TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

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

## IBTEX No. 39 of 2022 February 28, 2022

US 75.69| EUR 84.38| GBP 101.03| JPY 0.66

## NEWS CLIPPINGS



| INTERNATIONAL NEWS | |
|---|---|
| **No** | **Topics** |
| 1 | China's spandex price to rebound |
| 2 | Indonesia's garment industry to grow 10.44 per cent in H1 FY2022 |
| 3 | Sustainable production to drive growth 2022, say textile machinery makers |
| 4 | UK, Singapore sign new Digital Economy Agreement |
| 5 | Freight forwarders accepting SOC requests grows to 18% in 2021: Report |
| 6 | Sanctions on Russia may accelerate textile market volatility, say industry leaders |

| | NATIONAL NEWS |
|---|---|
| 1 | Govt to accept RCMC application from exporters via online mode only |
| 2 | From April 1, e-invoice mandatory for firms with turnover of ₹20 Cr+ |
| 3 | Forex reserves jump by USD 2.76 bn to USD 632.95 bn |
| 4 | In trade pact with UK, India to seek duty cuts on textiles |
| 5 | FDI equity inflows dip 16 pc during Apr-Dec 2021 to USD 43.17 bn: DPIIT data |
| 6 | ECGC withdraws coverage for shipments to Russia; huge setback for exporters, says FIEO |
| 7 | Western sanctions on Russia to have marginal impact on India's trade |
| 8 | Texport to set up apparel manufacturing facility at Siricilla |
| 9 | Tripura chief in India invites Bangladesh RMG industry to invest |
| 10 | Future Retail shuts Big Bazaar as Reliance Industries plans takeover |

# INTERNATIONAL NEWS

## China's spandex price to rebound

The limited production of spandex by downstream buyers before the Spring Festival holiday and the extension purchase of spandex by downstream plants may surge Spandex prices this month. New spandex plants started trial production during the period while the existing plants increased their operating rate to 80 per cent, says a report by the CCF group. Suppliers sold and grabbed the market share with moderate profit.

Spandex prices had dropped after the Spring Festival holiday. Stocks of Spandex plants mounted as more downstream plants shut down for Spring Festival holiday than spandex producers. This led to a 5.4 per cent decline in spandex prices from February 07. However, a few spandex plants that had suspended production due to the Spring Festival holiday or the XXIV Olympic Winter Games resumed operation after holiday. By February 22, the operating rate of spandex plants rose by 9 percentage points to 91 per cent compared with early-Feb. Most plants in Middle China and West China ran at full capacity and plants in East China ran at above 87 per cent of capacity now.

Price of upstream BDO rebounded after holiday. Demand for PTMEG apparently recovered in February and may improve further. Price of PTMEG is expected to have very small downward space in end-Q1 and early-Q2, not ruling out to rise.

Source: fashionatingworld.com – Feb 25, 2022

HOME

*****************

# Indonesia's garment industry to grow 10.44 per cent in H1 FY2022

Indonesia's garment industry is likely to grow 10.44 per cent in the first half of the 2022, as the upcoming Ramadan festival will drive demand, estimates Elis Masitoh, Director- Textile, Leather and Footwear Industry, Ministry of Industry. Production volume of the apparel industry could grow 10.44 per cent on an annual basis in the first quarter of 2022. However, demand is likely to rebound to only 75 per cent of pre-COVID levels, adds Masitoh.

In Q2, FY2022, the volume of Indonesia's garment industry production is likely to slow to 10.15 per cent on an annual basis, adds Masitoh. In Q4 FY2022, growth in the garment industry declined to 0.16 per cent. However, in 2022, Indonesia's garment industry will grow 5.84 per cent on an annual basis. The textile industry or the garment raw material industry is projected to decline by 1.02 per cent in Q4 FY2022. The textile industry will start growing from July 2022 while the garment industry will have two surges of demand in 2023.

The realization of the textile industry production growth was in the red zone in the Q2 and Q3 of FY21, notes Redma Wirawasta, Secretary General, Indonesian Filament Yarn and Fiber Producers Association (APSyFI) However, the improvement in demand in the fourth quarter of 2021 will make textile production throughout 2021 better than the 2020 achievement.

Demand improvement witnessed in Q4 FY2021 will continue this year also, says Wirawasta. He expects demand to rise by 40 per cent under normal conditions. However, textile demand is expected rise by only 15 per cent in the first semester of 2022

Source: fashionatingworld.com – Feb 25, 2022

HOME

*****************

## Sustainable production to drive growth 2022, say textile machinery makers

Precipitated by the pandemic in 2020, focus on sustainable textile production will continue in 2022, say textile machinery manufacturers across the world. The industry will revive with the help of numerous international exhibitions organized during the year, they add.

### Focus on digitization and optimization

Digitization and optimization will be the main focus areas in 2022, says Erwin Devloo, Marketing Communications Manager, Picanol. Machinery manufacturers will introduce many new and innovative solutions during the year, he adds. Devloo says, manufacturers faced many challenges during the last two years. Supply chain disruptions, fluctuating demand, high raw material costs and market uncertainty led to new business models. Sustainability gained importance as brands allocated more resources in this area.

### Companies to introduce new machines

Focus on sustainable production will continue in 2022 as manufacturers will introduce new equipment and solutions, says Devloo. Currency fluctuations will not affect business, he adds. Fritz Legler, Global Head-Marketing, Sales and Service WPS (Weaving Preparation Systems Division), Staubli Textile agrees, in Turkey Lira depreciation will not restrict the company's activities in the country. The company registered strong demand for weaving machines in 2021. Its SAFIR drawing-in machines were also in high demand while TIEPRO warp tying machines gained market share in this period.

WPS plans to participate in various exhibitions in 2022 to meet players including customers and partners in the weaving and knitting world.

Weaving machinery registered strong demand in 2021, says Nichole Croonenbroek, Marketing Manager, Monforts. The sector emphasizes on sustainable production and savings of energy, water and raw materials. It is seeing an increased demand for latest innovations like Monex starters for heat recovery and energy optimization. During the last 18 months, it witnessed increased demand for machinery for special textiles and expects the pandemic-led obstacles to recede in 2020 and market for Monforts machines to stabilize.

## Machinery supplies to improve

Trützschler has been witnessing increased for latest spinning preparation machinery solutions since the last quarter of 2020. The company's market recovered in 2021, especially in Turkey, says Gerhard Wienands Regional Sales Manager. Though they faced shortages of certain parts in 2021, Wiehands hopes the situation will improve in 2022. He also expects focus on sustainability to continue in 2022 with the company driving its intelligent technologies in textile recycling, especially its card TC 19i for recycling.

## Order intake to improve

Baiancalani not only reached its preliminary targets in 2021 but also acquired new customers and market segments during the year. It launched the new AQUARIA® open-width washing range. The pandemic encouraged the company to explore new possibilities and new ways of thinking, affirms Michele Gabarra, Regional Sales Manager. The company aims to adopt a different business model in 2022 besides participating in important international trade shows such as ITM Istanbul, ITMA Asia and Techtextil North America, he adds. Year 2022 will also be one of the best years in terms of order intake, says Sivakumar Narayanan, Executive Vice President-Product Development, Marketing and Business Development. The steep increase in demand post 2020 disruption is helping the industry recover and create new employment opportunities across the world, he adds.

Narayanan expects continuing demand to drive business growth in the first half of 2022. However, the growth may stagger to an extent due to COVID-19 related challenges, he adds.

Source: fashionatingworld.com– Feb 25, 2022

HOME

*****************

# UK, Singapore sign new Digital Economy Agreement

The United Kingdom recently signed a trade deal with Singapore that will help businesses seize new opportunities and lay the ground rules for modern global trade. The UK-Singapore Digital Economy Agreement (DEA) was signed by UK international trade secretary Anne-Marie Trevelyan and Singapore's minister-in-charge of trade relations S Iswaran.

Trevelyan was on a tour of Singapore, following visits to Indonesia and Japan.

DEA is the most innovative trade agreement ever signed, and the first by a European nation, according to a UK government press release.

It will strengthen the United Kingdom's trading relationship with Singapore – worth £16 billion in 2020 – by ending outdated rules that affect both goods and services exporters, making it easier for UK business to target new opportunities in both Singapore and the wider region.

"This digital agreement plays to our strengths as a services superpower and will ensure our brilliant businesses can build back better from the pandemic and benefit from easier, quicker and more trusted access to the lucrative Singapore market," Trevelyan said.

The deal links two of the world's most dynamic hi-tech and services hubs and will capitalise on the UK's strength as the world's second-largest services exporter. A third of UK exports to Singapore are already digitally delivered, including in finance, advertising and engineering, and this deal will create new opportunities to expand modern services and help level up the country, the press release said.

The digital sector alone adds £151 billion?to the economy and lifts wages, with workers earning around 50 per cent more than the UK average. UK services companies already operating in Singapore are well placed to take advantage of the deal, including financial giants, telecoms firms or software companies.

The deal will also cut red tape for goods exporters, streamlining cumbersome border processes and replacing time-consuming and costly paperwork with e-signatures and e-contracts.

Other benefits include free and trusted cross-border data flows and binding commitments that?ensure individuals and businesses know their data, money and intellectual property are safe.

Singapore is a gateway to the wider Indo-Pacific region and DEA will support the UK bid to join Singapore and 10 other nations in the Trans-Pacific Partnership (CPTPP). Membership would mean access to a £8.4 trillion free trade area with vast opportunities for UK business.

UK-founded tech unicorns are being created at a rate of almost one a week, and more will now be able to follow in the footsteps of British companies which are already thriving in Singapore.

In addition to this agreement, the UK and Singapore also agreed to revitalise the existing FinTech Bridge, a move that will support innovative financial services and strengthen cooperation on emerging technologies.

Source: fibre2fashion.com – Feb 26, 2022

HOME

*****************

# Freight forwarders accepting SOC requests grows to 18% in 2021: Report

For third year in a row, the percentage of top 50 freight forwarders accepting the Shipper-owned container (SOC) requests grew from 6 per cent in 2019, 10 per cent in 2020 to 18 per cent in 2021, a three-fold growth in awareness and acceptance of SOCs (containers owned by shippers), according to the annual 'Mystery Shopping SOC report' by Container xChange.

Though there is considerable improvement in demand for SOCs, the major forwarders are yet to fulfil the demand for the boxes on the route from China to Germany, revealed the report.

"SOC can offer an advantage depending on the situation. But you need to have the right process in place to manage the flows. SOC increases reliability for empty container availability. The downside is that you need a dedicated team/person to manage these shipments," Florian Braun, head of ocean freight, EMEA, Flexport said.

"Forwarders are increasingly positive about SOCs but are also uncertain of the success of processes around them. The rise in awareness for SOCs shows that industry participants are responding to the supply-chain pressures by diversifying their sourcing strategy. We've observed a growing year-on-year acceptance for SOCs as well as demand to improve the management costs and efforts.

We believe the solution lies in digitising the process to enable forwarders with a seamless, hassle-free opportunity of using SOCs," said Christian Roeloffs, founder and CEO, Container xChange.

In December 2021, Container xChange put to a test the world's 50 largest freight forwarders to investigate how they respond to SOC requests. It reached out to ship industrial machinery parts from Shanghai to Hamburg using SOC containers. The results showed that 18 per cent of the companies that were tested were able to organise the SOC move and source the containers without any restrictions. This figure of 18 per cent compares to 10 per cent of the companies in 2020, and 6 per cent in 2019. SOC acceptance and awareness has grown over the last three years. 90 per cent of the respondents were clued up on the SOC market compared to 68 per cent of respondents last year and 35 per cent in 2019.

Source: Fibre2Fashion – Feb 26, 2022

HOME

*****************

# Sanctions on Russia may accelerate textile market volatility, say industry leaders

The Ukraine-Russia crisis has sent energy stocks spiraling with crude oil prices trading at about $104 per barrel. This is likely to impact not just stock markets and commodity prices but also customers' purchasing behavior, points out Sheshadri Ramkumar, Professor, Texas Tech University, United States.

Sanctions to harden crude oil and natural gas prices US, EU, and UK reacted to the crisis by imposing economic sanctions against Russia. These sanctions will only harden the current crude oil and natural gas prices in Russia, a major exporter of these commodities to EU nations like Germany, Sheshadri says.

They may also strengthen the US dollar, making imports from the country more expensive. Cotton market will continue to remain volatile due to uncertain demand and high energy prices. The high energy costs will also influence overall EU market as many countries in the region depend on Russia for their energy needs, he says.

## Cotton price volatility to persist

Velmurugan Shanmugam, General Manager, Jayalakshmi Textiles, believes, the volatility of cotton market will grow. A 100 per cent cotton spinning mill, the company has 72,000 spindles that spin fine count cotton yarns catering to home textiles market in India. The Ukraine-Russia crisis has been influencing commodity markets since the last few days. Mill delivered price for MCU-5 cotton surged from Rs 78,000 per candy to 83,000 per candy in the past 20 days. The current global situation is expected to add to the current price volatility, adds Shanmugam. The rise in gas prices may lead to consumers buying more textiles items, impacting exports.

## Plan stocks diligently

Besides cotton and raw material prices, textiles' demand is also influenced by factors like regional peace and security, says Sheshadri. He advises textile industry leaders to plan their raw material stocks carefully, and also manage transportation and operational costs efficiently. Russia will face tighter economy sanctions. Textile leaders need to monitor the impact of these sanctions on the sector, adds Sheshadri.

Source: fashionatingworld.co– Feb 25, 2022

HOME

*****************

# NATIONAL NEWS

## Govt to accept RCMC application from exporters via online mode only

The commerce ministry has made it mandatory for exporters to file registration-cum-membership certificate (RCMC) applications through a common digital portal, a move aimed at promoting ease of doing business for the trading community.

According to the Foreign Trade Policy, a Registration-cum-Membership Certificate (RCMC) is required for exporters in order to avail benefits under the policy. Holding the certificate can also help exporters in availing benefits with respect to customs and excise. The certificate is issued by export promotion councils, and commodity boards.

According to a communication of the Directorate General of Foreign Trade (DGFT), the electronic platform to facilitate electronic issuance/renewal/amendment of RCMC/registration certificate (RC) has been implemented.

The objective of the platform is to provide an electronic, contact-less single window for RCMC/RC related processes.

"It is informed that from April 1, 2022, it will be mandatory for the exporters to file RCMC/RC applications (for issue/renewal/amendment) through the common digital portal of e-RCMC platform," the communication sent to all exporters, members of trade, regional authorities, export promotion councils and commodity boards. It has stated that the prevailing procedure of submitting applications directly to the designated registering authorities will continue only till March 31 this year.

All regional authorities have been requested to ensure that they are on board on eRCMC portal before March 31. They have also been advised to conduct outreaches and issue suitable advisories to the members/exporters to use the platform.

Source: economictimes.indiatimes.com– Feb 27, 2022

HOME

*****************

# From April 1, e-invoice mandatory for firms with turnover of ₹20 Cr+

E-invoicing will be compulsory for all businesses with a turnover higher than ₹20 crore from April 1, with the Central Board of Direct taxes and Customs lowering the turnover threshold for electronic billing from ₹50 crore.

The board issued a notification to this effect Friday.

From the next fiscal year, taxpayers must generate invoices on their internal systems or billing software and then report them online to the invoice registration portal. This is required to avail of input tax credit (ITC).

If the invoice is not a valid one, ITC on it cannot be availed of by the recipient, and there will be penalties as well, said Bipin Sapra, tax partner, EY India.

Source: economictimes.indiatimes.comm – Feb 26, 2022

HOME

*****************

# Forex reserves jump by USD 2.76 bn to USD 632.95 bn

The country's foreign exchange reserves increased by USD 2.762 billion to USD 632.952 billion for the week ended February 18 on a healthy rise in the value of gold reserves and core currency assets, the RBI said on Friday.

In the previous reporting week, the overall reserves had declined by USD 1.763 billion to USD 630.19 billion.

During the reporting week, the rise in overall reserves was on account of an increase in the foreign currency assets (FCA), a major component of the overall reserves, the Reserve Bank of India's (RBI) weekly data released on Friday showed.

FCA increased by USD 1.496 billion to USD 567.06 billion in the week ended February 18, it said.
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 increased by USD 1.274 billion to USD 41.509 billion in the reporting week, the data showed.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) decreased by USD 11 million to USD 19.162 billion, RBI said.
The country's reserve position with the IMF increased by USD 4 million to USD 5.221 billion in the reporting week, the data showed.

Source: financialexpress.com – Feb 25, 2022

HOME

*****************

## In trade pact with UK, India to seek duty cuts on textiles

New Delhi will seek duty exemptions for labour-intensive exports, including textiles, besides easier market access for fisheries, pharmaceuticals and agriculture products, during the second round of India-UK free trade agreement (FTA) talks, said two government officials.

The negotiations, scheduled to take place between 7 and 18 March, will also explore the possibility of an early-harvest agreement, or a mini FTA, for the short-term, as the two countries continue with the talks to iron out differences on sensitive issues.

India is seeking to conclude at least six bilateral trade agreements this year. Last week, New Delhi signed a comprehensive economic partnership agreement (CEPA) with the UAE for zero-duty access to 90% of Indian products. The deal was closed in a record 88 days.

“The UK agreement will be broader in scope compared with the one India had with the UAE. Duty cuts on textile and exports from labour-intensive sectors, such as leather, footwear, gems and jewellery, are among India’s 10-12 big-ticket wish-list," said one of the two officials, seeking anonymity.

“Marine products will benefit a lot. India is also looking for access to the UK for pharma and agri products. Besides, trade restrictions that are not tariff-related are also being discussed," said a second official, also requesting anonymity. The interim deal is expected to cover 65% of goods, and up to 40% of services for concessional or duty-free access.

However, the final agreement may cover 90%-plus products. Queries to the ministry of commerce and industry, and the British high commission in New Delhi remained unanswered till press time.

India has a positive trade balance with the UK, but has been losing its market share in certain key products to other developing countries after the withdrawal of the Generalized System of Preferences (GSP). “Therefore, it is in the interest of the industry to get zero tariffs in the UK in sectors (such as apparel) where GSP has been withdrawn," said Arpita Mukherjee, professor, Icrier. Meanwhile, the UK is negotiating access for its services

sector, such as legal and accountancy, besides lower tariffs for its Scotch whiskey, which faces 150% duty.

In January, both countries had reiterated their commitment to more than double the value of UK-India trade by 2030. India had a $3.3 billion trade surplus with the UK in 2020-21. The UK is India's seventh-largest export market, accounting for 2.8% of its total exports, as of June 2021. Resolution Foundation, a UK think-tank, said in a report that British firms were set to gain from a "first mover" advantage ahead of the US and European Union (EU) in India as a result of the FTA, which has the potential to overshadow other major UK trade deals.

The Joint Statement of the 15th Meeting of the India-UK Joint Economic and Trade Committee said both countries "looked forward to the first shipment of apples and medical devices into India and welcomed the listing of 56 new Indian fisheries establishments".

Source: livemint.com– Feb 27, 2022

HOME

*****************

# FDI equity inflows dip 16 pc during Apr-Dec 2021 to USD 43.17 bn: DPIIT data

Foreign direct investment (FDI) equity inflows into India contracted by 16 per cent to USD 43.17 billion during the April-December 2021 period, according to data from the Department for Promotion of Industry and Internal Trade (DPIIT).

The inflows had stood at USD 51.47 billion during the corresponding period of the previous year.

The total FDI inflows (which includes equity inflows, re-invested earnings and other capital) aggregated at USD 60.34 billion during the nine month period of the current fiscal year as against USD 67.5 billion in the year-ago period.

The equity inflows in the third quarter of this fiscal (October-December 2021) also declined to USD 12 billion as against USD 21.46 billion in the corresponding period of 2020, the data showed.

The total FDI inflows fell to USD 17.94 billion during the third quarter as against USD 26.16 billion in the year-ago period.

During April-December 2021, Singapore was at the top with USD 11.7 billion worth of investments. It was followed by the US (USD 7.52 billion), Mauritius (USD 6.58 billion), Cayman Islands (USD 2.74 billion), Netherlands (USD 2.66 billion) and UK (USD 1.44 billion).

The computer software and hardware sector attracted the highest inflows of USD 10.25 billion during the nine-month period of this fiscal. It was followed by the automobile industry (USD 5.96 billion), services sector (USD 5.35 billion), construction (infrastructure) activities (USD 1.6 billion) and pharma (USD 1.2 billion), the data showed.

Source: financialexpress.com – Feb 25, 2022

HOME

*****************

# ECGC withdraws coverage for shipments to Russia; huge setback for exporters, says FIEO

The Export Credit Guarantee Corporation (ECGC) has decided to withdraw coverage for shipments to Russia with effect from February 25, which is a huge setback for exporters, industry body FIEO said on Saturday. Amid the ongoing conflict between Russia and Ukraine, ECGC in a communication said "based on the near-term commercial outlook, it has been decided to modify the country risk classification of Russia under the short-term and medium-and-long term with effect from February 25.

Revising its underwriting policy on Russia, ECGC, a government-owned entity, has now put that country in the Restricted Cover Category (RCC-I) from the earlier 'open cover' category. Open cover categories enable policyholders to obtain cover on a more liberalised basis.

Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said that ECGC has "suddenly" withdrawn the coverage to shipments for Russia with effect from February 25.

"Such action is a huge setback to the exporting fraternity as the fate of cargoes which are at various Indian ports, some after customs clearance, for shipments will not be covered as ECGC has mandated Bill of Lading cut off date till February 25. "Secondly, policies in force hold no good as risks are withdrawn. This immediate act of ECGC is a setback for exporters as political risks are one of the major components which ECGC covers," Sahai said.

ECGC Ltd, wholly owned by the Government of India, was set up in 1957 with the objective of promoting exports from the country by providing credit risk insurance and related services. Over the years, it has designed different export credit risk insurance products to suit the requirements of Indian exporters and commercial banks extending export credit.

Sharing similar views, Hand Tools Association President S C Ralhan said now ECGC would not cover export shipments meant for Russia and it is a major setback for the exporting community. In the present crisis between Russia and Ukraine, the payments against exports made by Indian exporters are at risk because Russian importers cannot make the payments in US dollars, Ralhan said.

If an importer in Russia is willing to pay the outstanding export bills in Indian rupees or Russian ruble, the Indian government should allow the realisation of export bills in Indian rupees or ruble, he added. “In such cases the export incentives should not be denied as the payment is being received in Indian rupees or Russian Ruble due a crisis between two countries,” he said.

Source: financialexpress.com – Feb 26, 2022

HOME

*****************

# Western sanctions on Russia to have marginal impact on India's trade

The sanctions on Moscow by the West are unlikely to have a material impact on most sectors of Indian economy and large sections of businesses, but it could lead to a taming of India's state-run oil companies' ambition to acquire more hydrocarbon assets in Russia. Hydrocarbons from existing assets, where Indian companies have stakes in, may get sold in other European markets, if it becomes costlier to bring these products home due to logistical constraints. However, India's steel mills would get a share of the export markets, which could remain out of bounds for Russia till the sanctions are lifted.

Also, Indian exporters may find their payments from their Russian buyers stuck unless a rupee-ruble architecture, similar to an arrangement done with Iran during US sanctions on Tehran, is instituted quickly. Similarly, if the sanctions proscribe oil companies to transact in US dollar, then the dividends payments to Indian hydrocarbon companies — OVL, OIL and Bharat Petroresources — on account of their ownership of various assets in Russia might be impacted. However, India's defence purchases from Russia may not see a major impact. New Delhi's new policy to diversify its defence equipment sourcing could have anyway led to a significant decline in the country's import of defence machinery from Russia.

As much as 42% of India's defence capital spending of about Rs 1.38 lakh crore in FY22 is estimated to be spent on equipment imports. Between 2016 and 2020, Russia accounted for 49% of India's defence imports, according to Stockholm International Peace Research Institute (SIPRI). Gas supplies from Russia are unlikely to be hit as the sanctions preclude this commodity of which Russian supplies are a significant 17% of the export markets.

India's state-owned firms with close to $15-billion investments in the Russian oil and gas assets may not feel the heat as the US is unlikely to disrupt exports of oil and gas from Russia as the resultant trade dynamics could impact Washington and its allies as well, said experts.

DK Sarraf, former CMD of ONGC, said, "I believe the foreign players holding stake in assets in a country facing sanctions are free to sell the crude or gas equivalent that correspond to their stakes to other countries. So, Indian companies could sell crude/gas from their Russian assets to other European countries and enjoy the benefit of higher prices." He noted that European countries are dependent on Russia to a large extent for gas.

India's public sector firms such as ONGC's international exploration subsidiary ONGC Videsh (OVL), Oil India (OIL), IOC and Bharat Petroresources, gas subsidiary of BPCL, have stakes in oil and gas assets in Russia's Far-East and East Siberian provinces. Some of the major assets are in Sakhalin-1, Vankor and Taas-Yuryakh areas. OVL owns a 20% stake in the Sakhalin-1 hydrocarbon block and acquired Imperial Energy's Siberian deposits too.

Apart from Sakhalin-1, OVL, OIL, IOC and Bharat Petroresources own 49.9% in Vankorneft Subsidiary, while another consortium of OIL, IOC and Bharat Petroresources own 29.9% of Taas-Yuryakh Neftegazodobycha. As part of a consortium that includes other companies, OVL, IOC and OIL were planning to buy more stakes in another major oil and gas asset in Russia — Vostok project of Rosneft and Novatek's Arctic LNG-2 project. This plan could now be put on the backburner.

India, the world's third-largest oil importer, has also been looking to source crude on a long-term basis from Russia. To this effect, it had signed a first-term contract for crude oil sourcing from Russia in February 2020, with IOC and Rosneft inking a deal for 2 million tonne of Urals grade crude. The Ukraine crisis may give Indian companies such as GAIL India a chance to sell the LNG sourced from the US to European countries, who source 57% of their natural gas from Russia. India has long-term deals for 80% of LNG requirement, of which 60% comes from West Asia. India imported around 26,785 million standard cubic metres of LNG worth around $9.9 billion between April 2021 and January 2022.

A former PSU official said if the dividend payments get stuck, then Indian companies could reinvest these in Russian fields or use it for the negotiations on defence deals. Of the Rs 18,000 crore invested by a consortium in Russia in 2016, 70% has already come as dividend to the companies.
Russia has created a war-chest of $300 billion through sale of oil and gas over the last year and it is sufficient for it to see the winter and few more quarters, the official said.

"Russia and Ukraine account for 10% of international steel trade. Given the sanctions by the US, exports from these countries are likely to be adversely impacted in the short-term. However, surplus steel-producing countries like

China and India can fill the gap, which may potentially limit the upward trajectory of steel prices internationally," said Jayanta Roy, senior vice-president at Icra.

Laxman Behera, associate professor, special centre for national security studies at Jawaharlal Nehru University, said Russia would continue to be a major defence supplier to India despite New Delhi's efforts to diversify supplier base.

As far as agricultural trade is concerned, Ukraine and Russia have around 90% share in global trade of sunflower oil. According to industry estimates, India annually imports around 17 lakh tonne and 5 lakh tone of sunflower oil from Ukraine and Russia, respectively. The conflict could push up freight costs and disrupt supply chains because of closure of ports, leading to rise in retail prices in India.

India exports agricultural commodities such as grapes, groundnut and dairy products although in small quantities to Russia and Ukraine. Officials say that in the short run they do not anticipate disruption of supplies; however, prolonged conflict could hurt exports of these items to Russia.

Source: financialexpress.com – Feb 26, 2022

HOME

*****************

# Texport to set up apparel manufacturing facility at Siricilla

Company will install 800 machines, hire 1,600 in next three years Texport Industries Private Ltd (TIPL), a Bengaluru-based garments manufacturing company, will set up an apparel manufacturing facility at the Apparel Park at Siricilla in Telangana.

The company, which will come up on a seven-acre plot, will install 800 machines and employ 1,600 people in the next three years.

Handlooms and Textiles Commissioner Shailaja Ramaiyer and TIPL Managing Director Narendra D. Goenka signed a memorandum of understanding in this regard.

The 44-year-old company is one of the first companies to export garments from India. With an aggregate capacity of 6,000 machines, it produces over 1.6 million garments a month from 19 facilities across the country. The firm, which employs over 15,000 people, has an annual turnover of ₹620 crore.

"The company will add another 200 machines and 400 employees more at the facility," a Government official has said.

"For the first time in the country, export-oriented garment manufacturing units are coming up in a Built-to-Suit park," he said.

Source: Times of India.com – Feb 26, 2022

HOME

*****************

# Tripura chief in India invites Bangladesh RMG industry to invest

Chief minister of India's Tripura state Biplab Kumar Deb recently called on industrialists from Bangladesh to invest in the state to avail of the benefits to be offered through an upcoming special economic zone (SEZ). Tripura is setting up a logistics hub in Sabroom, just 70 km away from the Chattogram port in the neighbouring country, he said.

Bangladesh's readymade garments (RMG) sector should utilise the market available in India's North East, he was quoted as saying by media reports from the state.

He urged Bangladeshi investors to look at the road map for the next 25 years unveiled by the state government to decide about potential sectors to invest in the state.

He was speaking at the inaugural function of the Second Bangladesh Film Festival at Agartala.

Source: fibre2fashion.com– Feb 28, 2022

HOME

*****************

# Future Retail shuts Big Bazaar as Reliance Industries plans takeover

Future Retail has shut most of its Big Bazaar stores since February 25 (Friday) and its website is also down as it missed lease payments to Reliance Industries (RIL).

RIL will open most of the 200 Future Retail stores as Reliance stores in the next week and it is in the process of taking stock, re-branding, and transferring 30,000 Future Retail and Future Lifestyle employees on to the rolls of its manpower and staffing firm Reliance SMSL, according to a source. The first tranche of stores are set to be opened as early as in the next two days.

A source in the know told Business Standard that Future Retail has not paid lease rentals to RIL and added that the latter extended working capital support thanks to which Future Retail has been able to pay statutory dues, interest, one-time settlement to banks, and continue its business operations.

The source said Future Retail owes RIL towards this working capital support.

RIL has taken possession of those stores that were sub-leased to Future Retail and all of these stores are loss-making. The source added that the remaining stores will continue to be run by Future Retail. In this way, Future Retail's operating losses will be reduced.

RIL's actions preserve the value of Future Retail and will allow the scheme — Future Group decided to sell its retail, logistics and warehousing businesses to Reliance Group for almost Rs 25,000 crore in 2020 — to continue.

Emails sent to Future Group and RIL did not elicit a response till the time of publication.

The Delhi High Court is hearing four cases in the legal battle between Future Group and e-commerce major Amazon. The matter will come up for hearing on Monday. The National Company Law Appellate Tribunal (NCLAT) is also hearing the US firm's case challenging the Competition Commission of India's (CCI) order cancelling its 2019 deal with Future Coupons.

In a stock exchange filing on Saturday, Future Retail said it received termination notices for a significant number of stores because of huge outstanding dues, and it would no longer have access to such store premises.

“The company is scaling down its operations, which will help us in reducing losses in the coming months. The company is proposing to expand its online and home delivery business, to increase its reach to the customers,” the company said in the exchange filing.

In 2020, landlords had begun to terminate the lease agreements with Future Group and several of them approached RIL. The lease for those stores were then signed with the Mukesh Ambani-run company and were sub-leased to Future Group. The debt-ridden retail chain has over 1,700 stores across various brands, which include Big Bazaar, Fbb, and Central.

The exchange filing also said, “The company has been finding it difficult to finance the working capital needs. Increasing losses at store level is a grave concern and is a vicious cycle where larger operations are leading to higher losses.” Future Retail said it has made a loss of Rs 4,445 crore in the last four quarters.

Source: business-standard.com– Feb 28, 2022

HOME

*****************