50| JPY 0.67

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INTERNATIONAL NEWS

Goldman Sachs cuts US GDP growth forecast for 2022 over Omicron fears

Goldman Sachs on Saturday cut its outlook for US economic growth to 3.8% for 2022, citing risks and uncertainty around the emergence of the Omicron variant of the coronavirus.

Goldman economist Joseph Briggs said in a note that the Omicron variant could slow economic reopening, but the firm expects “only a modest drag” on service spending. The firm now sees 2022 gross domestic product (GDP) growth of 3.8%, down from 4.2% previously on a full year basis, and Q4/Q4 growth of 2.9%, down from 3.3% before, Briggs said.

“While many questions remain unanswered, we now think a moderate downside scenario where the virus spreads more quickly but immunity against severe disease is only slightly weakened is most likely,” he said.

Worker shortages could last longer if people do not feel comfortable returning to work due to the variant, according to the note. Goldman pointed the spread of the virus could worsen supply shortages should other countries implement tighter restrictions, but increase in vaccination rates among foreign trade partners would prevent severe disruptions.

Goldman Sachs’ US forecast comes after the International Monetary Fund Managing Director Kristalina Georgieva said on Friday that the lender was likely to lower its global economic growth estimates due to the new Omicron variant of the coronavirus.

Source: fibre2fashion.com– Dec 03, 2021

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China: Xinjiang sees bumper cotton harvest this year

Northwest China's Xinjiang Uygur Autonomous Region has seen a bumper harvest of cotton this year, with machines doing over 80 percent of the picking work, authorities said.

The cotton harvesting work this year has almost been completed in the region, and the total yield is expected to reach 5.2 million tonnes, 39,600 tonnes higher than that of last year, according to the regional department of agriculture and rural affairs.

The quality is also much higher compared with last year.

Thanks to the high cotton prices since mid-September, cotton farmers are expected to reap an average net income exceeding 22,500 yuan (about 3,530 U.S. dollars) per hectare this year.

The department estimates that machines have performed over 80 percent of the cotton-picking work, with the northern part of the region reaching nearly 100 percent of mechanized harvesting.

The cotton and textile industry is one of the pillar industries in the region. Figures show that the cotton output of Xinjiang, the country's largest growing area for the crop, accounted for 87.3 percent of China's total in 2020.

Source: china.org.cn– Dec 04, 2021

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Egypt's apparel exports up by 40 percent from January to October

Egypt's Ready-Made Garments Export Council (RMGEC) announced Sunday that the sector's exports increased by 40 percent from January to October, totaling US$1.624 billion.

The sector's exports were at $1.157 billion during the same period last year. Garment exports continue to achieve a boom since the beginning of this year, the RMGEC said.

The Chairman of RMGEC Mary Lewis stressed that the policies of the council aim primarily at upgrading the export system in the sector, working to increase exports on a continuous basis, and informing exporting companies of all developments in international markets, to take advantage of the continuous changes in the global market.

Lewis said that the council will continue to strengthen the export capabilities of ready-made garments for various world markets. To this end, all the services needed by factories to assist them in the export process for all markets, will be made available, she added.

The council also plays an important role in providing services to exporters and establishing external exhibitions to encourage exports, she added.

And she said that the council participated in the Stitch & Tex Expo to expand the base of exporters and introduce new companies in the ready made garments sector, and take advantage of all services provided by the council for companies that seek to enter the export sector.

Source: egyptindependent.com– Dec 05, 2021

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USA: Despite Price Dip, Bullish Demand Still Rules the Market

It's a mixed bag, yet nothing to celebrate except for the textile mills.

The past two-week price drop was not so much unexpected as it was much deeper than had been expected – especially this soon. We had cautioned growers several times not to let red December fall before 90 cents without pricing as much as 50% of expected production. It is doubtful 90 cents will be visited again, given any sibilance of a normal production season.

The driving price for both old crop and new crop prices has been the extremely bullish on-call sales versus on-call purchases ratio. This has been supported by very strong demand as evidenced by the ability of yarn prices to hold their own despite rising cotton prices. The drop in prices has cemented strong demand into the second quarter of 2022 and even somewhat into the third quarter of the new year.

We have long been 100% sold on old crop. But now, the uptrend line is broken, and old crop prices are looking to find support near 104-105 cents and attempt a very modest recovery – maybe 4 to 5 cents. We had projected the on-call ratio would support the March, May, and July contracts near the 110-cent level in any case. Yet, extreme inflation fears – coupled with Congress's inability to vote against any spending legislation and the Fed's historical easy money approach – doomed the uptrend in prices.

December 2022 can see a small increase, up 200 points, but the trend is lower based on increased global plantings. The old crop futures contracts could possibly see as much as a 5-cent increase. Yet, with U.S. carryover expected to increase, an extreme 15 cent drop in prices cannot be discounted, especially if U.S. exports fall as low as 14.5 million bales – below USDA's current estimate. U.S. exports will fail to meet that level, but the magnitude is still very uncertain. Look for USDA to drop its estimate to 15.0 million bales.

On the export front, the U.S. is flush with very high-grade cotton, and demand will remain strong. If the transportation system was working properly, then the U.S. could easily export 16.0 to 16.5 million bales. Simply getting the cotton moved to the port and/or loading onto ships has been the challenge of a lifetime.

The on-call sales to purchases ratio continues to favor a bullish flair. But outside factors, coupled with the government's penchant for coronavirus scare tactics, can easily send the market lower. The energy complex continues to pressure polyester prices higher, but that influence is essentially offset by the rising prices for energy – the essential input for the very expensive agricultural fertilizer needed for cotton, corn, and soybeans, in that respective order.

This week's on-call report was essentially moot as it was evident that price fixations dominated the week's market activity. The market will not have a good read on the bullish potential of such on-call sales until the December supply demand report, as that report will pick up this week's fixations.

The other factors drawing the most attention in the market include the size of the Indian crop (likely less than the size of the current USDA estimate); the size of the Australian crop (also likely less than the current USDA estimate); the size of the Chinese crop (also less than the USDA estimate); and the expected increase in the estimate of U.S. domestic use (small but up to 200,000 bales larger, sooner or later). Despite inflation fears, coronavirus fears, and high prices, world demand should be firm or slightly higher than the current USDA estimate.

USDA will release its December supply demand report on Dec. 9 at 11:00 am Central time. Including the factors mentioned, an adjustment to U.S. exports as it affects U.S. carryover will be very important to price activity.

Following the report's release, it will be discussed live by the Ag Market Network Cotton Roundtable team at 1:30 Central time. To listen or participate, call 605-313-5148 and enter code 571052#. An archived recording will be available at the Ag Market Network's website and Facebook and Twitter pages.

The report is expected to be mildly friendly.

January and February bring the first historically viable estimates of 2022 planting intentions. Such reports are expected to indicate a 10% to 15% increase in acreage planted.

Source: cottongrower.com– Dec 03, 2021

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Ghana introduces VAT exemption on certain textile products

Ghana is making efforts to recover after the Covid pandemic. This includes hiring an additional 38,000 nurses, waiving employee taxes and providing free water and electricity to millions of households.

Several policies have been launched in the field of taxation. On main impetus is exemption of VAT on certain textile products. This is expected to increase the profits of business actors and expand their production.

VAT tax was bleeding textile companies. The tax component meant the cost was passed on to the depots, wholesalers, retailers and ultimately customers, who had to pay higher prices.

Second, reviewing the reduction in import duty rates on all goods. The goal is that the policy of reducing import duty tariffs that are currently in effect can be more efficient and on target.

Third, the reduction of the VAT rate on gold sales from unprocessed miners from three per cent to 1.5 per cent.

Fourth, the creation of a property tax administration platform in 2022 with the hope of increasing tax revenue and tax administration accountability.

Fifth, the imposition of electronic user fees on all electronic transactions, such as bank transfers and digital payments. The levy rate is 1.75 per cent. These various policies are expected to accelerate the recovery of the national economy.

Source: fashionatingworld.com– Dec 03, 2021

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Indonesia slaps safeguard duties on Bangladeshi RMG goods

The duties, which entered into force on 12 November, 2021, will continue for three years till November, 2024, a notification dated 17 November from the World Trade Organization (WTO). The Business Standard received a copy of the notification.

It says that the safeguard duties will apply to imports of garments and accessories, except eight items of headwear and neckwear. As per the regulation, the safeguard duties will range from Rp19,260 to Rp63,000 per item for the first year and will decline gradually.

Md Hafijur Rahman, director general of WTO Cell under the commerce ministry, confirmed the matter. China, Singapore and Vietnam currently enjoy duty-free access to Indonesia, whereas imported apparel from Bangladesh is already subject to duty of up to 25%.

Bangladesh bought over $1.94 billion worth of goods from the Southeast Asian country and exported $57 million in the fiscal year 2018-19. Of the garment items, Bangladesh imported $187 million worth of textile articles, including $133m of fibres and exported apparels worth $30m.

Safeguard duties are state levies that can be imposed on imported goods in case of an absolute or relative surge in the import of goods detrimental to similar domestic products or which could cause heavy losses to the domestic industry.

Bangladesh, however, is not worried about the duties.

"Indonesia is not a big market for us," Bangladesh Garment Manufacturers and Exporters Association (BGMEA) co-president Shahidullah Azim told The Business Standard. "We export very little there. They are also our competitors in the export of readymade garments. As a result, their new tariffs will not have a significant impact on our exports."

Bangladesh Knitwear Manufacturers and Exporters Association Executive President Mohammad Hatem echoed Shahidullah, saying that Indonesia is not a potential market for Bangladesh so the safeguard measures will not have any major effect on exports.

The introduction of the safeguard measures follows an investigation into Bangladesh's apparel exports to Indonesia for the period 2017-2019 conducted by the Indonesian Safeguards Committee (KPPI). It recommended the imposition of the tariffs, arguing that Indonesia's local industry was unable to compete with the imported goods.

The Bangladesh Trade and Tariff Commission (BTTC) and the BGMEA shared their arguments and observations on the matter last year.

A hearing on the matter took place in November 2020, more than one-and-a-half months after the KPPI initiated an investigation into the viability of a safeguard duty following a request from the Indonesia Textile Association. The KPPI also said developing countries, including Bangladesh with less than 3% imports share, collectively account for not more than 9% of total imports in the headwear and neckwear category, thus excluding those from the measures.

The World Federation of the Sporting Goods Industry (WFSGI), an organisation based in Switzerland, also said that Indonesia had violated WTO rules to impose the safeguard measures. "Even though KPPI in its questionnaires requested interested parties to provide data for the periods January to June 2019 to June 2020, it then completely ignored the data and based its analysis on the period of 2017-2019," the WFSGI said.

The findings, which were conveyed to the WTO last February and November, only cover the period 2017-2019 even though later data was available and specifically requested for, it added. WTO cell Director General and Additional Secretary of the Ministry of Commerce Hafizur Rahman told The Business Standard that Indonesia claimed it had taken the initiative to slap the duties in compliance with WTO policies to protect the interests of the domestic industry.

"There is an opportunity to file a case against Indonesia's move with the WTO. However, since the amount of Bangladeshi exports to the country is not very high, it is less likely we would benefit by being the only ones to do so. Garment exports from China and Thailand are high in Indonesia. If these two countries sue, Bangladesh will consider becoming a party to it," he added.

Source: tbsnews.net– Dec 05, 2021

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Bangladesh: Costly yarn turns more orders into more liabilities for apparel exporters

With export orders secured three to six months ago, Bangladeshi apparel exporters now struggle to log even the break-even costs thanks to recent price hikes of cotton yarn - used for making T-shirts to jeans.

"While receiving the orders in July-August, it was beyond our wildest imagination that the yarn price would spiral this much" Shahidullah Azim, vice-president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told The Business Standard Saturday.

He said pricier yarns would push many of the apparel-makers to losses as the export orders would eventually turn out to be bank liabilities.

Bangladesh imports cotton mainly from Africa, India, the US, Australia and Uzbekistan. With the raw material, local spinners produce yarns and sell the products to the local apparel makers and textile-makers.

Cotton rates were on the rise worldwide since the beginning of this year, leading to a surge in yarn and fabric prices. Apart from the price spikes in the international market, the country's dressmakers have been accusing local spinning mills of overcharging them than the global cotton price spirals.

In the face of a growing row between the two parties, there had been a "good faith" agreement in November that spinners would not charge apparel-makers more than $4.20 per kg for yarn if the international cotton price index remained below $1.20 per pound mark. According to the latest US Commodity index per pound, cotton prices were at $1.10 on 3 December – down from $1.20 on 9 November.

However, Sheikh HM Mustafiz, managing director of Cute Dress Industry Ltd, said that they have been buying yarns at $5-$5.10 per kg for the last couple of weeks. Mustafiz, whose knitwear units make high-end export items, also noted that they were now paying more for other garment raw materials such as dyes, chemicals and apparel accessories.

According to the BGMEA, some of their member manufacturers have put a hold on yarn purchase thanks to the turbulent market. BGMEA Vice-President Shahidullah Azim claimed some of the spinners now have stopped issuing proforma invoice (PI) – a preliminary bill or estimated invoice which is used to request payment from the committed buyer for goods.

Sandwiched between pricier yarns and overcharging by local spinners, the association has asked its members not to accept any order without calculating the profit margin. Rashedul Hasan Rintu, director of Bangladesh Textile Mills Association (BTMA), believes many of the apparel-makers are in trouble with the recent yarn price hikes as they received the orders at older rates.

Rintu said the yarn price is now about $4.80-$4.90 due to the recent cotton price hike. Cotton surged to a record at $1.30 per pound even a few days ago. He, however, hoped cotton prices would go down in the international market in the coming days as the index hints at a downtrend.

Brushing aside the overcharging allegations, BTMA President Mohammad Ali Khokon said yarn prices in Bangladesh are almost at the same as the international market.

Referred to the current yarn market in neighbouring India, he said per kilogram of 30-single count yarn in India now costs $4.70-$4.80, which is $4.80-$4.90 in Bangladesh.

He also dismissed the accusation of stopping issuance of the proforma invoice. All fingers pointed at surged demand, chained supply

Khokon said his company Maksons Group usually needs around 1,814 tonnes of cotton every month as they maintain a 4,000-tonne inventory. But propelled by a demand surge, he said the company has opened letter of credits (LCs) for 9,000 tonnes of the raw material and most of the shipments are now stuck at various ports.

"Generally, cotton comes to Bangladesh from the US through Shanghai port. But due to a shortage of Bangladesh bound shipping lines, the cotton shipment went to Malaysian port Klang. We do not know when the consignments will arrive at Chittagong port," he explained.

However, representative of a leading international shipping lines said Bangladesh bound ships usually face 7-14 days in port logjam at the Malaysian port.

In FY21, Bangladesh, the second largest exporter, earned around $39 billion in merchandise exports, of which apparel items accounted for over $31 billion. The country also stands at the second position in cotton imports as in the last fiscal year, it imported over 8 million bales of cotton, mainly from African countries.

Md Ruhul Amin Sikder, secretary general of Bangladesh Inland Container Depot Association (Bicda), said container shortage due to the pandemic-led supply chain disruption has eased up. "About 50% of the crisis gradually decreased in the last two to three months," he added. Shafiqul Alam Jewel, director of the Bangladesh Shipping Agents Association, also echoed the same.

He said, "If the virus situation does not deteriorate further, container shortage will completely go away in the next couple of months." Though reports on US port congestions are still not encouraging, people involved in logistics services here are hopeful of good days ahead.

A Bloomberg report, however, said yesterday US supply chain bottleneck is still months away from being clear as the busiest port complex of Los Angeles and Long Beach have kept nearly 100 container carriers waiting outside the official area. The average wait for a ship rose by a week to 20.8 days on Friday from a month ago.

Source: tbsnews.net– Dec 05, 2021

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Pakistan: Textile exports projected to cross $20bn target

In November alone, textile exports were up 36 per cent as compared to the same period last year, data shared by the All Pakistan Textile Mills Association (Aptma) showed.

“With the ongoing expansion plan, our exports are gradually rising and reflecting very positive signs for the industry. [Textile exports will] easily reach $21bn which is one billion more than the actual target of the $20bn set for FY22,” Aptma chairman Abdul Rahim Nasir told Dawn on Saturday.

“The total investment and expansion plan for all sectors for FY22 is worth $4.5bn and includes $3.5bn for textile sector alone. Investments of $1.5bn have been made so far in the textile sector while the rest $2bn would be in place by June 30, 2022,” the Aptma chairman explained. Major investments and expansions have been made for value-addition including from semi-finished to finished goods, raw cloth to dyed cloth to garments for example, he maintained.

“Since things are in the right directions at present, we will surely achieve our targets and even more this year subject to continuation of pro-exports’ policies,” the Aptma chairman believed.

The association has termed textile growth in November and July to November, 2021 a good omen for the textile industry.

“Alhamdulillah Textile entrepreneurs have honoured their commitment, with expansion plans well on track Textile exports are set to increase by 6 billion dollars this year compared to last year, thereby equivalent to the 3 year IMF Program,” the association said in a tweet on Saturday.

According to data shared by Aptma, textile exports (silk, wool, cotton, vegetable textile fibres, man-made staple fibres, wadding, carpets, special woven fabrics, impregnated, coated textile fibres, knitted fabrics, apparel and other made-up textile articles etc) jumped to over $1.747bn (36pc) in November from over $1.286bn attained in the same period in 2020.

Likewise, exports jumped to over $7.834bn from July to November 2021, posting a rise of 29pc from over $6.052 recorded in the same period last year.

It may be mentioned that the textile & apparel sector had touched a figure of $15.380bn in FY21. The government, keeping in view the exports growth, projected $20bn target for FY22.

Similarly, agri sector exports last year reached $4.341bn. For FY22, the target has been set at $4.858bn. Non-agri exports reached to $5.578bn last year and target for FY22 has been fixed at $6.357bn.

Country's total exports — including textile, agri and non-agri — remained at $25.300bn last year. The ongoing year's target has been projected as $31.225bn subject to continuation of the ongoing enabling environment aiming at export-led sustainable growth.

Source: dawn.com– Dec 05, 2021

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NATIONAL NEWS

PM Modi likely to sign the proposed India-UAE free trade agreement in Dubai in Jan 2022

Prime Minister Narendra Modi is likely to travel to Dubai next month where he may formalise the proposed India-UAE free trade agreement together with the top leadership of the country, an official source has said.

"There are talks on for the Indian PM's visit to Dubai in early January 2022 but the date has not been firmed up. There is a strong likelihood that the India-UAE Comprehensive Economy Partnership Agreement (CEPA) to be formally signed during the visit," the official said.

Modi is also likely to visit the on-going Dubai Expo 2020 and tour the Indian pavillion.

Both India and the UAE are trying to fast track negotiations on the proposed CEPA so that all loose ends can be tied before the visit.

“Lists for providing increased market access in goods and services have not yet been finalised. Attempts are on to finish domestic consultations with industry and other Ministries and Departments concerned at the earliest,” the official said.

An official team from the UAE will visit New Delhi on December 6-10 for the third round of India-UAE CEPA and there are expectations that the negotiations would be concluded at the end of the round, according to the Commerce & Industry Ministry.

It is more difficult for India to take final decisions on the CEPA as it has a large number of sectors to protect. The UAE, on the other hand, has zero duty or very low duties on a majority of items, and therefore, it is easier for it to be part of free trade agreements.

“UAE’s import duties on goods are insignificant except on a few items such as carbonated and sweetened drinks, alcohol, tobacco and a few more labour intensive products. India will need to gain increased market access in such products,” the source said. Market access in services, including mutual recognition agreements would also be crucial.

The Indian industry, however, is somewhat apprehensive of CEPA, as it is not sure how it would adjust to the increased competition.

Commerce and Industry Minister Piyush Goyal met the representatives of aluminium, copper, and chemicals and petrochemicals industry on Friday as part of the on-going multi-stakeholder consultations related to the India-UAE CEPA negotiations.

“The Indian industry has concerns on the India-CEPA and how vulnerable it might make their sectors if tariffs are reduced substantially,” the official said.

The Minister highlighted the potential benefits from the proposed CEPA agreement for industries which are labour intensive and also the beneficial ``spillovers” including increased investments, job creation, and employment opportunities, per an official release. Industry representatives were also apprised of the strategic importance of the agreement which encompasses deeper bilateral economic engagement and wider market access, the release added.

India-UAE trade

The UAE is the third largest trading partner of India despite a dip in both exports and imports in 2020-21 due to the pandemic. India’s exports to UAE last fiscal were valued at $16.7 billion while imports from the country were at $26.6 billion.

UAE is also one of the top 10 investors into India with an estimated $11 billion investments made by the UAE since 2000, more than half of which is in the form of FDI.

It is also home to around 3.5 million Indians and generates high remittances.

Source: thehindubusinessline.com- Dec 04, 2021

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India, Russia set a new trade target of USD 50 bn by 2025; India-EAEU FTA talks to start soon

Negotiations for a Free Trade Agreement with the Russia led Eurasian Economic Union (EAEU) will start soon. In 2020, several rounds of talks between officials from both India and Russia took place.

And when India and Russia meet in New Delhi on Monday, the FTA with Eurasian Union will get an impetus. Trade issues will be topping the agenda of talks between the leaders of India and Russia Prime Minister Narendra Modi and Russian President Vladimir Putin on Monday.

Member countries of EAEU include – Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan, and the combined GDP is approximately USD 5 trillion. This was formed in 2015, and Russia is the biggest trade partner of India amongst the EAEU member nations. Both India and Russia have already reached their earlier target of bilateral trade of USD 30 billion and have now set a new target of USD 50 bn to be achieved by 2025.

According to government sources, "A feasibility study was conducted and it indicated having a FTA with EAEU is going to be favourable. The negotiations are expected to take off soon. Discussions have started. " Once such an agreement is in place between India and EAEU, the bilateral trade is expected to be doubled. This FTA will help India get access to Iran, Afghanistan, the Central Asian region as well as Russia.

Eurasian Union has signed the FTA with several countries including Singapore, Vietnam, Iran, and Serbia. And negotiations with countries like Indonesia, the Philippines, Cambodia Thailand, and Brunei are in different stages. Russia is persuading India to sign the FTA with the Eurasian Union.

Should India have an FTA with Eurasian Union?

Yes. "India should seriously consider signing the FTA with the Eurasian Union. This bloc can provide access to a market of 183 million people with an estimated GDP of nearly 2 trillion dollars. These are middle income countries and Indian products are not unfamiliar there," opines Prof Rajan Kumar, School of International Studies, JNU.

According to him, "The FTA with the Eurasian Union will have economic and also geo-strategic dividends. First, experts believe that several Indian

companies have advantages over Russian and Central Asian companies. The prevalent economic atmosphere in India is fairly protectionist, but the business leaders may find the level of competition less intimidating compared to a Chinese competition."

"China is in the midst of negotiating an FTA with the Eurasian Union, but prospects of tariff reduction are unlikely because Russia fears that Chinese products will swamp the Eurasian market. It does not have any such concerns with India. It can be a win-win situation for both the parties," Prof Rajan says.

Second, "after India's withdrawal from the RCEP, it would be imprudent to remain protectionist even from countries where companies are less competitive. The Eurasian Union can be an excellent bloc to test the viability of the FTA. Third, India has excellent relations with the countries of the Eurasian Union. It is easier to negotiate with these countries than with the RCEP or the European Union. India would be the biggest economy in the bloc and therefore it can play a decisive role in future negotiations. Finally, goodwill in trade will extend to security and connectivity projects in Eurasia."

"If India doesn't sign the deal, Russia would then be under pressure to negotiate deals with China. And that would be detrimental to both Russia and India," he concludes.

Importance of India-EAEU FTA

Since India has pulled out of the RCEP FTA with Japan, South Korea, China, Australia, New Zealand, and the ASEAN nations, a deal with EAEU will help in gaining access to new markets and the Indian companies will not be harmed.

What can India sell to the EAEU?

From India the member countries would be keen to buy generic medicines, tea, coffee, agri products, fruits, raisins as well as herbs, spices and other products.

Source: financialexpress.com- Dec 04, 2021

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Modi, Putin to discuss defence, logistics, agriculture, trade in bilateral meet on Monday

Prime Minister Narendra Modi will host Russian President Vladimir Putin at the India-Russia bilateral summit on Monday, where the two are expected to discuss defence deals, including the delivery of the S-400 missile defence systems, cooperation in logistics, space, agriculture and trade, and ways to further the strategic partnership between the two countries.

The first 2+2 Dialogue of Defence and Foreign Ministers of the two countries is also scheduled to be held simultaneously on December 6 covering political and defence issues of mutual interest, according to the Ministry of External Affairs.

Modi and Putin will be meeting in person for the first time after their meeting on the sidelines of the BRICS(Brazil, Russia, India, China and South Africa) summit in Brasilia in November 2019, officials in the MEA said.

Putin's visit to India amidst the growing scare around the new 'Omicron' variant of the Covid-19 virus shows the importance Russia gives to its partnership with India, another source said. "We are happy that the meeting is going on as scheduled and it underlines the strength of India-Russia partnership," the source added.

With Russia engaged in the ongoing delivery of the S-400 missile defence systems to India, the bilateral talks between the two leaders are expected to focus on the deal and other defence agreements.

Deeper cooperation in trade, agriculture, space and logistics is also likely to be on the agenda, the source added. Modi and Putin may also discuss the on-political turmoil in Afghanistan and effective handling of the economic and security situation in the country.

"The summit will afford an opportunity to exchange views on regional multilateral and international issues of mutual interest. The visit is in continuation of the tradition of annual summits alternately in India and Russia and we are confident the visit will further provide an impetus to the India-Russia special and privileged strategic partnership," MEA spokesperson, Arindam Bagchi, said in a recent media briefing.

Bagchi said that the 2+2 Dialogue would cover political and defence issues of mutual interest.

External Affairs Minister S Jaishankar and Defence Minister Rajnath Singh will represent India, while Russian Foreign Minister Sergey Lavrov and the Russian Defence Minister Sergey Shoigu will be representing their country at the meet.

Source: financialexpress.com- Dec 05, 2021

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"Industry has a huge role to play in the uplift of the poor and underprivileged," says Shri Piyush Goyal

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal today called upon the captains of Indian Industry to set ambitious targets as our economy is poised for a sustained spell of rapid growth. Addressing the 5th Meeting of the CII National Council in New Delhi, he said the Industry has a huge role to play in the uplift of the poor and underprivileged.

Shri Goyal encouraged the Industry to have a greater appetite for taking risks, to invest in Industries that may be less profitable at the start, but are labour oriented and create lakhs of jobs. He also urged the Industry to promote tribal handicraft products as part of their CSR activities.

Shri Goyal said there is big scope in the expansion of labour intensive Plastics, Footwear and Textiles industry. India cannot be truly Aatmanirbhar, without empowering its poor to be Aatmanirbhar, he added.

Shri Goyal conveyed his appreciation for the Industry's positive approach in FTA consultations. "Right now we are engaged in FTA negotiations with 6/7 countries," he said. Citing India's foreign trade as "very, very comfortable"and seeking accommodation in trade deals, Shri Goyal said, "On our part, I believe, that it's time that we engaged more with the world, we look at deeper engagement, - both imports and exports." "If we (don't) open our autos or spirits sectors, for example, it will open greater opportunities for India than the other way round," he added.

Observing that 2020 has been a year of resilience for the Indian economy, Shri Goyal said that in these unprecedented times India has emerged as the 'World's Trusted Partner' and is poised to contribute significantly to global growth. Policies of the Government in the last more than seven years, under the able leadership of the Prime Minister Shri Narendra Modi, have laid a solid foundation for growth of the Indian economy, he said.

Stating that all economic indices hinted at a fast growth trajectory, Shri Goyal said India has Cost advantage as well as Trust advantage. "Services is growing at a fantastic pace, exports also are, of course on Merchandise,... Similarly remittances continue to be strong, FDI is at never before levels for the 7th time in a row, but this year the growth would be even much more, the capital markets are buzzing which means FII investments also and the IPO market is also gaining a lot of traction," he said.

Shri Goyal said the way we have fast bounced back since Covid, the way Industry geared itself up, Services sector, for example, reoriented their processes, Government supported Industry adopt WFH, we met all our international commitments throughout the Covid period including the lockdown. "Not for a second did any international supply chain, dependent on India, had to suffer, particularly the Services sector and for that matter even in the Goods sector," he said.

Stressing that India is going through a sharp and strong revival, the Minister said that rising economic indicators point towards "India is shaping up for a growth decade."

"Apna time aa gya (Our time has come)! This is the time to be in India & invest in India", Shri Goyal said, adding "If we fail our Young Generation, it will be truly a sad day for India. We are at the cusp (of history). It's our time to grab now, we'll probably regret if we miss this opportunity."

Shri Goyal said that the Government is doing its part by undertaking transformational reforms such as PLI, PM Gati Shakti, ODOP, Single Window, Retrospective tax amendment, National Asset Monetisation Pipeline, etc and opening up sectors like Defence, Space & Atomic Energy, Mining & Minerals, etc.

The Minister urged the top 100 CII members, that could comprise 1,000 companies, to onboard the NSWS Single Window clearance system and make full use of IILB Land Bank System. Resolving to use Indian materials to make a truly Aatmanirbhar Bharat, he said this will transform the future of India by making it self-reliant, resilient & competitive and will create jobs.

Shri Goyal said the Government has initiated several schemes for the benefit of the Industry and the public in general, including Power sector, One Nation, One Ration Card, world's largest health insurance programme, - Ayushman Bharat, UPI payments transfer and Jan Dhan banking for each and every home. "Government has focussed on saturating schemes," he said.

Expressing confidence on the continuous Public-Private Partnership, Shri Goyal said the Government is always thinking of how to empower the Industry and urged the entrepreneurs to come up with new ideas in nation-building.

Source: pib.gov.in- Dec 04, 2021

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PLI for textiles: Centre mulls flexible timelines

Aim is to ensure beneficiaries don't miss out on incentives owing to genuine delays

The Textile Ministry is considering the option of providing certain flexibilities to investors under the ₹10,683-crore production linked incentive (PLI) scheme for the man-made fibre (MMF) and technical textiles sectors to help them meet the strict timelines for achieving the mandatory prescribed minimum annual turnover.

The idea is to ensure that the industry does not miss out on incentives due to genuine problems they may encounter in their business activities, sources have said.

No change to list

The Ministry, however, is not in favour of expanding the list of products eligible for benefits, as suggested by the industry, as the list had been finalised following a lot of consultations and would require another Cabinet approval if changed.

"The Textile Ministry has had another round of interaction with the industry and made a final draft of the guidelines for the scheme which has to now be approved by the Commerce & Industry Minister before notification. An attempt has been made to address genuine problems," the source told BusinessLine.

The PLI scheme has a budgetary outlay of ₹10,683 crore.

'Dies Non Year'

Under the scheme, if participants fail to achieve the prescribed minimum net incremental turnover for any given year, they will not be eligible for claiming incentive for that particular year.

The year the participants fail to meet the criteria will be considered as "Dies Non Year" and they will only be eligible for benefits in the remaining years of the five-year block.

"There is a possibility that there may be a couple of months delay for a beneficiary in achieving the prescribed incremental turnover in a particular year because of unforeseen circumstances such as delay in shipments, payments and anything related. There may be a case for giving them some extra time under such circumstances so that they do not lose out on their incentives," the source said.

The Textile Ministry is considering accepting the proposal to allow flexible timeline to the Empowered Group of Secretaries on implementation of the PLI scheme for textiles, headed by the Cabinet Secretary. The group, which also includes the Textiles Secretary and Niti Aayog CEO, is empowered to make any changes in the modalities of the scheme and address any issues related to genuine hardship that may arise during the course of implementation.

Two-part scheme

Benefits under the PLI scheme are to be provided for five years from 2025-26 to 2029-30 on incremental turnover achieved during 2024-25 to 2028-29. The scheme covers 40 MMF garments, 14 MMF fabric items and 10 technical textiles items.

Per part one of the scheme, beneficiaries need to invest a minimum of ₹300 crore in plant, machinery, equipment etc. They will earn an incentive of 15 per cent of turnover the first year and thereafter, one per cent lower every year for the next four years on achieving minimum turnover of ₹600 crore in the first year and incremental turnover of 25 per cent in the subsequent four years.

In the second part, the minimum investment limit is lower at ₹100 crore, while incentives, too, are lower, starting at 11 per cent in the first year and getting reduced by 1 per cent each year in the four subsequent years. In this category, beneficiaries need to attain a minimum turnover of ₹200 crore in the first year and an incremental turnover of 25 per cent in the following four years.

Source: thehindubusinessline.com- Dec 05, 2021

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RBI likely to keep key policy rate unchanged, say experts

Amid global scare due to new coronavirus variant Omicron, the RBI is likely to maintain status quo in its upcoming monetary policy and wait for a more opportune time to calibrate benchmark interest rate to promote growth without sacrificing the main objective of containing inflation.

The Reserve Bank Governor-headed Monetary Policy Committee (MPC) is scheduled to meet during December 6-8, 2021. The decision of the rate setting panel would be announced on Wednesday (December 8). The central bank had kept the benchmark policy rate unchanged in October.

"...we believe the talks of a reverse repo rate hike in the MPC meeting may be premature as RBI has been largely able to narrow the corridor without the noise of rate hikes and ensuing market cacophony," said an SBI research report.

According to it, the RBI is not obliged to act on reverse repo rate only in MPC.

"Also, change in reverse repo rate is an unconventional policy tool that the RBI has effectively deployed during crisis when it moved to a floor instead of the corridor," it added.

A Kotak Economic Research report said with uncertainty around the new Covid variant, the RBI would possibly wait for some clarity before moving decisively on rates.

"We maintain our call for a reverse repo rate hike in February with the December meeting remaining a close call. We expect the RBI to continue on its path of normalisation with the reverse repo rate hike in February policy and repo rate hike in mid-2022-23," it said.

Property consultant Anarock said there have been expectations that the RBI may raise the reverse repo rate to a nominal extent during the forthcoming monetary policy. "However, it is likely that the RBI will hold on to the current regime in reaction to the flare-up of Omicron concerns at a time of generalised economic recovery.

Therefore, home loan borrowers may enjoy the ongoing low interest rate regime for some more time to come," said Anuj Puri, Chairman, Anarock Group. That said, an increase in repo rates and consequent increase in home loan interest rates is inevitable and will definitely take place in the future, he added.

If the RBI maintains status quo in policy rates on Wednesday, it would be the ninth consecutive time since the rate remains unchanged. The central bank had last revised the policy rate on May 22, 2020, in an off-policy cycle to perk up demand by cutting interest rate to a historic low.

The RBI has been asked by the central government to ensure that the retail inflation based on the Consumer Price Index (CPI) remains at 4 per cent with a margin of 2 per cent on either side. The Reserve Bank had kept the key interest rate unchanged in its after monetary policy review in August citing inflationary concerns.

In its October MPC meeting, the central bank had projected the CPI inflation at 5.3 per cent for 2021-22: 5.1 per cent in the second quarter, 4.5 per cent in third quarter; 5.8 per cent in the final quarter of 2021-22, with risks broadly balanced. CPI inflation for the first quarter of 2022-23 is projected at 5.2 per cent.

Source: financialexpress.com- Dec 05, 2021

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Why e-invoicing system has been a roller coaster ride for MSMEs so far

Ease of Doing Business for MSMEs: The e-invoicing or electronic invoicing system completed one year of its journey in October. It has been a roller coaster ride for many businesses, especially micro, small and medium enterprises (MSMEs). It continues to be a tough one for newly onboarded ones. E-invoicing is the Indian government's initiative to transform the ways businesses interact with each other in the long run.

E-invoicing applicability

Under e-invoicing, you can get invoices validated with unique Invoice Reference Numbers (IRN) and signed Quick Response (QR) codes from the GST Network (GSTN). Your GSTR-1 and corresponding buyers' GSTR-2A/2B get auto-filled. Since April 1, 2021, all those with a total annual turnover exceeding Rs 50 crore must generate e-invoices for their Business-to-Business (B2B) and export sales, also covering the medium enterprises as per the revised MSME definition.

Benefits galore

E-invoicing was implemented to plug gaps in GST data reconciliation and curtail tax evasion. You can claim genuine input tax credit along the supply chain and enjoy the automation of tax return preparation. Further, the interoperability of data between various software helps integrate the accounts payable management to the invoicing system in your organisation. Despite many advantages, the e-invoicing system is not free from challenges, especially for medium enterprises. Since e-invoicing is the core to the functioning of a business, any failure in its setup or implementation can hamper business continuity.

Disruption in daily operations

It is difficult for you to rectify errors in e-invoices on which IRN is already generated as it is a time-consuming process. A small mistake such as the value or reporting a wrong buyer GSTIN can prove to be a headache. You may miss mandatory fields as per the e-invoice schema, such as the six-digit compulsory HSN code for B2B invoices. You cannot rectify such errors directly on the same e-invoice but must cancel it and generate a new invoice for reporting to the GSTN.

Moreover, you are not allowed to cancel an e-invoice if it has an active e-way bill attached to it, despite errors. Also, e-invoices cannot be cancelled after the twenty-four hours of their generation. In such cases, you must predominantly use credit notes, leading to more documentation work. Since the amendment of e-invoices is not an option given to taxpayers, the rectification process becomes challenging. The lower strata of the medium enterprises find it strenuous to manage such frequent cancellations and revisions to e-invoices. It is also partly due to the choice of Enterprise Resource Planning (ERP) solutions and could also be due to a lack of defined and tested processes.

Issues in e-way bill-linked e-invoices

E-way bill attached to an e-invoice, expiring more frequently leads to cancellation of e-invoice and generation of a new one, where you cannot extend the validity. The validity of an e-way bill depends upon the weight of the conveyance and the distance covered. In many cases, the validity of e-way bills is shorter than the actual requirement. You must extend the validity of such e-way bills separately on the e-way bill portal.

Further, you must segregate documents that require e-way bill generation from the rest, which is an uphill task without automation and technological support. Such multiple tasks can negatively impact teams' productivity at such medium and small enterprises, increasing the documentation and putting unnecessary strain on the limited resources with which the business functions.

Need for thorough testing

We have observed that teams' efficiency dropped for several clients due to improper and untested implementation of the e-invoicing system. We also found that the quality of e-invoices suffers from loss of track where there are no pre-defined roles and access responsibilities assigned within your organisation. You must involve multiple teams to plan and build an efficient e-invoicing system, such as the finance, warehouse, etc.

Lack of storage

Many medium and small enterprises lack storage arrangements. You can be affected by the lack of storage facilities and servers for IRNs, not supported by the GSTN. Auditing involves reviewing the trail of e-invoices generated during the financial year.

Reconciliation of e-invoice data: An uphill task

You must reconcile e-invoice data auto-populated into the GSTR-1 with the books of accounts or sales register for accurate GSTR-1 filing. You should regularly sort B2B data from Business-to-Consumers (B2C). If you lack automated systems or solutions, there is a risk of errors and penalties. Several medium enterprises affected by the COVID-19 pandemic could not afford reasonable quality solutions to fulfil their automated reconciliation needs.

Issues beyond your control

MSMEs are also affected by untimely server crashes, directly impacting their daily operations of enterprises. If you raise e-invoice on invalid GSTINs, it can cause a huge problem. There are no suitable validations for cancelled customers'/buyers' GST registration.

The government must also provide proper end-to-end system support for businesses for smooth compliance. The e-invoicing system has scope for improvement, with more businesses joining the ecosystem in the coming months, especially small enterprises not using ERP or tax compliance solutions.

As a small business complying with e-invoicing, you can refocus business in the mainstream market quickly. One can also conveniently function from remote areas as invoice discounting, and digital lending will take a massive leap in India if e-invoicing gets extended to MSMEs.

Source: financialexpress.com- Dec 05, 2021

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Over 5 lakh retail, wholesale trade Udyam registrations in 5 months since inclusion under MSME

Ease of Doing Business for MSMEs: In nearly five months since the inclusion of retail trade and wholesale trade in the MSME category, 5.33 lakh registrations have taken place on the Udyam portal, representing 9 per cent of the overall business registrations so far on the digital platform. According to the data shared by MSME Minister Narayan Rane in Lok Sabha in reply to a question, 5,33,404 registrations have been recorded on the portal between July 2, 2021, and November 29. Former MSME Minister Nitin Gadkari had announced the revised guidelines on July 2 for MSMEs with the inclusion of retail and wholesale trades as MSMEs.

In a tweet, Gadkari had added that the revised guidelines will benefit 2.5 crore retail and wholesale traders. The minister had said that retail and wholesale trade were left out of the ambit of MSME but with changes to the guidelines, retail they were allowed to register on the Udyam portal. However, "Benefits of the 'Udyam' registrations to such traders are restricted to the loans under Priority Sector Lending (PSL) only," Rane informed.

PSL is referred to those sectors that impact large sections of the population, the weaker sections, and other sectors which are employment-intensive such as agriculture, and micro and small enterprises, according to the Reserve Bank of India. Categories under PSL, which included agriculture, MSME, export credit, education, housing, social infrastructure, renewable energy, others, are given loans at concessional rates.

Total registrations as of December 5, 2021, on the Udyam portal stood at 59.24 lakh including 55.93 lakh micro enterprises, 2.98 lakh small businesses, and 33,216 medium enterprises, as per data from the portal. Currently, only PAN and Aadhaar details are required to register the business on the Udyam portal.

The inclusion of retail trade and wholesale trade in the MSME category was essentially a restoration of the MSME status that was taken away from the two trade segments back in June 2017. As per the gazette notification dated June 27, 2017, the retail and wholesale activities were neither manufacturing units nor service units as per the definition of MSMED Act 2008.

Hence, they were not able to secure Udyog Aadhaar Memorandum (known as MSME registration). With the revised MSME definition, the number of MSME count in the country is most likely to shoot up. Currently, India has over 6.33 crore MSMEs.

Among the benefits of registering on the Udyam portal also included no need for renewal of registration, any number of activities including manufacturing or service can be added to one registration, MSMEs can register themselves on Government eMarketplace and also simultaneously onboard TReDS platform, registration may also help MSMEs in availing benefits of government schemes such as Credit Guarantee Scheme, Public Procurement Policy, etc.

Source: financialexpress.com- Dec 05, 2021

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Create digital platform like UPI for easy credit to MSMEs, others: IT minister exhorts banks

IT Minister Ashwini Vaishnaw on Sunday exhorted the banking industry to create an innovative digital platform — as powerful, seamless and robust as UPI — for providing quick and easy credit to MSME, small businessmen, and those at the bottom of pyramid.

The building blocks required to create such a platform are already available, given the strong ecosystem of Aadhaar, mobile phones, UPI (Unified Payments Interface) platform and digilocker, he said asking the banking industry to come up with innovative idea and solutions in three months.

Vaishnaw was speaking at 'Digital payment Utsav' which was part of a weeklong showcase of India's achievements in digital space titled 'Azadi ka Digital Mahotsav' in the capital.

Throwing a "challenge" at the bankers present in the audience, the Minister said: "Can we create a platform as powerful, seamless, good, as digital as UPI platform for providing very quick and easy credit to the MSME, small industries, small businessmen...people really at bottom of pyramid." The Minister expressed willingness to look at promising concepts that are brought after three months, in response to the poser by him.

"You have today a good ecosystem of Aadhaar, mobile phones, UPI platform, digilocker, practically everything you need to create this ecosystem is today available. Take this challenge...next three months work on it, come back and I will be very happy to spend one full day with you to look at concepts you bring," Vaishnaw said.

Speaking to reporters on the sidelines of the event, the Minister further said the idea is to ensure that easy credit at good terms, through a seamless process can be made available to people at bottom of pyramid especially for micro and small industries, small businessesmen, street vendors among others.

Addressing the event, Minister of State for Electronics and IT, Rajeev Chandrasekhar noted that technology will play a big, defining role in the shaping the future of the country.

India's performance in digital payment space is the envy of countries all around the world that only a few years back thought they were ahead in technology and innovation.

"We are leading the world in this space… we should continue to lead the world in this space," Chandrasekhar said and assured that IT Ministry is fully committed to playing the role of an enabler and catalyst for this ecosystem to grow and thrive.

The event also saw the launch of innovative solutions including payments-on-the-go.

"Wearables are re-defining the true paperless contactless payments, catalysing them further, Bank of Baroda and City Union Bank launched Rupay-on-the-Go," an official release said.

Further, India Post Payments Bank-Punjab National Bank, Kotak Bank, YES Bank, Indian Overseas Bank, ICICI Bank, Indian Bank, Bank of Maharashtra, and City Union Bank launched contactless credit cards on the RuPay network, the release said.

"India has close to 1.5 crore retail stores/ Kiryana stores. Union Bank announced an android-based SOFTPOS mobile app for point of sales, which will further the cause of digital payment adoption," the release added.
Nearly 40 stalls were set up (at the expo in the event) by various fintechs, banks and other ecosystem partners, who have contributed to digital payments revolution in the country.

The event was marked by various cultural activities, an awards ceremony for banks and fintechs, the launch of `Chutki Baja Ke' digital payments anthem, and the flag-off of Digital Payments Sandesh Yatra.

Source: financialexpress.com- Dec 05, 2021

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Travel restrictions, lockdowns abroad making exporters jittery

Lockdowns and restrictions in several countries due to spike in Covid cases and surfacing of Omicron variant are giving sleepless nights to city exporters. Businessmen's problems have increased after imposition of travel restrictions, as they are being forced to cancel their overseas trips. Their biggest fear is that if the coronavirus situation remains unchanged or becomes worse, it will severely hit the export orders and deliveries like last year when for months trade remained disrupted and Ludhiana exporters, especially garment companies, suffered huge losses.

Harish Kairpal, garment exporter and president of Ludhiana MSME association, said, "Several European countries, like Austria, Netherlands and Germany, are witnessing a surge in coronavirus cases due to which partial or conditional lockdowns have been imposed. Besides, travel restrictions too have been imposed to and from countries where Omicron cases were found. The situation has dealt a setback to the business travellers, who had scheduled foreign visits for meetings, exhibitions and order finalisation. They have to cancel their plans and suffer losses on account of cancellation charges."

Vinod Thapar, chairman of Knitwear Club, said, "Garment exporters are jittery. Our biggest fear is lockdown in other countries due to which the sales and supply network of garments get jeopardised, resulting in cancellation of our orders. We are keeping a very close watch on the situation and can only pray that it improves."

For Rohit Gupta, president of Importer and Exporter Club, Punjab, the current situation has reminded them of the turmoil that they faced last year. "Earlier, exports and imports remained suspended for months and city businessmen suffered heavy losses.

The discovery of the new variant in some countries has increased our worries. We are waiting and watching, and hoping that deliveries, which are in transit, reach safely and we get our payments. As far as under-processing orders are concerned, we can delay the deliveries depending on the situation in the coming days."

Source: timesofindia.com- Dec 04, 2021

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Cotton farmers hit hard in Andhra Pradesh as CCI yet to enter market, ensure MSP

The cotton farmers in the state are being exploited heavily this year, as the Cotton Corporation of India (CCI) is yet to enter the market. The private players in the market are offering throwaway price to the farmers, denying minimum support price (MSP) offered by the state government.

This year, the CCI had announced an MSP of Rs 6,250 per quintal, while the market price now is just Rs 4,500 to Rs 5,500. The price is offered at the whims and fancies of the private buyers in the absence of the CCI in the market. The price which was around Rs 9,000 per quintal in the beginning of the season had come down to Rs 4,500 now. The private buyers are rejecting the yield at the market platforms on the grounds of quality, particularly discolour.

The cotton is cultivated in 6.06 lakh hectors, which is close to 15 lakh acres, this year, with an estimated yield of 19 lakh bales (84.5 lakh quintals) at a productivity rate of 536 kg per hectare, according to the reports of the Agriculture Market Intelligence Centre of Acharya NG Ranga Agriculture University.

While the entire country was estimated to produce 371 lakh bales of cotton from 129.57 lakh hectors in this season, Andhra Pradesh contributes 19 lakh bales. Interestingly, Andhra Pradesh is one of the third highest cotton producing state in the country, after Maharashtra and Gujarat.

AP is a part of the Cotton Basket of India, including Maharashtra, Gujarat and Telangana, which collectively contribute two-thirds country's cotton production.

Cotton is produced in Kurnool, Guntur, Anantapur, Krishna and Prakasam districts, the top five districts in terms of area of cultivation and production. The price which was around Rs 6,000 per quintal in July 2020 had come down to Rs 2,500 in August 2020 and currently fluctuates around Rs 4,500 to Rs 5000 per quintal at the Adoni market in Kurnool district.

Source: timesofindia.com- Dec 05, 2021

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Pandemic scare, poor quality lowers cotton rates by ₹1,500 per quintal

The sudden dip in the global demand due to the pandemic scare and poor quality of raw cotton in areas of Punjab has lowered rates of the kharif crop by up to ₹1,500 quintal in the last two weeks.

But farmers continue to get much above the minimum support price (MSP) of ₹5,925 per quintal.

Industry watchers say in the last one month, mode rate or the maximum average price of the kharif produce was about ₹9,500 per quintal. It means 70% of the crop was purchased at around ₹9,500 and nearly 10% of the best quality produce was sold even higher than ₹9,500. And nearly 20% was sold below the mode rate due to poor quality.

However, the mode rate of cotton in the last 10 days remains static at about ₹8,000 per quintal.

According to the Punjab Mandi Board data, 9.57 lakh quintal of cotton was purchased in the state till Saturday. Of that, only 5,545 quintal produce was bought by the private players below MSP.

Chander Kant Garg, a Mansa-based cotton ginner said this time the leading cotton-growing districts of Bathinda and Mansa saw the worst-ever quality of cotton. Garg said he has a stock of ginned cotton worth ₹3 crore but no textile unit is ready to buy it due to the quality of the natural fibre.

"Reflectance (Rd) value that determines bright or dull a cotton sample continues to much less than the acceptable value of 72-82. The produce lost its white colour due to widespread pink bollworm infestation in the twin districts.

Traders bought cotton at competitive rates to meet demand but now there are no buyers in the market for the yellowish cotton," said Garg.
Industry sources say rates may pick up again after December 15 as the picture of the new Covid-19 variant Omicron may be clearer and demand regains the momentum.

Mandi Board cotton state coordinator Rajnish Goel said this time the cotton arrival in the purchase centers across the rate was nearly 54% less in comparison with the last year.

Last year till December 4, Punjab had recorded more than 21 lakh quintals of raw cotton whereas in the corresponding period this year is only 9.57 lakh. It is attributed to damage to the standing crop by the deadly pest, he added.

"As per the traditional trend, cotton arrival picked up for the last week as farmers are done with wheat sowing. Now the daily arrival is about 15,000 quintals," said the official.

Director of Indian Cotton Association Limited, a body dealing in export, spinning, ginning of cotton, Rakesh Rathi said the textile sector in the USA has reduced importing cotton as per its economic decisions.

"Cotton rates in Punjab were high since the beginning of the season as traders had to meet export demands. As cotton harvesting in the central and south Indian states was delayed due to rains, rates were record high than usual. As the new crop has started arriving from other states, prices in Punjab were expected to be corrected at this phase. But rates may not drop beyond ₹8,000 mark," said Rathi.

Source: hindustantimes.com- Dec 06, 2021

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Trade unions demand reopening of NTC mills

Members plan to meet Prime Minister and Textile Minister this month

Trade unions of workers employed with National Textile Corporation (NTC) mills across the country have formed a "Save NTC" movement and plan to meet the Prime Minister and Textile Minister this month to demand reopening of the NTC mills.

C. Padmanabhan, coordinator of the "Save NTC", said if their demands were not met, the union members would stage a protest in Delhi.

The unions have demanded reopening of all the NTC mills in the country as production has stopped at the units in March last year when a lockdown was declared to control the spread of COVID-19.

The workers should get full wages for the lockdown period, provide ₹ 2,000 crore (which is outstanding for NTC from different departments) for reopening and operation of the mills and should not lease out the mills to private players for conversion work.

AITUC leader M. Arumugam said the union leaders from different parts of the country would go to Delhi on December 6 and meet the MPs of all the States that have NTC units. They would also try to meet the Prime Minister and the Union Textile Minister and submit their demands.

"We met the Textiles Secretary earlier and he said the issue will be resolved in three months. But there is no progress and the mills remain shut. The 23 NTC mills employ almost 20,000 permanent workers," he said.

Source: thehindu.com- Dec 05, 2021

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