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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

UN forecasts lower global economic growth for 2022 and 2023

The UN said that after expanding by 5.5 per cent in 2021 -- the highest rate of global economic growth in more than four decades -- the world economy is projected to grow by only 4 per cent in 2022 and 3.5 per cent in 2023.

Last year's robust recovery was largely driven by consumer spending, some increase in investments and trade in goods surpassing levels before the Covid-19 pandemic, according to the UN World Economic Situation and Prospects 2022 report launched Thursday.

Momentum slowed

But the momentum for growth "slowed considerably by the end of 2021, including in big economies, like China, the European Union and the United States" as the impacts of monetary and financial stimuli from the pandemic began to recede and major supply chain disruptions emerged, the report said..

UN Undersecretary-General for Economic and Social Affairs Liu Zhenmin pointed to the economic and human toll of the highly transmissible Omicron variant of Covid-19.

"Without a coordinated and sustained global approach to contain Covid-19 that includes universal access to vaccines, the pandemic will continue to pose the greatest risk to an inclusive and sustainable recovery of the global economy," Liu said.

The report said labour shortages in developed economies are adding to supply chain challenges and inflationary pressures. It said growth in most developing countries and economies in transition has generally been weaker.

While higher commodity prices have helped countries reliant on commodity exports, rising food and energy prices have triggered rapid inflation, particularly in the nine-member Commonwealth of Independent States, formed after the break-up of the Soviet Union in 1991, and in Latin America and the Caribbean, the UN said.

"Recovery has been especially slow in tourism-dependent economies, notably in the small island developing states," it said.

The United Nations forecast is similar to the World Bank's released on Tuesday.

The 189-nation global financial institution that provides loans and grants to low and middle-income countries downgraded its forecast of worldwide economic growth to 4.1 per cent this year from the 4.3 per cent growth it was forecasting last June.

It blamed continuing outbreaks of Covid-19, a reduction in government economic support and ongoing bottlenecks in global supply chains.

Source: thehindubusinessline.com– Jan 13, 2022

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China's State Council announces guidelines to stabilise trade

China's State Council recently called for efforts to ensure domestic supplies of commodities as part of guidelines to stabilise exports and imports as a counter-cyclical buffer against uncertainty clouding the trade landscape. The cabinet released measures to prop up micro, small and medium enterprises and revised the list of retail imports via e-commerce.

The guidelines proposed an acceleration of export tax rebates and the improvement of export credit insurance services to better protect smaller trade firms against the cancellation of orders before shipments. Presently, the country's exports and imports are facing increased uncertainty, instability and imbalance, and the fundamentals of its trade operations remain unsound, the State Council said in an announcement.

Among the measures that are intended to secure orders, stabilise expectations and foster stable trade are efforts to coordinate and ensure stable commodity imports and broaden the import categories to better meet diversified consumption needs, state-controlled media outlets reported.

International consumption promotional activities are also being eyed to boost imports of consumer goods. In addition, overseas storage facilities got a mention in the guidelines, with financial institutions that offer cross-border financial services being encouraged to beef up financial support for traditional trade firms, cross-border e-commerce businesses and logistics firms so that they can build and utilise overseas warehouses.

Trade firms are expected to increase their awareness and capabilities when it comes to averting foreign exchange risks. A push for yuan-denominated cross-border settlement was also among the pro-trade measures. The tone-setting Central Economic Work Conference in December identified demand contraction, supply shocks and weakening of expectations as major headwinds confronting the economy.

In the first 11 months of the year, the country's exports and imports rose 22 per cent year-on-year to 35.39 trillion yuan ($5.56 trillion), topping the full-year number for last year (32.16 trillion yuan), according to customs data.

Source: fibre2fashion.com– Jan 13, 2022

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Gloomy outlook for global recovery: World Economic Forum survey

Only one in 10 World Economic Forum (WEF) members expects the global recovery to accelerate over the next three years, according to a poll of around 1,000 business, government and academic leaders, which found only one in six is optimistic about the world outlook. Climate change was perceived as the top danger by respondents in the WEF's annual risks report.

Erosion of social cohesion, livelihood crises and mental health deterioration were identified as risks that had increased the most since the start of the COVID-19 pandemic.

"Global leaders must come together and adopt a coordinated multi-stakeholder approach to tackle unrelenting global challenges and build resilience ahead of the next crisis," Saadia Zahidi, WEF managing director, said.

Extreme weather was considered the world's biggest risk in the short term and a failure of climate action in the medium and long term—two to 10 years, the survey showed.

"Failure to act on climate change could shrink global GDP by one-sixth and the commitments taken at COP26 are still not enough to achieve the 1.5 (degrees Celsius) goal," Peter Giger, group chief risk officer at Zurich Insurance, which helped to compile the report, said.

The report also highlights four areas of emerging risk—cybersecurity, a disorderly climate transition, migration pressures and competition in space.

The report is published each year ahead of the annual WEF meeting in Davos. However, the Geneva-based organisation last month postponed the January event until mid-2022 due to the spread of the Omicron coronavirus variant.

Source: fibre2fashion.com– Jan 14, 2022

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China's trade surplus surges to record $676.4B in 2021

China's politically volatile global trade surplus surged to $676.4 billion in 2021, likely the highest ever recorded by any country, as exports jumped 29.9% over a year earlier despite semiconductor shortages that disrupted manufacturing.

The country's trade surplus in December swelled 20.8% over a year earlier to a monthly record of $94.4 billion, customs data showed Friday. China piled up a series of monthly export surpluses in 2021 but they prompted less criticism from the United States and other trading partners than in earlier years while they focused on containing coronavirus infections. Exports rose to $3.3 trillion in 2021 despite shortages of processor chips for smartphones and other products as global demand rebounded from the pandemic. Manufacturers also were hampered by power rationing imposed in some areas.

The surplus with the United States, one of the irritants behind a lingering U.S.-Chinese trade war, rose 25.1% in 2021 over a year earlier to $396.6 billion. Trade envoys have talked since President Joe Biden took office in January but have yet to announce a date to resume face-to-face negotiations.

Exports to the United States gained 27.5% over 2020 to $576.1 billion despite higher tariffs imposed by Biden's predecessor, Donald Trump, that still are in place on many goods. Chinese imports of American goods rose 33.1% to $179.5 billion. Chinese imports in 2021 rose 30.1% to $2.7 trillion as the world's second-largest economy rebounded from the pandemic.

Economic growth weakened in the second half of the year as Beijing carried out a campaign to reduce what it sees as dangerously high debt in the real estate industry, but consumer spending was above pre-pandemic levels.

The country's global trade surplus was a 26.4% increase over 2020, which economists said earlier was among the highest ever reported by any economy. They said the only comparison as a percentage of the economy was likely Saudi Arabia and other oil exporters during the 1970s, but their total revenues were smaller.

Source: financialexpress.com– Jan 14, 2022

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Clothing spending climbs in US, Mexico; drops in China: Cotton Inc

The latest Things to Know infographic from Cotton Incorporated has presented findings from the 9th wave of the Coronavirus Consumer Response Survey of 1,500 consumers in the US, Mexico, and China. According to the survey, consumer spending on clothing climbed in the US and Mexico since the start of the pandemic, while it dropped in China.

In December 2021, the percentage of people who shopped for clothing in physical stores in the US was 60 per cent, in Mexico was 58 per cent and in China was 68 per cent.

As consumers look to dress up and go out, comfort remains a priority. About 51 per cent of people surveyed in the US plan to purchase casual tops and bottoms, 52 per cent plan to purchase loungewear and 52 per cent are interested in T-shirts and denims. Additionally, about 53 per cent plan to go for activewear and athleisure, while 56 per cent are looking to but dress pants, shirts or blazers.

In Mexico, about 40 per cent of people surveyed plan to purchase casual tops and bottoms, 40 per cent plan to purchase loungewear and 47 per cent are interested in T-shirts and denims. Additionally, about 42 per cent plan to go for activewear and athleisure, while 48 per cent are looking to but dress pants, shirts or blazers.

In China too, comfort remains a priority as 96 per cent say wearing comfortable clothing helps them feel better, according to the survey. Amongst the people surveyed in the country, 39 per cent plan to purchase casual tops and bottoms, 40 per cent plan to purchase loungewear and 46 per cent are interested in T-shirts and denims. Additionally, about 43 per cent plan to go for activewear and athleisure, while 50 per cent are looking to but dress pants, shirts or blazers.

Source: fibre2fashion.com– Jan 13, 2022

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US retail apparel prices yet to go beyond pre-COVID levels: Cotton Inc

Retail apparel prices have risen in recent months but have yet to rise beyond pre-COVID levels (the November apparel CPI was 1.7 per cent lower than in February 2020), as per the Executive Cotton Update US Macroeconomic Indicators & the Cotton Supply Chain by Cotton Incorporated. Average import costs recently equalled their pre-pandemic levels. Yarn and fibre prices have flown by values before the outbreak (the average for the A Index was up 65 per cent in December 2021 versus February 2020, the average for Cotlook's yarn index was up 45 per cent over the same period).

Statistically, the strongest correlations between fibre prices and apparel import costs are around nine months. This suggests that the surge in cotton prices that began in late September should continue to pull import costs higher for another five to six months. Higher sourcing costs could eventually lift retail prices beyond pre-pandemic levels.

Overall consumer spending was essentially flat month-over-month in November (+0.03 per cent). Year-over-year, overall spending was up 7.4 per cent. Apparel spending was down month-over-month in November (-2.6 per cent). This was the first month-over-month decrease in three months (was -2.7 per cent in July and averaged 1.6 per cent month-over-month growth from August through October).

Year-over-year, apparel spending was 18 per cent higher in November. Relative to the same month in 2019 (pre-COVID), apparel spending was up 22.9 per cent. The long-term average annual growth rate in spending on clothing is 2.2 per cent (2003 through 2019), so recent growth in apparel spending is exceptional, according to the Cotton Incorporated report.

The Consumer Prices & Import Data (CPI) for apparel increased in November (latest available). Month-over-month, retail prices were 1.5 per cent higher. Year-over-year, prices were 5 per cent higher. Despite monthly increases in seven of the past eight months, average retail prices are still lower than before the pandemic (-1.7 per cent in November 2021 versus February 2020, seasonally-adjusted data).

Source: fibre2fashion.com– Jan 13, 2022

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Interview with Dr. Christian Schindler

What are your key takeaways from the textile and apparel industry developments in 2021?

In crises like the pandemic, it is key to act quickly and with determination. Pro-active adaptation to new economic, social, or environmental circumstances can turn a challenge into an opportunity. The pandemic has also shown how important it is to have a sound balance sheet that does not only provide a company with the financial resources to overcome a crisis but that allows a company to emerge stronger by being capable to invest during and after coming out of a crisis.

Does 2022 seem to be as uncertain as 2021? Which factors would you rank as of topmost concern?

A pandemic is difficult to handle as so many factors play into it. The biggest challenges well into 2022 are to deal successfully with logistical issues and the related price increases. It will be crucial that the textile value chain will be able to pass on some of the price increases to the end consumers. Certain parts of the cost increases need to be absorbed by increasing the level of automation and improving labour productivity.

By when do you expect the challenges of shipping industry to ease?

The logistical problems will remain a headache as long as the global economy is overheated as it was for the most part in 2021. Since the extraordinary expansive fiscal policy has come to an end and also the expansive monetary policy is reversed cautiously, global demand will grow slower, which should help to bring demand and supply back into balance. In the 11th ITMF Corona-Survey in November 2021, practically all segments of the textile value chain expected good business in the first half of 2022.

Do you expect any significant movement in textile and apparel supply chains in 2022 due to the geo-political scenario, particularly the US-China tension?

Already in the past 5-10 years it could be observed that China's share of apparel exports fell slowly while many other countries increased their global shares, especially Bangladesh and Vietnam. But it should not be overlooked that China is still by far the largest apparel exporter in the world. The reduction of China's share is a result of higher labour costs in the country and therefore a logical development. Many Chinese textile companies have already invested outside China and will continue doing so. As for textiles, China is and will remain very competitive. Textile production is much more capital intensive than apparel production. Hence, rising labour costs in China are not as relevant in textile production. In addition, China has such a large and deeply integrated textile industry covering everything from spinning to the production of finished textile products. This gives China a unique position to provide practically everyone with any type of product at any quality and quantity.

On the demand side, do you expect a significant pick-up beyond pent-up consumption in 2022, without government support?

Many supportive measures have come to an end or will be phased out in important end-consumer markets, especially in the US. Since unemployment has also dropped significantly, demand can be expected to remain strong, albeit slightly weaker than in 2021. This is also the expectation of the majority of participants in the 11th ITMF Corona-Survey.

Following the recent COP26 meeting and given the textile industry's influential role in climate change, what major developments do you expect in 2022?

With all the different weather extremes around the world during the year 2021, the awareness that climate change is not only a theoretical threat but a real and existential one has increased tremendously. Leading brands and retailers have started numerous initiatives to identify ways and means to reduce their carbon footprint. The most well-known initiative in this regard is the Fashion Industry Charter for Climate Action (FICCA) that was launched at COP24 in Katowice, Poland in December 2018. Its mission is to drive the fashion industry to net-zero Greenhouse Gas emissions no later than 2050 in line with keeping global warming below 1.5 degrees Celsius. This means that textile and apparel producers around the world should increase their efforts to reduce their carbon-footprint as quickly and as much as possible. There is no single solution to do this. What is important is to start the process. Before companies can act, they must know where to start with. This requires reliable data. Therefore, it is important that companies digitise their production processes as much as possible.

Related to this, will we see brands increasingly start focusing on sourcing with sustainability/ethics as a factor?

Brands and retailers cannot afford in the medium- and long-term not to focus on sustainability—both environmental and social sustainability. What is important to note here is that brands/retailers must improve their sourcing practices. During the first lockdown period, too many brands/retailers cancelled or delayed orders, sometimes even orders that were already produced and shipped. Such purchasing practices are not acceptable. It sheds light on how such practices force suppliers often to cut corners like asking workers for more overtime, subcontracting, etc. This led to the formation of the Sustainable Terms of Trade Initiative (STTI). STTI consists of 13 industry associations from nine countries facing similar challenges regarding purchasing practices in the textile and garment industry. Through a process of consultation, these associations have jointly agreed on the text of the white paper released in September 2021.

Will we see greater technology adoptions in 2022 to solve transparency and traceability issues in the supply chain?

Transparency and traceability will play an increasingly important role in the future. The technology is there to trace products through the value chain both physically (tracers) and/or electronically (blockchain technology). Producing textile products in an ethical way will be indispensable in the future. More and more countries are introducing legislation that requires companies to be responsible for the products they source.

Energy prices are currently a major concern across the world. How do you see them continuing and what business strategies can we expect to cope with them?

Energy prices have peaked already and unless there are major geopolitical crises, the oil price should not be of much concern in 2022. What is more important for companies in the textile value chain is to decarbonise themselves. This means that companies must analyse their energy supply and should develop strategies to transform from fossil to renewable energy resources. To constantly increase the share of renewable energy will require a long-term strategy and a coordinated effort with other industry partners and governments.

Do you expect any changes in the textile and apparel business model in the New Year?

The pandemic has revealed that the global supply chains are vulnerable to extraordinary events. The companies along the entire textile supply chain must become more resilient in cases of external shocks.

They must identify risks associated with external shocks such as natural disasters, trade disputes, financial crises, cyberattacks, terrorism, epidemics and pandemics, climate change, etc. The frequency of such events as well as the costs involved have increased significantly in the past two decades. A new balance between efficiency and resilience or just-in-time and just-in case needs to be found.

Source: fibre2fashion.com– Jan 13, 2022

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EU assures Bangladesh of continuing trade benefits post LDC graduation

The European Union (EU) recently assured Bangladesh to continue trade benefits even after graduation from the least developed country (LDC) status in 2026.

The new EU ambassador to Dhaka Charles Whiteley offered this assurance while meeting Tapan Kanti Ghosh, senior secretary in the commerce ministry, to discuss bilateral trade and cooperation.

Both also discussed the next schedule of the EU-Bangladesh Business Climate Dialogue, diversification of Bangladesh's export products; extension of the EU generalised scheme of preferences (GSP) benefits; foreign investment in Bangladesh's logistics sector; organising programmes on capacity building, e-commerce, environment, compliance, market access; and continuing post-LDC graduation cooperation, according to Bangla media reports.

Source: fibre2fashion.com– Jan 14, 2022

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Colombiatex de lasAméricas planned from January 25-27, 2022

Columbia's main textile event, Colombiatex de lasAméricas will take place in Medellin from January 25 to 27. As per a Textile World report, the event will be attended by 19 Italian textile machinery manufacturers. It will be organized by Italian Trade Agency and ACIMIT, the Association of Italian Manufacturers of Textile Machinery.

The following ACIMIT member companies will participate in the event. Bonino, Btsr, Color Service, Crosta, Fadis, Flainox, Kairos, Mactec, Mcs, Nexia, Ratti, Reggiani, Santoni, Savio, Smit, SperottoRimar and Tonello.

Italian exports to the important South American market in the first nine months of 2021 reached a value of 9.3 million euros, in strong growth (over +130%), not only compared to the value recorded last year, but also to that of 2019. More than half of the demand for Italian machinery in Colombia refers to finishing machines.

The presence of Italian Companies at Colombiatex is a further sign of confidence for the beginning of 2022. Compared to previous editions of the event, there are more number of Italian exhibitors at the event, the health emergency is far from over and there is great uncertainty characterizing the world economic scenario. The Italian companies exhibiting in Medellin testify to the optimism with which the entire Italian textile machinery industry is looking towards this 2022 year.

Source: fashionatingworld.com– Jan 14, 2022

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Bangladesh: Cotton import to reach record high

The stage is set for Bangladesh's cotton imports to cross the 9 million bales mark this year for the first time despite the pandemic's severe fallout in the global supply chain because of a sudden rise in demand for yarn and fabrics from local garment exporters.

In the 2021 calendar year, Bangladesh imported 8.5 million bales of cotton spending more than $3 billion. One bale equals 480 pounds or 218 kilogrammes (kg). As export of Bangladeshi garment items has risen significantly with the reopening of global economies, cotton imports will surely surge.

Between July and December, the first six months of the current fiscal year, garment export grew by 28.02 per cent year-on-year to $19.90 billion. Of the amount, $11.16 billion came from knitwear, which witnessed a 30.91 per cent rise year-on-year. The remaining $8.73 billion came from woven, which is also a 24.50 per cent rise year-on-year.

"The upward trend of garment export will continue up to June this year as we booked a large volume of work orders," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), last week.

"We have already made payments of the letters of credit for importing the cotton," said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA), the platform of the primary textile sector and cotton millers. "We are expecting a rush in import of cotton in March and April this year and again a chaos in the port because of congestion," he said.

Khokon reiterated complaints that vessels of international shipping lines were reluctant to come to the country's premier Chattogram port because of long turnaround times due to congestion and a shortage of containers.

The BTMA president was talking to a group of journalists at his association office in Dhaka to share the current situation of the textile industry, citing the growing demand for yarn and fabrics. Khokon also said currently the local spinners can meet 90 per cent of the knitwear sector's demand for raw materials but only 40 per cent of that of the woven sector.

As a result, some 6 billion out of the required 10 billion metres of fabrics are imported to meet the demand of the local woven garment sector at a cost of $2.30 per metre.

"So the local millers have either been expanding or investing afresh in the primary textile sector, particularly in manmade fibre and spinning mills, to meet the growing demand of fibre and yarn," said Khokon. Some Tk 600 crore was invested in the spinning sector to set up 26 new mills last year, he said.

The government should facilitate the import of manmade fibres, as it does in the case of cotton import, because the country does not produce cotton and manmade fibres, he said. In the next two years, some 2.5 million spindles would be added to the existing 14 million spindles in the spinning sector with an investment of $2.5 billion, he said.

He said the price of the widely consumed 30 carded yarn had increased to $4.71 per kg in December last year.

Millers fixed the price at $.4.20 per kg in September last year to stop a rise in prices following a request made by the local garment exporters.

The price was increased mainly because of the price of cotton per pound going past $1in international markets, lower production of yarn due to gas crisis and abnormal hike in freight charges.

In August, the millers and garment exporters agreed that the price of 30 carded yarn will not cross $4.20 per kg in the local market if the cotton price remains between $0.85 per pound and $1.0 per pound.

However, the cotton price crossed this limit and the yarn price was hiked in the local markets, he added.

Khonon demanded that the government raise the ceiling for loan from an Export Development Fund to $40 million per borrower from the $30 million at present.

Source: thedailystar.net– Jan 14, 2022

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Bangladesh: Cotton crisis looms on feeder vessel shortage

Primary textile millers on Thursday expressed fear that the sector might face a crisis of cotton in March and onwards as the global shipping lines are showing unwillingness to carry containers to Bangladesh due to a shortage of feeder vessels and a lengthy unloading time here in the country.

They also feared suspension of production in spinning mills and rise in yarn prices in the local market if they failed to get cotton in time.

"At present, we are in an uncertain situation over the availability of cotton," said Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association (BTMA).

Though a couple of months have passed since the letters of credit were opened for importing cotton, the raw material consignments are not coming, he alleged, while addressing a press conference at the trade body's office in Dhaka.

Explaining the reasons, the BTMA president said shipping lines were reluctant to enter the Bangladeshi channel due to a shortage of feeder vessels.

In addition, inefficiency of the port has also been discouraging shipping lines to carry Bangladesh-bound cargoes as loading and unloading take more time causing additional anchoring charges for the mother vessels, added Mr Khokon.

He hinted that the local textile and readymade garment sector might face acute shortage of raw materials to meet their work orders for summer season to be placed in February and onwards.

The BTMA leader also alleged that it took five to six months to receive the cotton consignments after opening LCs as shipping companies were putting off Bangladeshi containers to the ports of China or elsewhere.

Bangladesh has to pay additional two to four cents for a pound of cotton due to the higher freight cost as container clearance in the country takes 10-15 days due to the complex customs procedures while other countries need three-four days, he added.

Responding to a question, the BTMA president said more than 100 members informed him verbally about the unwillingness of shipping lines to enter the Bangladeshi channel due to the shortage of feeder vessels and congestion in port.

Besides, the trade war between US and China also resulted in the containers being stuck in the ports of the two countries, he said.

He urged the government to look into the issue and take measures to increase the number of feeder vessels and improve the port facilities.

Citing statistics that import of polyester staple fibre increased by 75 per cent last year, he demanded duty-free import of all types of fibres to ensure product diversification, in order to meet the global demands.

The BTMA leader also demanded the government's policy support for a strong backward linkage industry to attract more investment, saying that the future success of forward linkage industry would largely depend on backward linkage industry.

Uninterrupted gas supply is also a must to help grow the trade, he added.

Source: thefinancialexpress.com.bd– Jan 14, 2022

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NATIONAL NEWS

India-UK Joint Media Statement on Launch of FTA Negotiations

Today the Republic of India and United Kingdom have formally launched negotiations for a Free Trade Agreement between our two countries.

This announcement has been made by Indian Minister for Commerce and Industry Piyush Goyal and UK Trade Secretary, Anne-Marie Trevelyan, who is in New Delhi for Free Trade Agreement discussions.

A India-UK Free Trade Agreement would be a substantial opportunity for both of our economies and a significant moment in the India-UK bilateral relationship.

The India-UK bilateral trading relationship is already significant, and both sides have agreed to double that bilateral trade by 2030, as part of Roadmap 2030 announced by the Prime Minister Narendra Modi and Prime Minister Boris Johnson in May 2021. India and the UK will seek to agree a mutually beneficial agreement supporting jobs, businesses and communities in both countries.

Trade negotiations will be a priority for both countries, as we build upon the Enhanced Trade Partnership launched by our Prime Ministers in May 2021.

During negotiations, and on the path to a comprehensive agreement, both Governments will consider the option of an Interim Agreement that generates early benefits for both countries. In parallel to trade negotiations, the India-UK Joint Economic and Trade Committee will continue to work in improving the India-UK trading relationship and addressing market access barriers outside of a trade agreement.

Both parties have agreed that the first round of negotiations will begin on 17 January, and future rounds of negotiations will take place approximately every five weeks. The Indian negotiating team will be led by Ms. Nidhi Mani Tripathi, Joint Secretary, Department of Commerce and the UK negotiating team will be led by Harjinder Kang, Director for India Negotiations at the Department for International Trade.

The ambition of both countries is to negotiate a broad agreement that will deliver for businesses and consumers.

Source: pib.gov.in– Jan 13, 2022

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India and UK Launch Free Trade Agreement Negotiations

The Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal launched the Free Trade Agreement negotiations with the United Kingdom along with Rt. Hon. Anne-Marie Trevelyan, UK Secretary of State for International Trade in New Delhi today. The FTA is expected to facilitate the target of doubling bilateral trade between India and United Kingdom by 2030, set by the Prime Ministers of both the nations, Shri Narendra Modi and Mr. Boris Johnson in May 2021.

Speaking on the occasion, Shri Piyush Goyal said that both India and UK are vibrant democracies, with a partnership built on our shared history and rich culture. The diverse Indian diaspora in UK, who act as a "Living Bridge", adds further dynamism to the relations between the two countries, he added.

The Minister said that the FTA with UK is expected to provide certainty, predictability and transparency and will create a more liberal, facilitative and competitive services regime.

Shri Goyal said that the FTA negotiations with the UK is expected to increase our exports in Leather, Textile, Jewellery and processed Agri products. He added that India is also expected to register a quantum jump in the export of Marine Products through the recognition of 56 marine units of India.

The Minister said that the Mutual Recognition Agreements (MRAs) on Pharma could provide additional market access. There is also great potential for increasing exports in service sectors like IT/ITES, Nursing, education, healthcare, including AYUSH and audio-visual services. India would also be seeking special arrangements for movement of its people, he added.

The Minister assured that subsequent to the unveiling of FTA, the two nations would proactively and regularly engage with each other, for deliberating on the scope and coverage of the trade deal. Observing that UK was a major trade partner of India with substantial bilateral volume of trade in goods and services, Shri Goyal said that the cooperation extended across areas like tourism, tech, startups, education, climate change, etc. and that the two nations were looking forward to a mutually beneficial trade deal with balanced concessions and market access package in a wide range of sectors.

Calling for the enhancement of sectoral cooperation by addressing market access issues and removing trade restrictions, Shri Goyal said that it would help generate direct and indirect employment in both nations.

The Minister said that the India-UK FTA will also contribute in integrating value chains and help augment our mutual efforts to strengthen the resilience of supply chains. Reminding that the leaders of both nations had envisioned launching the FTA Negotiations in early 2022, Shri Goyal expressed his happiness at the successful conclusion of discussions in a timely manner to announce the launch of our FTA negotiations today.

The Minister also informed that it was also agreed to explore during the FTA negotiations, the possibility of an Interim Agreement to provide quick gains for benefitting businesses in both nations. Our endeavour is to deliver a comprehensive, balanced, fair and equitable FTA, to benefit our small, medium and micro-enterprises in both nations, he said.

Source: pib.gov.in– Jan 13, 2022

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PM to interact with Startups on 15th January

Prime Minister Shri Narendra Modi will interact with Startups on 15th January, 2022 at 10:30 AM via video conferencing.

Startups from various sectors including Agriculture, Health, Enterprise Systems, Space, Industry 4.0, Security, Fintech, Environment etc will be part of this interaction. More than 150 startups have been divided into six working groups based on themes including Growing from Roots; Nudging the DNA; From Local to Global; Technology of Future; Building Champions in Manufacturing; and Sustainable Development. Each group will make a presentation before the Prime Minister on the allotted theme in the interaction. The aim of the interaction is to understand how startups can contribute to the national needs by driving innovation in the country.

As a part of Azadi ka Amrit Mahotsav, a week-long event, "Celebrating Innovation Ecosystem", is being hosted by DPIIT, Ministry of Commerce and Industry, from 10th to 16th January 2022. The event marks the 6th anniversary of the launch of the Startup India initiative.

Prime Minister has been a firm believer in the potential of Startups to contribute significantly to the growth of the nation. This was reflected in the launch of the flagship initiative Startup India in 2016.

Government has worked on providing an enabling atmosphere for boosting the growth and development of Startups. This has had a tremendous impact on the startup ecosystem in the country, and has led to a staggering growth of unicorns in the country.

Source: pib.gov.in– Jan 14, 2022

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Shri Piyush Goyal urges Global Venture Capital Funds to focus on Startups from Tier 2 and 3 cities

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal has called upon the Global Venture Capital (VC) Funds to focus more on Startups from Tier 2 and 3 cities. Chairing the 4th Roundtable with Global Venture Capital Funds, organised by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Shri Goyal invited the VCs to explore new sectors for investing, promote and protect the intellectual property created by the young Indian entrepreneurs, provide expertise to scale-up and explore greater capital infusion including risk capital. The Government has already taken a number of steps to support the Startups and would do so in the future also, he added.

It was pointed out in the meeting that India is home to over 61,000 recognised Startups spread across 55 industries, with 45% of them emerging from Tier 2 and 3 cities and 45% of Startups having at least one Woman Director, a testimony of diversity, spread and inclusivity of the Indian Startup ecosystem. It was also highlighted that specifically for Startup ecosystem, 49 regulatory reforms have been undertaken by the Government to enhance Ease Of Doing Business, Ease Of Raising Capital and Reduce Compliance Burden.

The Roundtable was held through video conference as part of the Startup India Innovation Week. Over 75 VC fund investors from across the United States, Japan, Korea, Singapore, and some Global Funds domiciled in India participated in the deliberations. These funds have a total Assets Under Management (AUM) of more than USD 30 billion in the Indian Region. A number of suggestions were made by the Global VC funds, which they felt could further the investors' sentiment in the sector.

The intent of this roundtable was to share progress report of the current Indian Startup-VC Ecosystem, insights on impact investing, India's global outlook and the opportunities and interventions for the way ahead of VC investments in India.

The roundtable discussion covered topics like Building for the World from India, An Impact, SDG and Digital India Outlook, Regulatory updates for Global and Domestic Funds, India Opportunity - How policies have shaped up the Ecosystem and Way Forward and Vision for India @ 2047. The session also covered the top regulatory issues to be addressed with the Government of India.

The meeting was attended by Shri Anurag Jain, Secretary, DPIIT and major Indian regulators, policymakers, along with Global VC Funds.

DPIIT is organizing Startup India Innovation Week from 10th to 16th January 2022. In the context of 'Azadi ka Amrit Mahotsav', this virtual innovation celebration is designed to showcase the spread and depth of entrepreneurship across India. The programme is bringing together top policy makers, industry, academia, investors, Startups and all ecosystem enablers from across the globe.

Source: pib.gov.in– Jan 14, 2022

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INDIA'S FOREIGN TRADE: December 2021

India's overall exports (Merchandise and Services combined) in December 2021* are estimated to be USD 57.87 Billion, exhibiting a positive growth of 25.05 per cent over the same period last year and a positive growth of 23.35 per cent over December 2019.

Overall imports in December 2021* are estimated to be USD 72.35 Billion, exhibiting a positive growth of 33.86 per cent over the same period last year and a positive growth of 40.30 per cent over December 2019

India's overall exports (Merchandise and Services combined) in April-December 2021* are estimated to be USD 479.07 Billion, exhibiting a positive growth of 36.31 per cent over the same period last year and a positive growth of 20.25 per cent over April-December 2019.

Overall imports in April-December 2021* are estimated to be USD 547.12 Billion, exhibiting a positive growth of 57.33 per cent over the same period last year and a positive growth of 18.57 per cent over April-December 2019.

MERCHANDISE TRADE

- Merchandise exports in December 2021 were USD 37.81 Billion, as compared to USD 27.22 Billion in December 2020, exhibiting a positive growth of 38.91 per cent. As compared to December 2019, exports in December 2021 exhibited a positive growth of 39.47 per cent.

- Merchandise imports in December 2021 were USD 59.48 Billion, which is an increase of 38.55 per cent over imports of USD 42.93 Billion in December 2020. Imports in December 2021 have registered a positive growth of 50.24 per cent in comparison to December 2019.

- The merchandise trade balance for December 2021 was estimated at USD (-) 21.68 Billion as against USD (-) 15.72 Billion in December 2020, which is a decline of (-) 37.92 per cent. As compared to December 2019 (USD (-) 12.49 Billion), trade balance in December 2021 exhibited a negative growth of (-) 73.61 per cent.

- Merchandise exports for the period April-December 2021 was USD 301.38 Billion as against USD 201.38 Billion during the period April-December 2020, registering a positive growth of 49.66 per cent. As compared to April-December 2019, exports in April-December 2021 exhibited a positive growth of 26.49 per cent.

- Merchandise imports for the period April-December 2021 was USD 443.82 Billion as against USD 262.76 Billion during the period April-December 2020, registering a positive growth of 68.91 per cent. Imports in April-December 2021 have registered a positive growth of 21.87 per cent in comparison to April-December 2019.

- The merchandise trade balance for April-December 2021 was estimated at USD (-) 142.44 Billion as against USD (-) 61.38 Billion in April-December 2020, which is a decline of (-) 132.07 per cent. As compared to April-December 2019 (USD (-) 125.91 Billion), trade balance in April-December 2021 exhibited a negative growth of (-) 13.13 per cent.

Click here for more details

Source: pib.gov.in– Jan 14, 2022

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India's share of global merchandise exports at an all-time high: Report

India is gaining share in manufacturing exports and share of global merchandise exports is now at an all-time high, Credit Suisse said in a report.

Gains in commodities may not last, but momentum should persist in electronics (large market size, opportunities for share gains, policy support) and specialty chemicals (a decade of steady growth has brought scale to firms).

In textiles, exports are growing after a decade-long stagnation, currently mostly in upstream yarn/fabric, but order-books for apparel are strengthening too.

The opportunity in autos is as much local (strong demand growth gives scale), as potential share gains as global industry disrupts (new OEMs, business models and supply chains), the report said.

India's manufacturing share of GDP has been declining steadily since 2012, partly due to a stagnation in exports of manufactured goods. As exports pick up again, either due to the impact of PLI schemes or otherwise, they could boost GDP by 2.4 per cent in five years. The boost to jobs would be concentrated in electronics and apparel.

Electronics hold much promise, not only on the large size (30 per cent of global goods exports), but also opportunities for share gains, given geopolitical shifts and China's shrinking industrial labour force. Helped by policy support, a critical mass appears to be building, with local and global firms investing in capacities in India (even those not gaining from PLI schemes).

In chemicals,while India lacks sustainable advantage in bulks, its share of global exports of specialty chemicals has risen steadily (these are now 10 per cent plus of India's exports). Through steady growth, and in some cases China ceding share, the industry has now gained critical mass.

India has seen gains in electronics, chemicals, autos, apparel, the report said. India runs a structural deficit in sectors dependent on resource availability, like oil, gas, coal and gold (together around a fifth of global exports); the share in agriculture is higher than average given structural advantages, but its share of manufactured goods exports is lower.

Within manufactured goods, pre-Covid-19 Indias' share was above average in jewellery (though it has low value-add) and textiles, and below average in electronics.

Since 2015, metals have grown the fastest, but these may not sustain (global commodity cycles). Growth in electronics and machinery has been well above average though chemicals and textiles (incl apparel) have contributed the most in absolute terms given their size.

While electrical and equipment together account for $600 bn of global exports annually, India's opportunity would be primarily in labour-intensive segments initially; scale could eventually drive upstream integration.

To broaden these share gains and to consolidate them, we need to see evidence of Indian groups investing in the value chain (like Tata Electronics, which has already invested $1 bn in its Hosur facility and plans to hire 40,000 workers), as well as foreign technology companies setting up operations in India. Elsewhere, in consumer electronics like air-conditioners, import substitution has driven significant growth in manufacturing, Credit Suisse said.

Textile and apparel exports from India have picked up over the past year, as after a period when lockdowns hurt demand for new clothes, global apparel markets have rebounded. However, while rolling 12M exports have broken through the $35 bn level they were stuck at for much of the last decade, growth, at least until Nov-2021, was in upstream yarn and fabric, and downstream apparel exports were lower than the prior peak in May-2019.

This could just be a time lag in demand flowing through a value-chain, and preliminary data for Dec-2021 shows a meaningful pick-up in apparel exports.

However, there can be another factor as well: India lacks the treaty advantages that Bangladesh and Vietnam possess. Further, the US ban on Xinjiang cotton effective Dec-2021 could help upstream businesses in India going forward, the report said.

It is unlikely that China will cede its entire market share in apparel (ready-made garments, or RMG), but trends of the past decade are likely to persist.

While nearly all of China's share in cotton apparel was taken by Bangladesh and Cambodia and that in man-made fibres by Vietnam, current industry feedback suggests that volumes are also beginning to shift to India.

Source: business-standard.com– Jan 14, 2022

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Budget session to begin on Jan 31

Budget to be presented on February 01

Budget Session of the Parliament will begin from January 31 and end on April 08.

The session will start with President's address to both the houses on January 31. Most likely it will be followed by tabling of Economic Survey in Lok Sabha.

Union Budget for Fiscal Year 2022-23 will be presented on February 01, as reported by Sansad TV, which is official broadcaster for the Parliament.

The session will be in two parts. First part will be from January 31 to February 11 while the second one will begin on March 14 and end on April 08.

Source: thehindubusinessline.com– Jan 14, 2022

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Exports in December grow 38.91 per cent to reach highest monthly value of $37.81 b

Strong growth in sectors such as petroleum products, gems & jewellery, engineering goods, readymade garments and chemicals increased goods exports in December 2021 by 38.91 per cent (year-on-year) to $37.81 billion, the highest monthly performance ever, as per quick estimates released by the Commerce & Industry Ministry on Friday.

Imports, too, posted an increase of 38.55 per cent to $59.48 billion in December 2021, compared to the same month last year, which widened the trade deficit by 37.92 per cent to $21.68 billion. The items driving the high growth in imports included petroleum, chemicals, fertilisers, coal, vegetable oil and electronic goods.

The figures released by the government on Friday are in line with the early estimates shared in the beginning of this month.

Goods exports

Goods exports in April-December 2021 were at $301.38 billion, registering a 49.66 per cent increased over $ 201.38 billion during the period April-December 2020. The figures in the first nine months of the fiscal are higher than goods exports for the entire 2020-21 fiscal valued at $292 billion.

Commerce & Industry Minister Piyush Goyal, in a briefing earlier this month, had expressed hopes of meeting the export target of $400 billion fixed for 2021-22, which would be the highest annual exports from the country.

Goods imports for the period April-December 2021 was valued at $443.82 billion, which was 68.91 per cent higher than imports in the same period last year. Trade deficit in the period at $142.44 billion was more than double the trade deficit of $61.38 billion in the first nine months of the previous fiscal.

“Though the trade deficit is growing exponentially, it’s primarily due to petroleum and gems and jewellery imports. India has headroom to accommodate further import growth that goes into manufacturing and export of value-added products.

It may be noted that the trade deficit under non-petroleum and non-jewellery segment amounted to just $35 billion during April-December 2021," pointed out Prahalathan Iyer, Chief General Manager, Research & Analysis, India Exim Bank.

Non-petroleum and non-gems & jewellery exports in December 2021 increased 29.67 per cent to $28.92 billion compared to the same month last year. Non-petroleum, non-gems and jewellery (gold, silver & precious metals) imports were $35.47 billion in December 2021 posting an increase of 34.28 per cent over December 2020.

Source: thehindubusinessline.com– Jan 14, 2022

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RCEP Trade Agreement aims to create an integrated market

Regional Comprehensive Economic partnership (RCEP) trade agreement took effect for most of the 15 member countries on January 1, 2022. The RCEP is a Free Trade Agreement (FTA) between the 10 ASEAN members plus Australia, China, Japan, New Zealand and South Korea.

The RCEP is the world's largest FTA, as it covers 2.3bn people or nearly a third of the global population. Its member countries together contribute US$ 25.8 trillion or about 30% of global gross domestic product, and account for US$ 12.7 trillion, over a quarter of global trade in goods and services, and 31% of global FDI inflows, according to UNCTAD.

The RCEP took effect in Australia, Brunei, Cambodia, China, Japan, Laos, New Zealand, Thailand, Singapore and Vietnam on January 1. South Korea will follow on February 1, but Indonesia, Malaysia, Myanmar and the Philippines have yet to ratify the deal. Significantly, the RCEP is Japan's first trade agreement involving both China and South Korea.

The RCEP aims to create an integrated market making it easier for products and services of each of these countries to be available across the region. The focus is on trade in goods and services, investment, intellectual property, dispute settlement, e-commerce, small and medium enterprises, and economic cooperation.

The RCEP was pushed by China in 2012 in order to counter the US led Transpacific Partnership (TPP) that excluded China. However, in 2016, US withdrew from TPP, since then RCEP has become a major tool for China to counter the US efforts to prevent trade with Beijing.

India decided against joining the RCEP amid concerns its economy would be flooded with cheap Chinese goods and farmers could be hurt by agricultural imports from Australia and New Zealand. A section of Indian industry felt that being part of RCEP would have allowed India to tap into a huge market. Some like pharmaceuticals, cotton yarn and the services industry were confident of making substantial gains.

Among the major benefits of the RCEP is that tariffs on more than 65% of trade in goods are expected to immediately reach zero and to around 90% over 20 years. Trade is an important driver of growth for Asia, and RCEP is expected to put Asia back on its pre-Covid growth trajectory.

Another key benefit is its common 'rules of origin' framework, as RCEP exporters will generally only need to source at least 40% of inputs from within the bloc for their final goods to qualify for tariff preferences when exported to other members.Intra-Asian trade-already larger than Asia's trade with North America and Europe put together-will receive a further boost with RCEP's standardized rules of origin.

Further, RCEP hopes to make it easier for companies to use Southeast Asia as a production base and could accelerate the diversification of supply chains and the reallocation of FDI already under way in Asia. Besides tariff concessions, RCEP standardizes rules on investment, intellectual property and e-commerce, among other things, and promotes optimization of supply chains in the region.

The RCEP could also help to streamline existing free trade agreements in Asia-Pacific and strengthen intraregional trade linkages.

Trade agreements have always been shaped more as economic weapons designed by the rich to extract advantages from the developing nations that are vulnerable to exploitation. Financial services, for instance, favor the rich countries who can target large populations of banks depositors, pensioners and insurance targets in the less developed nations.

That developing countries gain from being exposed to modern financial services is a disingenuous argument, for instance, infrastructure, climate change mitigation and health spending tend to be underfinanced in advanced economies while short deployment of savings takes priority. Developing countries had stock markets virtually thrust upon them from outside instead of focusing more on bond market development that would have served their development needs better.

All this argues in favor of a less interventionist model of economic partnership and the RCEP arguably supplies it. It is of a less 'high level' nature than the original TPP, but it may not be a bad thing. The irony is that just as the US was poised to capitalize on its economic agenda, Trump withdrew from the TPP.

As the world's top trading nation and second largest economy (and because of the absence of the US), China is the dominant partner within the RCEP. China began gathering support for the pact in 2012, to counter growing US influence in the Asia Pacific region. Backing for the RCEP gained momentum in 2017, after theUS withdrew from the rivalTPP. When the

RCEP was signed in November 2019, Chinese premier Li Keqiang said it was 'a victory of multilateralism and free trade.' China hopes to expand exports and speed up its industrial transformation as its exporters face rising freight rates.China is ready to fulfill 701 binding obligations as new milestones in China's opening.China will gradually lift tariffs for imports of coconut milk, pineapple products and paper products from ASEAN countries. Trade between China and other RCEP members totaled 10.96 trillion yuan (US$1.72tr) in the first 11 months of 2021, accounting for 31% of China's total foreign trade value.

Intra-regional investment, at 30% of total, has significant room for growth. FDI, investment by multinational enterprises and global value chains emanating from the region are all likely to benefit from the RCEP. Since the pandemic, signatories have seen a decline of 15% in FDI to a combined $310b in 2020. The Least Developed Countries-Cambodia, Laos and Myanmar-are the most likely to benefit as they typically receive more FDI from neighboring RCEP members. Investment in infrastructure and industry would also improve their participation in global trade.

Japan, another major member of the grouping, views RCEP's impact on its economy as rosy. Japan would benefit most from RCEP tariff concessions, largely because of trade diversion effects. China's tariffs on Japan's auto parts and others will be reduced in steps, leading to a jump in exports of Japanese industrial goods to China to 86% from the current 8%.

As for imports, Japan will abolish tariffs from 56% of farm products from China, 49% of those from South Korea and 61% from ASEAN, Australia and New Zealand. Meanwhile, Japan retained tariffs on five sensitive agricultural product categories-rice, beef, and pork, wheat, dairy and sugar-and on poultry and poultry products-to protect its domestic sector.

RCEP incorporates Japan's first economic partnership agreement with China and South Korea, the two main destinations of its exports in Asia. Japan's annual exports are expected to rise by $20b, 5.5% increase from its 2019 exports to other RCEP members.

Overall, the trade within the bloc is expected to increase by nearly $ 42b, equivalent to 2% rise from the 2019 level, driven mainly through trade diversion away from non-member nations. Japan expects to raise its GDP by 2.7% and add some 570,0000 jobs.

At the same time, however, Japan will face difficulties keeping China's growing influence in the region in check, particularly with the US, its ally, remaining at odds with China over human rights and other issues.

Meanwhile, absence of India from RCEP is also a cause for worry as it means that the intra-RCEP trade could be lopsided in favor of China. Another priority, thus, forJapan to contribute to the regional evolution is to persuade India to join RCEP down the road, as an expanded agreement including India would also broadly dilute China's influence within the region.

In addition, the US, in case it decides to go soft on China, there will be even more worries for Japan.

It is feared an overdependence on China is a sure recipe for disaster. China touted the signing of the RCEP as a victory for its leadership in the region, particularly since key US allies Australia and Japan are a part of the RCEP. During the pandemic, countries like Australia which depend heavily on export to China, have seen how Beijing uses the economic stick to its advantage. In addition, even a steady flow of Chinese goods into the economies of other RCEP could pose a threat since China already enjoys a favorable balance of trade with some. It could also boost its BRI, from which Japan has stayed away. Hence, China's overwhelming presence in the RCEP could in the future allow it to dictate terms to the other RCEP members.

The TPP was an attempt by former US President Barack Obama to deepen trade links among the US and other Asian nations-in part to curtail China's growing influence. This was broader in scope than the RCEP, but Trump pulled out saying he would pursue bilateral deals instead. If they try to push together and change China's direction, then it would be through the lens of development and trade, infrastructure and connectivity.

In May 2020 China indicated willingness to join the 11-member Comprehensive and Progressive Agreement for Transpacific Partnership (CPTTP), the successor of TPP, but is unlikely to gain traction because the high standards for regulations on e-commerce, IPR and state-owned enterprises, suggesting the amount of government intervention in the Chinese economy will not meet CPTPP requirements. Further, although not a member of the CPTPP, the US can exercise the "poison pill" within the US-Mexico-Canada agreement to prevent Canada and Mexico from voting in favour of Chinese application. The contours of CPTPP 2.0 could feature the US in the future. US presence will dilute China's influence in the region.

The US under Biden is exploring the development of an Indo-pacific economic framework, as during the East Asia Summit in October 2021. In November the US sent USTR to Japan, India and other parts of Asia to start discussions on potential negotiations that could begin in 2023. The framework could comprise multiple agreements such as digital trade, supply chain resilience, clean energy and infrastructure, among others.

The US is not a member of RCEP or the CPTPP. China appears to be determined to build an economic network outside the US influence. China has been criticized for its stance on intellectual property and market distorting subsidies. Whether China will comply with the rules of RCEP will be key in determining the future course of things.

Source: financialexpress.com – Jan 14, 2022

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India-China trade grows to record USD 125 billion in 2021 despite tensions in eastern Ladakh

The India-China bilateral trade touched a record high of over USD 125 billion in 2021, crossing the USD 100 billion-mark in a year when the relations hit a new low due to the prolonged standoff by the militaries in eastern Ladakh, while India's trade deficit too mounted to over USD 69 billion, according to official data released on Friday.

The total trade between China and India in 2021 stood at USD 125.66 billion, up 43.3 per cent from 2020, state-run Global Times reported, quoting data from the General Administration of Customs.

China's exports to India from January to December rose 46.2 per cent to USD 97.52 billion, while India's exports to China grew by 34.2 per cent to USD 28.14 billion.

The trade deficit for India grew to USD 69.38 billion in 2021.

India has been highlighting its concerns over the growing trade deficit with China for over a decade and calling on Beijing to open its markets for India's IT and pharmaceutical products.

Observers say much of China's exports increase this year to India was attributed to the import of medical products and raw materials for India's burgeoning pharmaceutical industry due to the massive second wave of COVID-19 and recurring bouts of the virus in the country.

The landmark increase of the bilateral trade crossing USD 100 billion went without much fanfare as the relations remained frosty over the lingering military standoff in eastern Ladakh.

The border standoff between the armies of India and China erupted on May 5 last year following a violent clash in the Pangong lake areas and both sides have gradually enhanced their deployment by rushing in tens of thousands of soldiers as well as heavy weaponry.

As a result of a series of military and diplomatic talks, the two sides completed the disengagement process in the Gogra area in August and in the north and south banks of the Pangong lake in February.

The two sides held the 14 round of Corps Commander-level talks on January 12 to resolve the standoff in the remaining areas and agreed to hold a new round of talks soon.

Each side currently has around 50,000 to 60,000 troops along the Line of Actual Control (LAC) in the mountainous sector.

Source: financialexpress.com– Jan 14, 2022

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