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INTERNATIONAL NEWS

US textile & apparel exports up 18.62% in Jan-Oct 2021

The exports of textile and apparel from United States were up by 18.62 per cent year-on-year in the first ten months of last year.

The value of exports stood at $18.803 billion during January-October 2021 compared to $15.850 billion in the same period of the previous year, according to data from the Office of Textiles and Apparel, US department of commerce.

Category-wise, apparel exports increased by 27.05 per cent year-on-year to $4.988 billion, while textile mill products rose 15.85 per cent to $13.815 billion during the first ten months of 2021.

Among textile mill products, yarn exports increased by 25.11 per cent year-on-year to $3.255 billion, while fabric exports were up 14.27 per cent to $7.193 billion and made-up and miscellaneous article exports grew 11.16 per cent to $3.365 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 $5.251 billion worth of textiles and apparel to Mexico during the ten-month period, followed by $4.421 billion to Canada and $1.178 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 in 2020 due to the effect of COVID-19 pandemic.

In 2021, it is likely that US textile and apparel exports would again cross the $22-billion mark.

Source: fibre2fashion.com– Jan 10, 2022

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Explained| What is RCEP, the largest trade bloc in history that went live on January 1

Coming into effect as the New Year began, the Regional Comprehensive Economic Partnership (RCEP) deal sees the largest trade bloc in history being created. It showcases China's leadership in the region and would lead to more trade remaining within this mega-region henceforth.

After nearly 10 years of active negotiations, India had finally decided not to join the bloc back in early 2020. This was despite some of India's major trade partners such as Japan and South Korea being part of the RCEP grouping.

In a world where nations are increasingly opting for regional trading arrangements in favour of multilateral rules, Moneycontrol takes a look at RCEP, and how it may affect India's trade.

What is RCEP?

RCEP is a trade deal agreed to between 15 nations in Southeast Asia. These include the 10 economies of the Association of Southeast Asian Nations group (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) and five nations with which the grouping currently has free trade agreements (FTAs)—Australia, China, Japan, South Korea, and New Zealand.

Officially the largest regional trading bloc in the world, RCEP accounts for nearly 30 percent of the global population at 2.2 billion and a combined gross domestic product of $26.2 trillion or 30 percent of world GDP.

RCEP's share of the world economy could account for half of the estimated $0.5 quadrillion global GDP by 2050, the World Trade Organisation has estimated.

Under RCEP, more than 90 percent of merchandise trade among members will eventually be subject to zero tariff, periodically reducing over 20 years. According to the Asian Development Bank, RCEP members are projected to gain $174 billion in real income by 2030 itself.

More trade within the grouping would lead to certain losses in trade for other nations. Intra-RCEP trade was already worth about $ 2.3 trillion in 2019 and the new tariff concessions would further boost the intraregional exports of the newly formed alliance by nearly 2 percent, or $42 billion.

What are the main areas it covers?

The deal is extensive across 16 categories. These cover conventional items such as tariff reductions on goods and services, market access, investment, dispute settlement, customs and rules of origin, and newer items such as intellectual property rights, small and medium enterprises, and e-commerce.

Interestingly, it does not focus on labour rights, environmental protection or government subsidies, key points of discussion in all major global trade deals. Concerns have also been raised on the RCEP agreement's relatively lax rules on copyright protection.

Lower tariffs within RCEP would redirect trade away from non-members to members, with the resultant trade diversion estimated at $25 billion.

How did the talks go?

In the last three years of negotiations, India stuck to its position of offering differential rates for tariff reduction. Under this scenario, India had offered to reduce its import tariffs by 74-86 percent on all goods from all nations.

But it suggested a lower rate of reduction for competitor and manufacturing giant China. Also, while Beijing asked that India reduce tariffs on 90 percent of all goods trade if it wanted non-reciprocal market access, the government refused to provide concessions on more than 75 percent of items.

Developed nations like New Zealand and Australia wanted tariffs cut on up to 92 percent of all goods, while traditional trade partners like Japan and South Korea wanted special benefits. India was the most generous to the Asean bloc but said more developed Singapore, Indonesia, and Malaysia could not expect the same treatment as Laos, Cambodia, or Brunei.

India was also under pressure to open its large consumer market to foreign products and cut non-tariff barriers. But the sensitive nature of its domestic market meant that it held out on providing market access for agricultural items, kay pharmaceutical products, and services.

Why did India decide to opt-out?

Negotiations formally began in November 2012. Since the beginning, RCEP presented a platform to India to further its strategic and economic status in the Asia-Pacific region. Since it brought the biggest economies of the region into a trading arrangement for the first time, India felt it would be a singular opportunity to enhance its exports to the region.

However, there was a pervasive fear among policymakers that Indian industries would be unable to compete with China and Chinese goods would flood Indian markets. Coupled with its competition with China, the tussle kept the deal on hold for nearly one decade.

India also did not secure the kind of benefits it had hoped for in the services sector. The government had been focused on getting nations to open their services industries more to Indian professionals such as healthcare professionals, lawyers and accountants, apart from labour.

As the talks reached the final stage the government had been vocal in drumming up public support in favour of joining the deal. However, in a sudden turn of events, India decided to unilaterally exit in November 2019. The government said the deal did not benefit India the way it stood.

What has been the domestic reaction to India's exit?

The government's final decision was publicly claimed as a nod to concerns raised by farmers, most of whom had opposed the pact fearing it would lead to uncontrolled dumping by China. Farmers' groups, civil society and a large segment of trade experts warned India was not ready for the deal.

Dairy was another vocal sector opposing RCEP membership. It feared that products from dairy heavyweights Australia and New Zealand would corner the consumer market through processed items like cheese, butter and cream, which is where the future growth of the industry lies.

However, the domestic manufacturing industry was divided on the issue. The local electronics manufacturing industry, for one, which was afraid of the nascent growth in manufacturing being decimated by a resurgence in cheaper imports, opposed it.

On the other hand, the Confederation of Indian Industry (CII) had said India needed to enter the bloc so as to not lose access to Southeast Asia. Large segments of the industry, including, pharmaceuticals, heavy machinery and textiles, as well as the services sector, were confident of making substantial gains.

How will India be affected?

The deal is set to affect India's regional and global trade ambitions as well as the competitiveness of India's exports. However, the potential damage seems to be minimal at this stage. According to the Centre for Advanced Trade Research, signing the deal would've worsened India's trade deficit with RCEP countries. It had been estimated that post-RCEP, India's annual imports would have grown by $30 billion and its exports only by $5.5 billion.

The bloc is expected to divert about $42 billion worth of trade inwards. As a result, the United Nations Conference on Trade and Development has flagged a drop of $0.9 billion in India's overall exports. It also believes India will only lose 2 percent of its current exports to RCEP.

Source: moneycontrol.com– Jan 08, 2022

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Xinjiang cotton sees a bumper year with higher yields, income for farmers despite US crackdown

The cotton harvest from more than 30 million mu (2 million hectares) of land has been acquired in Northwest China's Xinjiang Uygur Autonomous Region, as the buying season is drawing to a close, with higher crop yields and incomes for cotton farmers indicating a prosperous industry, despite slander and crackdown by the US, industry insiders said.

"Recent changes in the international trade situation have brought new challenges to the development of the cotton industry. But changes in external factors will not hinder the high-quality, sustainable development of China's cotton industry," Wang Jianhong, vice president and secretary general of the China Cotton Association (CCA), told the Economic Daily on Saturday.

The CCA said last week that the "domestic cotton price spread based upon quality," and the cotton acquisition season was drawing to a close.

Industry insiders said that the mechanization rate of cotton picking in Xinjiang has continued to increase, and the quality of Xinjiang cotton is also rising with thorough, fine management from seed sifting to planting and fertilizing. The efficiency of the industry chain has also been optimized, despite the US' crackdown campaign.

Chinese consumers can buy clothes in March made from Xinjiang cotton harvested in November 2021, said a member enterprise of the China Cotton Industry Alliance (CCIA).

According to the CCIA, it only takes 90 days from cotton harvesting to fabric completion, which would directly enter the assembly line of clothing enterprises.

China's total output of cotton reached 5.95 million tons in the 2020-2021 harvest year, according to the China Cotton Textile Association (CCTA).

Of the total, 5.13 million tons came from Xinjiang, accounting for 87 percent of domestic cotton output in 2021, statistics from the National Bureau of Statistics (NBS) showed.

Total demand for cotton in China is about 7.8 million tons, with about 1.85 million tons relying on imports, mainly from India, Australia and other countries, read a report released by the CCTA in December.

According to the NBS, Xinjiang's cotton yield per hectare reached 2,046.4 kilograms in 2021, and the income of cotton-planting farmers was more than 1,500 yuan per mu ($15.6 per hectare).

A farmer in Xinjiang told the Global Times that his net income is more than 600,000 yuan ($94,077) from about 600 mu of cotton plants every year.

Zhang Jie, manager of a textile company in Xinjiang, told the Global Times that the company's cotton fields have mechanized the planting process, making cotton planting easier and more efficient, with increasing incomes.

"We sow cotton with the BeiDou Navigation Satellite System, water it with automatic drip irrigation, and pick it with machines," said Zhang.

Chen Minhong, a cotton farmer in Xinjiang's Yuli county, got a taste of the benefits of 5G technology in 2021, the CCTA reported.

With the introduction of intelligent equipment, Chen's field of more than 1,000 mu has realized intelligent cultivation, sowing, fertilization and picking, which has helped increase the yield to 400 kilograms per mu from 350 kilograms.

From 2019 to December 2021, a total of 19,343 5G base stations were built in Xinjiang, according to the Communications Administration of Xinjiang.

"Machine picking costs 150 yuan per mu, averaging 50 yuan per kilogram. The cotton production area in northern Xinjiang has realized 100 percent machine picking, and the machine picking rate in southern Xinjiang has reached 70 percent," said Cao Huiqing, president of the Department of Cotton Farmers at the CCTA, in December.

In recent years, Xinjiang cotton has mainly supplied large domestic textile enterprises, whose factories moved to Xinjiang, read a CCTA report.

Xinjiang cotton accounts for 67 percent of domestic consumption.

"Xinjiang cotton, imported cotton and imported cotton yarn are all used in cotton textiles for export. The proportion of Xinjiang cotton is probably at least 50 percent of all textiles exported from China," a staffer at the Shanghai International Cotton Exchange told the Global Times on Sunday.

While domestic textile mills have strong demand for Xinjiang cotton, export-oriented textile enterprises indeed face the challenges posed by the US crackdown, industry insiders noted.

They also said that in order to deal with the uncertainties and risks of the international market, China's large garment enterprises have built factories in Southeast Asia, or more distant locations such as Mexico.

According to a Chinese textile enterprise, which declined to be identified, it has built production bases in China's Xinjiang region and Vietnam.

Its factories in Xinjiang serve Chinese enterprises, while the factories in Vietnam serve overseas customers.

Source: globaltimes.cn– Jan 09, 2022

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Vietnam: Ministry to help local firms to join FDI multinationals' supply chains

The Ministry of Industry and Trade (MoIT) has said this year it will closely coordinate with several foreign multinationals like Samsung and Toyota to connect with local suppliers of materials and accessories, in an effort to seek alternative supply for imports in both short and long terms.

The ministry sets to raise the Industrial Production Index (IIP) by around 7 – 8 percent, contributing to boost the GDP growth to 6 – 6.5 percent in 2022, according to Deputy Minister Tran Quoc Khanh.

It plans to effectively implement projects providing help to supporting firms in the priority sectors of automobiles, electronics, textile and garment, and footwear; and support domestic producers to join supply chain of FDI enterprises and projects, he said.

Last year, the industrial production maintained growth, though modest, despite impacts of COVID-19, the MoIT reported. The sector expanded 4.82 percent from the previous year on the back of key areas such as electronics, textile and garment, footwear and wood manufacturing.

Among the 63 cities and provinces nationwide, Ninh Thuan saw the highest growth in IIP, 24.6 percent. It was followed by Dak Lak (23.8 percent), Gia Lai (20.5 percent), Hai Phong (18.2 percent), and Binh Phuoc (17.8 percent).

Ho Chi Minh City was among the worst-hit by COVID-19, with the IIP plunging 14.3 percent year-on-year due to COVID-19 outbreaks at factories and export processing zones causing production disruption.

Source: en.vietnamplus.vn– Jan 10, 2022

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All Sri Lanka textile and garment exports are expected to exceed $ 5 billion in 2021.

Textile and clothing exports from Sri Lanka could exceed $ 5 billion in 2021 after plunging 21% year-on-year to $ 4,423 million in 2020. This is because the island nation has already earned $ 4.44 billion by October. According to statistics released by the Central Bank of Sri Lanka, it is growing at 20.8% year-on-year.

In the first decade of last year, the central bank saw clothing exports up 23.6% year-on-year to $ 4,011 million and textile exports up 37.3% to $ 285.5 million. October 2021′.

Exports of other textile products reached $ 107 million between January and October 2021, a significant 44.2 percent year-on-year decrease, according to the latest figures released by the central bank of the country. I recorded it.

Textile and clothing exports from Sri Lanka could exceed $ 5 billion in 2021 after plunging 21% year-on-year to $ 4,423 million in 2020. This is because the island nation has already earned $ 4.44 billion by October. According to statistics released by the Central Bank of Sri Lanka, it is growing at 20.8% year-on-year.

According to the report, textile and garment exports accounted for 56.07 percent of all industrial exports from Sri Lanka for 10 months. Imports of textiles and textile products also increased 31.2% to $ 2.471 billion, while imports of clothing and accessories increased only 6.5% to $ 176.6 million.

During October, Sri Lanka's textile and clothing export revenues increased 42.5% to $ 510.6 million, compared to $ 358.2 million in exports for the same month in 2020. .. -Annual $ 265.8 million, clothing and accessories imports up 54.8% to $ 19.8 million.

In 2020, Sri Lanka's clothing exports were $ 3.939 billion, down 24.3% from $ 5.25 billion in 2019. Meanwhile, textile and textile imports fell 19.7% to $ 2.335 billion.

Source: eminetra.com– Jan 08, 2022

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Pakistan: Gas shortage: $250 m export orders cancelled

Pakistani exports have been severely affected by the gas shortage to the industries. All Pakistan Textile Mills Association has said that millions of dollars' orders have been cancelled due to the gas shortage.

Talking to the channel, APTMA Executive Director Shahid Sattar disclosed that at least export orders worth $245 million have already been cancelled. He said that the APTMA has also written a 'protest letter' to Trade Advisor Abdul Razzaq Dawood to inform the current situation.

Source: pakobserver.net– Jan 10, 2022

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Pakistan: Cotton prices hit all-time high on supply deficit

Cotton prices increased by Rs1,000/maund to an all-time high of Rs20,000/maund (37.324 kg)

Spot rate also raised by Rs600/maund to the peak level of Rs18,600/maund whereas prices in the international market also remained at the higher side after some fluctuation.

Traders said that textile and spinning mills did cautious buying during the outgoing week as prices were high in the local market while ginners were also vigilant and expected an increase in the prices. These tightened positions taken by spinners and ginners pushed the trade volume on the lower side, they added.

Market sources said local lint was short in the market and stocks were likely to go empty in February, while the arrival of new lint would partially start in June and there would be a gap or around four months.

"The large mills will need to buy cotton from other mills and smaller ones might suffer during the period," said an industry official.

"A foreign firm is also selling cotton and local mills have approached it. However, deals are not being reported in the market."

"Due to an increase in the prices by almost double compared with the last year, liquidity demand has increased in the market and several textile mills have exhausted their bank limits, facing problems in procurement."

However, prices of cotton yarn and textile products also increased in the market, benefiting the mills, especially spinners.

Prices of cotton remained at Rs16,000 to Rs20,000/maund in Sindh while seed cotton has almost ended while cotton-seed was sold for Rs1,600 to Rs2,400/ maund.

Cotton fetched Rs16,500 to Rs19,000/maund in Punjab, seed cotton was sold for Rs6,000 to Rs8,100/40-kg while cotton-seed was sold for Rs1,900 to Rs2,500/maund. Cotton stock in Balochistan has almost ended.

The spot rate committee of the Karachi Cotton Association increased the official spot rate by Rs600 per maund to Rs18,600 per maund.

Chairman Karachi Cotton Brokers Forum, Naseem Usman, told The News that prices in the international market were high during the outgoing week. March futures prices at New York Cotton Market rose to 117 cents per pound.

According to the weekly USDA (United States Department of Agriculture) report, cotton sales contracts from the US were recorded at 143,200 bales during the week whereas China remained the largest buyer with 47,000 bales, followed by Pakistan with 20,800 bales.

Traders said that Pakistani mills have entered into considerable cotton import contracts during the last few weeks.

Source: thenews.com.pk– Jan 09, 2022

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NATIONAL NEWS

Textile exports: How India can reach a target of $65 billion and counter Vietnam, Bangladesh

Textiles have a very long history in India. Known as the land of beautiful fabrics over the ages, India is home to a textiles industry that has been a very important part of the country.

However, the country's recent performance in global trade has not been commensurate with its abilities. Exports declined by 3 percent during 2015–2019 and by 18.7 percent in 2020. And yet during the same period, other low-cost countries such as Bangladesh and Vietnam have gained share.

A variety of factors have contributed to India's recent trade performance. India has factor cost disadvantages (example, power costs 30 to 40 percent more in India than it does in Bangladesh). Lack of free or preferential trade agreements with key importers, such as EU, UK and Canada for apparel and Bangladesh for fabrics, puts pricing pressure on exporters.

The high cost of capital and high reliance on imports for almost all textiles machinery makes it difficult to earn the right return on invested capital. Longer lead times than for Chinese manufacturers make India uncompetitive, especially in the fashion segment. The trend of nearshoring in western economies has not helped either.

However, COVID-19, which has triggered a recalibration of sourcing patterns (China-plus-one sourcing), has provided a golden opportunity for Indian textiles to regain a leadership position as a top exporting economy. India should strive to grow exports at a CAGR of 8 to 9 percent exports during 2019–2026, which should take exports to $65 billion by 2026.

The Ministry of Textiles has set an even higher export target of $100 billion over the next five years. Achieving these targets could help generate 7.5 million to 10 million direct new jobs in textiles.

For a sector that employs almost 45 million people in direct jobs across industry and farming, generating these many jobs will be a staggering achievement and will provide a big boost to the overall economy.

Achieving the $65 billion exports target up from $36 billion in 2019—will require India to double down in five key areas:

• **Apparel**: Target a $16 billion increase by riding the China-Plus-One sentiment. India is suitably positioned on this, thanks to its relatively large strategic depth compared to Vietnam or Bangladesh.

• **Fabrics**: Target a $4 billion jump by positioning India as a regional fabric hub, starting with cotton wovens and then extending to other sub-categories.

• **Home textiles**: Target a $4 billion increase by building on existing advantages to expand the global customer base.

• **Man-made fiber and yarn**: Target a $2.5 billion to $3 billion jump with a focus on gaining share in MMF (man-made fiber) products

• **Technical textiles**: Target a $2 billion jump by building capabilities in select key sub-segments on the back of potential domestic demand growth.

The path to achieving these targets will entail both government and industry taking crucial steps. And the government seems geared up for the challenge. The recent launches of multiple schemes such as MITRA, PLI, RoDTEP highlights this commitment.

It will be critical for government to follow up these launches with efficient implementation and for industry players to leverage these schemes effectively.

However, much more needs to be done. Achieving growth targets may require fresh investments of $20 to $25 billion. And attracting new investments will entail ensuring attractive returns on those investments.

While PLI and MITRA are right steps to achieve the same, India must also explore either reduction in import duties on machinery or promoting indigenous manufacturing to bring down cost of capex.

Other critical area will be to keep pursing free-trade / preferential-trade agreements with key importers (example – UK, EU, Canada) so as to make landed cost more competitive.

Additionally, in order to ensure that businesses are able to scale up effectively and operate profitably, India must take necessary steps to not only boost factor cost competitiveness but also to optimize service levels, adopt digitization, build design capabilities and invest in sustainability & traceability to enhance global competitiveness

If India wants to truly differentiate itself for global consumers, India must aim to project the country's textiles industry as a one-stop destination for products that are manufactured in a sustainable manner in transparent value chains with best-in-class quality at competitive costs and lead times.

India's performance over the next five years could set the pace for many years to come. With the country's global positioning and millions of jobs at stake, India will have to move—and move fast—on all identified frontiers.

Source: economictimes.com– Jan 10, 2022

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India to overtake Japan as Asia's 2nd largest economy by 2030: HIS

India is likely to overtake Japan as Asia's second-largest economy by 2030 when its GDP is also projected to surpass that of Germany and the UK to rank as world's No.3, IHS Markit said in a report on Friday.

Currently, India is the sixth-largest economy in the world, behind the US, China, Japan, Germany and the United Kingdom.

"India's nominal GDP measured in USD terms is forecast to rise from USD 2.7 trillion in 2021 to USD 8.4 trillion by 2030," IHS Markit Ltd said. "This rapid pace of economic expansion would result in the size of Indian GDP exceeding Japanese GDP by 2030, making India the second-largest economy in the Asia-Pacific region."

By 2030, the Indian economy would also be larger in size than the largest Western European economies of Germany, France and the UK.

"Overall, India is expected to continue to be one of the world's fastest-growing economies over the next decade," it said.

The long-term outlook for the Indian economy is supported by a number of key growth drivers.

"An important positive factor for India is its large and fast-growing middle class, which is helping to drive consumer spending," IHS Markit said, forecasting that the country's consumption expenditure will double from USD 1.5 trillion in 2020 to USD 3 trillion by 2030.

For the full fiscal year 2021-22 (April 2021 to March 2022), India's real GDP growth rate is projected to be 8.2 per cent, rebounding from the severe contraction of 7.3 per cent year-on-year in 2020-21, IHS Markit said.

The Indian economy is forecast to continue growing strongly in the 2022-23 fiscal year, at a pace of 6.7 per cent.

The rapidly growing domestic consumer market as well as its large industrial sector have made India an increasingly important investment destination for a wide range of multinationals in many sectors, including manufacturing, infrastructure and services.

The digital transformation of India that is currently underway is expected to accelerate the growth of e-commerce, changing the retail consumer market landscape over the next decade.

"This is attracting leading global multinationals in technology and e-commerce to the Indian market," according to the report. "By 2030, 1.1 billion Indians will have internet access, more than doubling from the estimated 500 million internet users in 2020."

The rapid growth of e-commerce and the shift to 4G and 5G smartphone technology will boost home-grown unicorns like online e-commerce platform Mensa Brands, logistics start-up Delhivery and the fast-growing online grocer BigBasket, whose e-sales have surged during the pandemic, IHS Markit said.

"The large increase in FDI inflows to India that has been evident over the past five years is also continuing with strong momentum in 2020 and 2021," it said.

This, it said, is being boosted by large inflows of investments from global technology MNCs such as Google and Facebook that are attracted to India's large domestic consumer market.

Being one of the world's fastest-growing economies will make India one of the most important long-term growth markets for multinationals in a wide range of industries, including manufacturing industries such as autos, electronics and chemicals, and services industries such as banking, insurance, asset management, healthcare and information technology.

Source: economictimes.com– Jan 10, 2022

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Commerce ministry restarts COVID-19 helpdesk to resolve import, export issues

The commerce ministry on Thursday restarted its COVID-19 helpdesk to help resolve issues of exporters and importers related to international trade such as customs clearance delays and banking matters amid rising coronavirus cases. It was first started in April 2021.

The Directorate General of Foreign Trade (DGFT), an arm of the ministry, took this initiative to monitor the status of exports and imports, and difficulties being faced by trade stakeholders in view of the surge in COVID-19 cases.

"DGFT has operationalised a 'COVID-19 Helpdesk' to support and seek suitable resolutions to issues arising in respect of international trade," the Directorate said in a trade notice to all exporters, members of trade, export promotion councils and commodity boards.

The helpdesk will look into issues relating to import and export licensing, customs clearance delays and complexities arising thereon, import/export documentation, and banking matters.

"Helpdesk would also collect and collate trade related issues concerning other ministries/departments/ agencies of central and state governments and will coordinate to seek their support and provide possible resolution," it said.

Stakeholders can submit information on the DGFT website about their issues on which support is required.

The status of resolutions and feedback may be tracked using the Status tracker under the DGFT Helpdesk Services. E-mail and SMS would also be sent as and when the status of these tickets are updated.

The country reported 90,928 fresh coronavirus infections, the highest in over 200 days, that pushed its caseload to 3,51,09,286, according to the data of the Union health ministry. As many as 91,702 new infections were reported on June 10 last year.

Source: economictimes.com– Jan 08, 2022

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India's cotton exports begin to slide as premiums jump on lower crop

Indian cotton exports have begun to slide as premiums over benchmark U.S. futures have jumped on expectations of lower output at a time when there is strong demand from local textile mills, industry officials said.

The higher premiums sought by India, the world's biggest cotton producer, could force Asian buyers such as Bangladesh, Vietnam and China to increase purchases from other suppliers such as the United States, Brazil, Australia and African nations.

"Exports are nonviable. We are selling a small amount to Bangladesh, but other buyers are not purchasing," Vinay Kotak, director at Mumbai-based Kotak Ginning and Pressing Industries Pvt. Ltd told Reuters.

Indian cotton is being offered at around 135 cents per lb, cost and freight-basis, to buyers in Bangladesh for January and February shipment, nearly 20 cents over U.S. futures, dealers with global trading firms said. Usually, India charges a premium of 5 to 10 cents/lb over U.S. futures.

Record domestic prices could stifle exports in the 2021/22 marketing year ending on Sept. 30, Kotak said. He predicted India will ship just 4 million bales compared to 7.8 million bales a year ago as buyers switch to rival suppliers.

Indian mills have exported 1.8 million bales so far in the season and are likely to ship around 1 million bales in January and February, dealers said.

A few buyers from Bangladesh are paying higher prices for Indian cotton as they need prompt shipments and want assurance of delivery, said a Mumbai-based dealer with a global trading firm.

Nearly half of India's cotton exports to Bangladesh are via a land border, making shipments more reliable than from rival suppliers.

Bangladesh also buys cotton from the United States, but U.S. cotton crop will become available only after March and there is no guarantee that shipments would land on time as labour shortages caused by the latest wave of the COVID-19 pandemic could exacerbate congestion at ports, the dealer said.

RAIN-DAMAGED CROP

India's cotton production could fall to 34 million bales in 2021/22 marketing year, down nearly 4% from a year ago as crops in key producing states were damaged by rains during the harvesting season, Kotak said.

The lower output is reflected in spot markets, with daily trading volumes dropping to around 175,000 bales, whereas 250,000 bales would be more usual at this time of year, said a New Delhi dealer with a global trading firm.

"Farmers know the crop size is low. They are releasing stocks slowly, anticipating a further rally in prices," the dealer said.

Indian spinning mills are aggressively buying raw cotton as export demand for yarn is robust, said a yarn manufacturer based at Ahmedabad in Gujarat state.

"Mills are building stockpiles. Local consumption could rise above 35 million bales this year. We may need to import good quality cotton," he said.

Textile mills are keen to import cotton, but overseas buying is hindered by a 10% import tax that New Delhi imposed last year, said Kotak.

"Imports would land in bulk if government removes the import duty," Kotak said.

India imported 1 million bales in 2020/21 and in the current season traders have contracted to import 700,000 bales, the New Delhi based dealer said.

The country needs to import 2.5 million bales this year to arrest further gains in local prices, the dealer said.

Source: economictimes.com– Jan 07, 2022

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Tax refund schemes may see sharp hike in outlay

The government will likely raise allocation under two crucial tax remission schemes for exporters —RoDTEP and RoSCTL — to as much as Rs 22,000-27,000 crore in the Budget for the next fiscal from about Rs 19,400 crore in FY22, a senior official told FE.

"Given the sharp rebound in exports, there is a need to raise the outlay for these schemes substantially to ensure all exporters continue to get tax remission and our outbound shipments remain truly zero-rated, in sync with the best global practices. Since the export target is going to be much bigger in FY23, the fund requirement will also rise accordingly," he said.

Sustained and adequate remission of taxes, in addition to structural reforms, will improve exporters' competitiveness and better equip them to cash in on the current resurgence of industrial demand in advanced economies, even as the new Covid strain threatens their ability to honour supply commitments on time. It also remains critical to India's efforts to scale up goods exports to the targeted $1 trillion by FY28 from $291 billion in FY21.

Under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, the refund rates have been set in the range of 0.3% to 4.3% of the freight-on-board (FoB) value of the exported products. Similarly, under the Rebate of State and Central Taxes and Levies (RoSCTL) scheme, garment exporters get scrips of up to about 6% and the made-up sector up to 8.2%. Exporters' body FIEO has forecast that outbound shipments could rise to a fresh peak of $460-475 billion in FY23.

Merchandise exports surged to $300 billion until December, a record for the first three quarters of any fiscal, and are poised to hit the lofty target of $400 billion for the current fiscal. Only a sustained growth momentum for the next few years will help the country recapture its lost export market share. Exports had remained below par in the past decade, having fluctuated between $250 billion and $330 billion a year since FY11, before the surge in the current fiscal.

The government has allocated Rs 12,454 crore for the RoDTEP scheme and Rs 6,946 crore for the RoSCTL programme for garment and made-up exporters.

Earlier this fiscal, the government pledged to release Rs 56,027 crore to clear all the pending dues owed to exporters until FY21 under various schemes.

This amount, over and above the allocation for the RoDTEP and RoSCTL schemes, was aimed at substantially improving the liquidity of Covid-hit exporters. The announcement came as a relief for exporters, who have also been hurt by a spurt in global shipping costs (over 200% jump since August 2020).

Source: financialexpress.com– Jan 10, 2022

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Extra borrowing space for states likely in FY23 too

The aggregate debt of states touched a 15-year high of 31.1% of GDP in FY21. For the third year in a row, the Centre will likely set the states' net borrowing limit at a level higher than prescribed under the fiscal responsibility framework in FY23, in view of their higher spending commitments amid below-potential revenue mop-up. But the extra borrowing space to be granted next fiscal will be relatively less, as the Centre is concerned about a greater leeway pushing the states' debt to a precarious level.

The aggregate debt of states touched a 15-year high of 31.1% of GDP in FY21. For FY23, the net borrowing ceiling for states may be set at 3.5-4% of gross domestic product (GDP), according to official sources. Like in the previous two years, a portion of the additional borrowing space for states will be contingent on their performance as per certain yardsticks such as capital expenditure and power sector reforms.

Both in FY21 and FY22, the Centre had linked additional net market borrowing of 1% of GDP each out of 5% and 4.5% of GDP to reform-linked performances by states. The objective was to aid states to bridge the resource gap due to the adverse impact of Covid-19 on their revenues as well as to improve the quality of expenditure. For FY22, 50 bps of the borrowing ceiling of 4% of GDP was linked to meeting capex targets while a separate 50 bps window was given to states for improving the power distribution firms' corporate governance and lowering pilferage in power supplies.

In order to avoid a sudden drop in the resource availability to the states, a similar conditional limit of 0.5-1% of GDP could be earmarked for the states in FY23 as well to keep the tempo in capital expenditure and power sector reforms.

However, many states have urged the Centre to give flexibility to states to plan expenditure by giving unconditional borrowing limit for states. In the pre-budget meeting with union finance minister on December 30, Tamil Nadu sought unconditional borrowing limit of 5% while West Bengal asked for 4%. "The imposition of such conditions adversely affects the state finances and its pattern of expenditure," Tamil Nadu finance minister Palanivel Thiaga Rajan had said.

However, the Centre might retain the conditions, which a union government official said has helped improve quality of expenditure.

It may be recalled that as against 5% limit available to states, the aggregate borrowing permission granted to states for FY21 (conditional and unconditional) was 4.5% of the initially estimated GSDP. As many as 23 states availed additional borrowings of Rs 1.06 lakh crore linked to reforms in the year, including steps to improve ease of doing business, collection of property tax and fees by urban local bodies and power sector reforms.

In FY22, eleven states have so far been allowed to borrow an additional Rs 15,721 crore for achieving the capital expenditure target set for them in the first quarter of FY22. Data gathered by FE of 16 states showed that these states reported a combined capex of Rs 1.5 lakh crore in April-October of FY22, up 70% on year, compared with a decline of 34% in the corresponding period of FY21.

“We are assuming that the Centre will go by the finance commission recommendation of normal borrowing limit of 3.5% for FY23. However, it’s possible that out of 3.5%, 0.5% will be kept for capital expenditure,” said Icra chief economist Aditi Nayar. She said states might face resource crunch in FY23 due to likely reduction in borrowing ceiling and non-availability of guaranteed goods and services tax (GST) compensation after Q1FY23.

Except in FY10, FY16 and FY17, states had maintained their combined gross fiscal deficit below the Fiscal Responsibility and Budget Management (FRBM) ceiling of 3% of GDP till FY20. The overshooting of deficit in FY10 was due to the response to the global financial crisis, whereas the implementation of Ujwal DISCOM Assurance Yojana (UDAY) was responsible for higher deficit in FY16 and FY17. In FY21, the states combined fiscal deficit came in 4.2% as against budget estimate of 3.2% and is estimated to be 3.7% in FY22.

It has been observed that many states prefer to borrow less (Odisha has not borrowed at all till now in FY22) and try to revert to their normal borrowing pattern below 3% of their respective GSDP to keep interest cost in check, resulting lower aggregate fiscal deficit than the headroom available. The market borrowing cost for the states has touched the highest level so far this fiscal with the weighted average cut-off crossing the 7.16% at the Tuesday’s auctions, up 11 bps over the past week, reflecting the hardening yields even for the state government securities.

Source: financialexpress.com– Jan 10, 2022

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India will be over US$10 trillion economy as per World Bank estimates: MEA

Ministry of External Affairs Secretary (Consular, Passport and Visa and Overseas Indian Affairs division) Sanjay Bhattacharyya stated that India will be over $10 trillion economy in next 25 years as per World Bank estimates.

Sanjay Bhattacharyya was speaking at the Youth Pravasi Bharatiya Diwas Conference 2022 on “Role of Diaspora Youth in Azadi Ka Amrit Mahotsav – Innovation and New Technologies”.

“25 years from now we will be celebrating our centenary; preparations underway for India vision 2047 (Independence Day)," stated Bhattacharyya.

Source: freepressjournal.in– Jan 09, 2022

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Forex reserves down by USD 1.466 bn to USD 633.614 bn

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

The country's foreign exchange reserves declined by USD 1.466 billion to USD 633.614 billion in the week ended December 31, RBI data showed.

In the previous week ended December 24, the reserves dipped by USD 587 million to USD 635.08 billion. It touched a life-time high of USD 642.453 billion in the week ended September 3, 2021.

During the reporting week ended December 31, the decline in foreign exchange reserves was on account of a fall in foreign currency assets (FCA), a major component of the overall reserves, Reserve Bank of India's (RBI) weekly data released on Friday showed.

FCA declined by USD 1.48 billion to USD 569.889 billion in the reporting week, the RBI data showed.

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

Gold reserves rose by USD 14 million to USD 39.405 billion in the reporting week, the data showed.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) remained unchanged at USD 19.114 billion in the reporting week, the RBI said.

The country's reserve position with the IMF was also unchanged at USD 5.207 billion in the reporting week, the data showed.

Source: financialexpress.com – Jan 07, 2022

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Top 10 Trends Of Global Economy In 2022 Explained In Graphics

NDTV's Prannoy Roy discusses the top 10 trends of global economy in 2022 with global investor and author Ruchir Sharma. According to Mr Sharma, inflation behaved a bit better, especially at the consumer price level, and so in fact India's inflation rankings improved on a global basis in 2021.

This year, Mr Sharma says interest rates are set to rise even further and that could deflate some of the optimism and some of the "Bubblets" out there.

Click here for more details

Source: ndtv.com– Jan 08, 2022

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High prices of cotton lead to demand for raw material at reasonable prices

CURRENTLY, THE cotton and soyabean farmers have more than one common cause between them. Growers of both crops are enjoying a rare bull run in prices even as other value chain participants cry foul.

If the poultry industry had complained of exorbitantly high prices of soyabean, it is now the turn of textile industry which has raised its voice against the all-time high prices of kapas (raw unginned seed cotton). The common cause between both the poultry and textile industry curiously is future's trading platform which they said has resulted in unhealthy speculation and thus price rise in the commodities.

Since the start of the current (October-September) Cotton Marketing Year, average traded price of Kapas in most markets have been well above its government-declared Minimum Support Price (MSP) of Rs 5,726/quintal (medium staple). Talks of a global supply pinch and a short crop in the country had seen further price hike even as farmers decided to hold on to their crop rather than offloading them.

At present, Kapas prices in most markets of Gujarat, Maharashtra and Andhra Pradesh is trading well above Rs 10,000/quintal which the market sources say is a historic high.

India's cotton production, traders say, can be well around 300 lakh bales (1 bale =170 kg pressed ginned cotton) as against the earlier estimations of 340-345 lakh bales. Price of candy (356 kg of ginned cotton) is around Rs 74,000 which has dimmed prospects of exports

Indian exports, most say, would be around 30-35 lakh bales as against the normal 60 lakh bales of last season. Domestic demand, traders point out, would ensure not much produce leaves the country. Till date, around 130 lakh bales of cotton has arrived in the market with farmers hoping for higher prices in the days to come.

If farmers are confident of better prices, the textile lobby mainly from the south Indian states have pressed the SOS button on account of high raw material prices.

Textile manufactures in the hub of Tiruppur in Tamil Nadu have decided to go on a two-day strike later this month to protest against the higher than normal yarn and candy prices. A major textile manufacturer based out of New Delhi had even written to the Prime Minister asking for immediate intervention to help them get raw material at reasonable price.

One of the main demands of the textile manufacturers, who procure candy or yarn and weave them into clothes is for ban on trading of the lint on the future's trading platform of both National Commodity and Derivatives Exchange and the Multi Commodity Exchange. In their letter to the Prime Minister, they have complained of speculative activities mainly on these platforms which has pushed up physical prices. Tamil Nadu Chief Minister MK Stalin has lend his voice with the textile manufacturers and asked for reduction of import duty on cotton to alleviate prices.

The present situation in cotton value chain has uncanny parallel with what had happened with soyabean last year. Alarmed with historic high prices of the oilseed, poultry farms who use de-oiled soyacake (the protein rich solid left after oil is expelled from the seed) as raw material for poultry feed had written to the government to allow for imports and for complete ban on future's trade of the oilseed.

Source: indianexpress.com– Jan 09, 2022

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India to keep sensitive dairy, agri items out of FTA with Australia

India is keeping sensitive dairy and agriculture items out of the India-Australia free trade agreement (FTA) as it does not want to compromise the interest of its farmers. But it may give limited market access to a handful of farm items that are not produced in the country, a person close to the negotiations has said.

"India is not offering concessions for items that are essential for the livelihood of lakhs of dairy and agriculture farmers such as milk, butter, milk powder or wheat. This has been clearly communicated to Australia and there is no cause for apprehension for farmers," the source said.

However, the possibility of giving market access, by reducing tariffs or other import restrictions, for a handful of agriculture items, that are neither produced nor consumed in great quantities in the country, can't be ruled out in case the situation demands it, the source added.

"Market access for products such as blue cheese or macadamia nuts, that have no production base or a wide consumer base in India, cannot hurt Indian farmers or dairy producers.

Such items can be considered if the negotiations enter an intense give and take phase and there is a lot at stake for the country in terms of potential gains to be made," the source explained.

In finishing touches

India and Australia are, at the moment, trying to give finishing touches to an interim free trade agreement that would lead to lower import duties and more market access for a limited number of items and sectors. It will subsequently be expanded into a full-fledged Comprehensive Economic Cooperation Agreement covering most trade goods and encompassing several areas such as services, investments, government procurement and intellectual property.

Australian producers, too, have been urging their government to focus on market access for items that are not produced much in India.

The Australian Nut Industry Council, in a representation to the Australian government on the proposed CECA with India, pointed out that for all Australian tree nuts except walnuts, the production in India is close to zero, according to. "Therefore, for almonds, macadamias, pistachios, pecans, and hazelnuts, the progress of the agreement could do so without any effects on local Indian producers. The tariff reductions by India on these nuts should be enough to allow effective entry into the Indian market," it said.

According to Grain Trade Association of Australia, growth potential for Australian exports remains in commodities that India needs due to shortfalls in production including pulses, grains, horticulture and oilseeds. "Opportunities also exist, or will emerge, for value-added products sought by the growing middle class.

Despite this, India remains a difficult market, characterised by fluctuating import demand and sharp and sudden policy changes which make it a high-risk market for exporters," it said in its submission and asked the government to seek reduction in both tariff and non-tariff barriers.

While India is interested in getting more market access for goods such as textiles, leather and gems & jewellery, it also has expectations of gaining greater opportunities for its workers and professionals through easier visa norms and mutual recognition of professional qualifications.

India's exports to Australia in 2020-21 were valued at $4 billion, while imports from the country were at $8.5 billion. India was Australia's seventh-largest trading partner and sixth-largest export market in 2020, driven by coal and international education, according to the Australian government.

Source: thehindubusinessline.com– Jan 09, 2022

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Worries mount for retailers, mall-owners, restaurants over Covid restrictions

Retailers, mall owners and restaurants are bracing for lower sales and muted consumer sentiment with various kinds of restrictions such as night curfews and weekend curfews being imposed in some States, besides shorter operational hours due to rising Covid cases. Industry bodies such as Retailers Association of India and National Restaurant Association of India have urged the Centre to direct State governments to not impose ad-hoc restrictions and to consider number of hospitalisations as a key critiera for such measures.

Serious buyers

Harkirat Singh, MD, Aero Club – known for the brand Woodland, said, “Till December, business was doing well, but these restrictions in the wake of rising cases has impacted that momentum of recovery. Sales are already down 40-50 per cent as only serious buyers are coming out to shop for necessity items. Winter is a key season for us and we had set good targets for January but I don’t think we will be able to achieve them now with the restrictions and impact on consumer sentiment.”

Lalit Agarwal, Managing Director, V-Mart, said, “There are challenges in terms of operations, especially in regions like Delhi, Haryana and Bihar. We are seeing footfalls at stores as consumers are coming out to buy the necessity items but, as cases rise, we are expecting a greater impact on consumer sentiment.”

He said the retail sector could see a dip in sales to the tune of 25-30 per cent in the March quarter.

While many States have imposed night curfews, weekend curfews have also made a comeback in States like Delhi and Karnataka. In addition, in some districts and States such as Haryana and Bihar, malls have been asked either to shut down completely or operate for shorter hours.

‘Focus on protocols’

Referring to the weekend lockdown in Karnataka, Manoj Singh, Cluster Director – Karnataka, Nexus Malls, said, “Malls not operating on weekends would mean losing 50 per cent of our business. We are already seeing

footfalls dip by around 15-25 per cent across malls during the first week of 2022."

Kumar Rajagopalan, CEO, Retailers Association of India said, "There should not be any knee-jerk reactions and ad-hoc restrictions as it will lead to loss of business and livelihoods. Weekend curfews do not make any sense and stores should be allowed to open for longer hours to avoid over-crowding. The focus should be on implementing Covid safety protocols."

The National Restaurant Association of India believes the situation is particularly grim after two pandemic waves led to nearly 25 per cent of restaurants to shut down. It said the third wave will hurt consumer sentiment in the near term. The industry body has written to mall owners and landlords, urging them to rework commercial agreements and give complete waiver on rentals and CAM (common area maintenance) charges to restaurants in case of complete shutdown of dine-in. It has also urged them to switch to pure-revenue share model where restrictions on restaurants have been imposed, among other measures.

But optimism remains

"The high infection rate of Omicron variant is now being witnessed, especially in metro cities. This will limit footfalls in the short term; restrictions will also impact businesses to some extent. However, we are hopeful that the 3rd wave will be shorter and expect a stronger bounce-back owing to the impending marriage season," said SL Pokharna, CEO – Lifestyle Business, Raymond Ltd.

Source: thehindubusinessline.com– Jan 09, 2022

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India's sea cargo tonnage near pre-pandemic levels

The export figures for December 2021 at $37.29 billion, the highest ever for any month and an increase of 37.0% over December 2020 and 37.55% over December 2019, are very heartening. However, the figures for tonnage of cargo handled at the sea ports that account for over 90% of imports and exports in volume terms are not that encouraging.

During April-December 2021, the exports and imports showed, in value terms, an increase of 48.85% and 69.27% respectively over the April-December 2020 period. However, the cargo handled at India's dozen State-owned major ports rose only by 10.74% during that period. The figures for the cargo handled at the non-major ports are not yet available. The breakup of imports and export cargo volumes is also not yet available for the relevant period.

The available cargo volume figures for all sea ports i.e. all major and non-major ports show that in April-November 2019, they handled 696.12 million tonnes. This figure fell to 642.86 million tonnes in April-November 2020 and rose to 694.89 million tonnes in April-November 2021. This shows that the tonnage handled at the ports in April-November 2021 is almost the same as at the pre-pandemic levels. These cargo volume figures suggest that the higher export and import figures in value terms may have more to do with higher commodity prices and steep increase in container rentals and freight rates.

Even so, reaching the pre-pandemic levels in exports and imports, even in volume terms, is no mean achievement. Exporters coped with supply side disruptions, second wave of the pandemic, intermittent lockdowns, container shortages, blank sailings, high container rentals, soaring freight rates, logistic bottlenecks and so on to ensure that their customers abroad are served well enough. The Merchandise Exports from India Scheme (MEIS) ended in December 2020.

The utility for filing the MEIS applications was disenabled till September 2021 and thereafter, the MEIS claims were restricted to the extent of allocations from the Finance Ministry. Even now, the allocations are not sufficient to allow the claims for exports made during October-December 2020. The Refund of Duties and Taxes on Export Products scheme was launched in January 2021 but the rates were announced and the utility for

getting the duty credits was made available only in September 2021. Still, the exporters showed enough resilience and performed creditably.

On their part, the buyers were willing to put up with delays and higher freight charges and take the supplies not only for meeting the soaring demands from their customers but also for building up enough inventories to ensure that any disruptions in supply chains do not result in stock-out situations. The easy monetary and fiscal policies, especially in the developed countries helped revive the global demand for goods.

Through the difficult days, the service providers in the logistics industry, such as the truck drivers, warehouse and container depot operators, customs brokers and the officers and other staff at the Customs helped in easier movement of cargo. Their contributions usually go unnoticed as also the contributions of the other government and private agencies facilitating export of goods. The impressive export performance came at a time when the domestic demand was rather tepid. Hopefully, the Budget 2022 will spur investment in the economy that will create more jobs and boost domestic consumption.

Source: business-standard.com– Jan 10, 2022

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Migrants once again leave for home fearing lockdown

Migrant labourers, who during the previous coronavirus-induced lockdown, ran out of food, struggled to access healthcare and faced acute livelihood problems, are once again returning to their home states fearing that the weekly curfew may be converted into a lockdown as Covid surge continues.

Fearing lockdown in the national capital, migrant labourer Hemant Maurya has already left for his home state.

“Last time, I got stuck in the national capital with my family. Duration of lockdown was extended gradually and I faced a lot of hardship. That’s why when this time I heard of curfew, I left the national capital,” Maurya said.

He further said: “If the curfew is not extended, we will come back. Fearing lockdown, I left for home on January 6. Will face problem due to unemployment, but if life will be saved, will find some work. This time I was accompanied by four fellow labourers.”

Hemant is not the only one, 33-year-old Raju, resident of Gonda district, also returned home.

Raju said: “In the previous lockdown, my kids were staying with me. We did not have money and had to survive without food for one day. After borrowing money from my friend, I returned home. This time, I did not wait for anything. If curfew will not be extended, we will return.”

“One of my villagemen Vinod has also returned along with me. Covid cases are increasing. We will think about going back when the situation becomes normal,” Raju further said.

Delhi’s daily Covid tally has crossed over 20,000 cases in a day. Due to surge in infection, lockdown is likely to be imposed, which is a cause of concern for the migrant labourers.

Although the government has imposed night and weekend curfew to contain Covid, but given the current situation, migrant labourers are taking no chances this time and are either preparing or opting to leave for home.

Toufiq Ahmed, a contractor in a society in Delhi's Prem Nagar, is a resident of Ambedkar Nagar. Many people from his village work under him. Even before the imposition of curfew in the national capital, eight of the migrant labourers left for their home.

Ahmed told IANS that eight labourers have already returned home and others are likely to follow.

"Despite our assurance to the migrant labourers that there will be no shortage of food, they are scared," Ahmed added.

"The workers who faced hardships during previous lockdowns are frightened and are rushing for their homes. At the same time, bus fare has also increased. Earlier, a private bus from Prem Nagar to Ambedkar Nagar used to charge Rs 1,000 which has now been increased to Rs 1,200," he pointed out.

Ahmed said: "Labourers of Bihar, Gonda and Moradabad have left for their homes. Three labourers left two days ago and earlier, three workers left. We want that they should return early, failing which work would be affected. All the labourers who have left for their homes have not informed when they will come back."

However, many private operators, who sit outside Anand Vihar Bus Stand and look after buses operating for Bihar, said the situation is grim, so they are charging the high fare.

Most of the people who work in Delhi come from other states. If Covid situation does not improve, the national capital could re-witness the problems faced during the previous lockdowns.

On Monday the Kejriwal government will review the Covid situation in Delhi and will take a call whether to impose lockdown or not.

Source: telanganatoday.com– Jan 09, 2022

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