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. 43 of 2022 March 05, 2022

US 76.43| EUR 83.53| GBP 101.09| JPY 0.65

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	GlobalData cuts Indian economy growth forecast for 2022 amid Russia-Ukraine crisis
2	US, Japan complete 1st round meetings of US-Japan Partnership on Trade
3	Vietnam, Singapore sign MoU on economic, trade cooperation
4	Bangladesh Garment Producers Caught in Russia-Ukraine War
5	Aus to continue duty-free facility for Bangladesh's exports after 2026.
6	Vietnamese exporters hit hard by rising logistics costs
7	UKFT to conduct webinar on reshoring fashion production to UK
8	No one immune from the impact of Russia-Ukraine conflict
9	Over 25,000 visitors attend inaugural Istanbul fashion connection

INTERNATIONAL NEWS

GlobalData cuts Indian economy growth forecast for 2022 amid Russia-Ukraine crisis

GlobalData, a London-based data analytics and consulting company, on Friday said it has lowered India's economy growth forecast to 7.8 per cent for 2022 due to the nation's exports being impacted by the Russia-Ukraine war and spiking oil prices causing ripple effects.

In a statement, it said rupee is likely to further depreciate against US dollar while soaring commodity prices will push inflation up. However, Indian banking sector will likely remain resilient.

"The ongoing Russia-Ukraine war will have a negative impact on India's exports and spike in oil prices will cause ripple effects on input prices and consumer goods leading to inflationary pressures. "Against this backdrop, GlobalData revises down the country's economy growth forecast by 0.1 percentage point to 7.8 per cent for 2022," the statement said. Ukraine and Russia together accounted for 2.2 per cent share of total imports of India in 2020.

India mainly imports mineral fuels (34 per cent of the total imports), natural pearls and semi-precious stones (14 per cent), fertilisers (10 per cent), petroleum oils and crude (5.6 per cent) from Russia, and animal or vegetable fat and oils (74.9 per cent of the total imports), fertilisers (11 per cent), and inorganic chemicals (3.5 per cent) from Ukraine. The prices of these items are projected to shoot up in the short-term, GlobalData said.

Gargi Rao, Economic Research Analyst at GlobalData, commented, "In the short-term, Indian traders may feel the pinch of higher oil and gas prices along with delays in shipment and movement of assignments across Black Sea." Inflation rate is already on the rise due to increase in prices of fuel and edible oils.

GlobalData forecast that the ongoing geopolitical risks arising from the Russia-Ukraine war would further push the inflation rate to 5.5 per cent in 2022 compared to 5.1 per cent in 2021.

"Rise in commodity prices will add to the current account deficit, tighten financial conditions and lead to a possible depreciation of rupee against the US dollar. Investment climate might deteriorate. Shock to stock markets will further lead to decline in capital inflows," said Rao.

The diamond polishing business in India may be among the sectors most affected by Indian banks' decision to temporarily freeze fresh transactions with Russian institutions. Farm exporters might take a hit due to port congestion. Many defence projects are likely to get delayed in Russia thereby affecting the defence manufacturers in India.

Rao said, "Disruptions to supply cause prices of intermediary goods such as pig iron to shoot up. India being the largest importer of sunflower oil, shipments of tons of cooking oil to India are at risk as logistics and loadings remain stuck at various ports. As a result, the country may face the prospect of increased prices of edible oils. Moreover, due to rise in crude oil prices, Indian import bill is expected to inflate."

However, on the positive side, with higher economic sanctions on Russia from the West, India can reap benefits from possible new export opportunities. Steel and aluminum manufacturers could gain by tapping the EU market.

The overall Indian banking sector will likely remain resilient, GlobalData said. "However, there might be a possibility of monetary tightening amid the inflationary pressures."Rao concludes: "There are upside risks to domestic inflation arising out of international commodity prices amid the ongoing conflict. Indian importers might feel the pinch of higher commodity prices and exporters may fail to reap benefits due to high logistics costs."

Source: financialexpress.com – Mar 04, 2022

HOME

****

US, Japan complete 1st round meetings of US-Japan Partnership on Trade

The United States and Japan recently completed the first round of meetings of the US-Japan Partnership on Trade. Both sides discussed specific initiatives and efforts in a range of areas, including labour, digital economy, environment, third-country issues, multilateral cooperation and trade facilitation. The partnership was launched during US trade representative Katherine Tai's visit to Japan in November 2021.

Both sides intend to engage in further discussion to discuss due diligence guidance related to eradicating forced labour and other practices of concern in global supply chains, taking into account international standards, according to an USTR press release.

They decided to coordinate efforts to respond to third-country regulations that go against these commitments, and to exchange views on emerging and innovative digital trade rules.

Both the countries will hold discussions on reverse supply chains and the circular economy, as well as exchanges on promoting zero-to-low carbon goods and technologies.

They also discussed the importance of resilient supply chains, and the growing role of digital technology in customs trade facilitation.

Source: fibre2fashion.com– Mar 05, 2022

HOME

****

Vietnam, Singapore sign MoU on economic, trade cooperation

Vietnam and Singapore signed a memorandum of understanding (MoU) on economic and trade cooperation during the visit of the former's president Nguyen Xuan Phuc to the latter late last month. The ministries of trade and industry from both sides signed the MoU. Two-way trade between both sides hit $8.3 billion last year, up by 23 per cent over the 2020 figure.

Vietnamese minister of industry and trade Nguyen Hong Dien and Singaporean second minister for the same portfolio Tan See Leng agreed to quickly establish specialised working groups in each field to effectively implement the MoU document, according to official statements from both sides.

They also discussed measures to further expand cooperation in developing digital economy; optimise free trade agreements in which the two countries are members; and focus on encouraging investment in electronics, telecommunications, furniture, and agro-fishery processing.

Singapore is the fifth biggest trading partner of Vietnam and the third largest foreign direct investor in the country.

Source: fibre2fashion.com– Mar 04, 2022

HOME

****

Bangladesh Garment Producers Caught in Russia-Ukraine War

Like the rest of the world, Fahim Iqbal is watching Russia's assault on Ukraine with bated breath. The number of civilian casualties is estimated to be in the hundreds, and more than 1 million people have fled the country as Vladimir Putin-controlled forces escalate their bombardment on several cities and towns. Moscow's seizure of Europe's largest nuclear power plant on Friday could also have devastating implications for broader global security.

But the conflict could also pose complications for Iqbal's garment-manufacturing business. Patriot Group, where he serves as director, had already incurred a body blow after Sears parent Transformco canceled and then refused to pay for $3.6 million in completed and in-progress goods at the outset of the Covid-19 pandemic. With its creditors at its heels, Patriot Group was forced to shut down one of its two factories and lay off 1,200 workers.

The supplier makes clothing for two retailers in Russia: O'Stin, which has received an annual $1 million in goods for the past two years, and Tvoe, which it recently onboarded. Neither company has canceled orders, Iqbal said, though O'Stin has asked its contractors to hold any outstanding shipments because of the growing number of cargo curbs in response to Western sanctions on Moscow. MSC and Maersk, the world's biggest container shipping companies by volume, announced Tuesday, for instance, that they were temporarily stopping all cargo bookings to and from Russia except for food, medical supplies, and humanitarian aid.

O'Stin has also asked to pay Patriot Group the $30,000 it still owes in Chinese rather than U.S. currency, Iqbal said, though he wasn't sure if it was so much due to the barring of several Russian banks from the SWIFT financial messaging system as it was due to the plummeting value of the ruble against the dollar. On Friday, the ruble fell 106.50 against the dollar in Moscow trade after earlier sinking to a record low of 118.35.
Another new client, LPP, a Polish retailer that has several stores in Russia, has asked Patriot Group to temporarily hold off on beginning production.

"One thing that's interesting is they told us to order new retail price tags for the orders," he said. "So they're probably going to increase their prices because of the currency exchange rate."

Patriot Group has already purchased between $200,000 and $300,000 in fabrics for orders for LPP and Tvoe, but it hasn't "cut into them" yet, which means it can still sell them to other customers in a worst-case scenario. (O'Stin, LPP and Tvoe did not immediately respond to requests for comment.)

The Bangladesh Garments Manufacturers and Exporters Association (BGMEA) has asked its members to proceed with caution when fulfilling orders from Russia, which it referred to as a "potential and emerging" market for apparel exports, because of sanctions such as those relating to SWIFT. The South Asian country, the world's second-largest exporter of clothing after China, delivered $593 million of goods to Russia in the 2020-2021 fiscal year, a small but not insignificant fraction of the tens of billions of dollars' worth it typically dispatches worldwide.

"BGMEA is closely observing the situation and we have advised our members to send us information with regard to buyers they are working with for exports to Russia, overdue payments and details of the concerned banks," Faruque Hassan, the organization's president, said in a statement to Sourcing Journal. "We also advised our members and exporters to be in touch with their buyers and lien banks and take necessary decisions based on discussions with them."

The BGMEA, Hassan said, has also raised the matter with all relevant government agencies, including the ministries of commerce and foreign affairs. "The government has already called for a meeting regarding the issue to understand the severity of the matter and take necessary measures," he said. "BGMEA hopes all from their respective positions will remain watchful of the situation."

For Mostafiz Uddin, managing director of denim manufacturer Denim Expert, which does not have any Russian clients, said many things are still up in the air because the full extent of sanctions is still uncertain and the situation is "changing day by day."

"The questions I would be curious about would be whether fashion retailers will still be selling into Russia, either directly via stores in Russia or via e-commerce," Uddin told Sourcing Journal. "Obviously, if retailers come under pressure to completely exit the Russian market, this could impact their suppliers in the likes of Bangladesh."

A growing number of brands and retailers has indeed come under that pressure. In the past week, Asos, Boohoo, Ganni, H&M, Puma, Nike and others have decided to hit pause on operations in Russia and Ukraine, citing supply chain disruptions, worker safety or a desire to stand up for peace. Miran Ali, vice president of the BGMEA, told Sourcing Journal that brands that have done so have committed to reallocating these volumes so suppliers don't feel the pain. "No one is saying anything otherwise," he said.

An insider familiar with the matter, who asked not to be named because he wasn't authorized to speak, said that the "robustness" of the Russia-Bangladesh relationship will "provide support" to find an alternative channel to SWIFT. "At the micro firm level, some companies definitely will be affected and business growth potential will be hampered but in the long run the two governments and their central banks will find out alternate payment channels," he said. "I would say in the immediate mid to long term solutions will be identified."

Iqbal said he hopes for a return to peace. While everyone involved appears to be taking a wait-and-see approach, Patriot Group has already promised LPP 30 percent of its capacity. So far, half a million dollars in orders hangs in the balance, even if nothing has yet been made. "We are expecting huge business with them in the future," he said. "Hopefully things get better. They stop the war. Things get back to normal. That's what we're all hoping for."

Source: sourcingjournal.com– Mar 04, 2022

HOME

****

Aus to continue duty-free facility for Bangladesh's exports after 2026

Australia will continue its duty and quota free treatment for exports from Bangladesh even after the country graduates from the least developed country (LDC) status in 2026. This commitment was made at a meeting of the first Joint Working Group (JWG) on trade and investment held recently in Canberra, the Bangladesh high commission in the city said a statement.

Two-way trade between the countries in 2019-20 was worth $2.6 billion, which may significantly increase in the coming years, Bangladesh media reported quoting government officials.

Formed under the Trade and Investment Framework Arrangement (TIFA) between Australia and Bangladesh, the JWG meeting had productive discussions on general trade issues, trade in goods and services, trade facilitation, promotion of investment, energy and defence collaboration, among others.

The JWG agreed to involve relevant private sectors and encouraged institutional linkages between apex trade bodies of the two countries to further strengthen bilateral trade.

Australia also agreed to initiate a study on prospects of greater trade and investment flow for adding dynamism in economic ties.

The two countries also agreed to enhance industry connections between Australian exporters of raw materials like cotton, wool, hides and importers, manufacturers in Bangladesh.

Australia also expressed its keenness to explore investment opportunities in infrastructure, energy, mining and information and communication technology sectors in Bangladesh.

The next JWG meeting will take place in Bangladesh early next year.

Source: fibre2fashion.com– Mar 04, 2022

HOME

****

Vietnamese exporters hit hard by rising logistics costs

Several Vietnamese export companies have cancelled some orders due to rise in logistical expenses following the sharp hike in fuel prices. Shipping lines have raised freight rates, adding a cost of at least 30 million VND ($1,314) to every container shipped to China. However, higher freight rates do not necessarily lead to better service.

Le Thi My Hanh, general director of Banana Brother Farm, said costs had increased by 3-4 million VND ($131-$175) per truck to transport bananas from growing regions to border gates or seaports.

For Ngo Thi Hong Thu, general director of Ameii Vienam, as logistic costs were climbing beyond her firm's capacity, it had to decline several long-distance orders from its foreign partners. Farmers will also suffer as they will get a lower price for their products, she explained.

Ngo Tuong Vy, deputy director of Chanh Thu Fruit Export and Import Ltd., said her firm had never gone through such a tough time and had no choice but to price up its products to cover the mounting costs, according to a report in Vietnamese media outlet.

Nguyen Hoai Nam, deputy general secretary of Vietnam Association of Seafood Exporters and Producers, acknowledged that logistic costs are $5,000-$10,000 higher than 2020 rates for every container to Europe or the United States.

The secretary said that some shipping lines frequently delayed shipments for 10-30 days for no reason, compounding the situation.

Source: fibre2fashion.com– Mar 04, 2022

HOME

****

UKFT to conduct webinar on reshoring fashion production to UK

UK Fashion & Textile Association (UKFT) will be conducting a webinar on 'Reshoring fashion production to the UK' on April 6 at 10.30 am. UKFT's manufacturing consultant Elliot Barlow will be joining the webinar to speak about reshoring, CMT vs fully factored production, UK manufacturing capabilities and services, internal organisation, cost implications, lead times and import and export.

The changing industry landscape within supply chain networks is prompting thoughts for many brands to reshore production to the UK. The webinar will discuss the implications with this, the considerations for business models and where lie the benefits and drawbacks, UKFT said on its website.

Barlow has worked in a variety of different production environments and his expertise has been forged from hands-on experience managing high-end clothing factories in London, his own consultancy business producing for multiple brands and designers in the UK and more recently in senior management roles in-house and as a consultant for the UKFT. Barlow has been involved in producing clothing at all levels of quality, volume and design-philosophy and understands the necessary steps required to work effectively with manufacturers.

There will also be an opportunity to ask questions at the end.

Source: fibre2fashion.com– Mar 04, 2022

HOME

****

No one immune from the impact of Russia-Ukraine conflict

The economic damage from supply disruptions triggered by the confluence of events around the Russian invasion of Ukraine would be severe in some countries and industries and less so in others depending on the depth and breadth of economic ties, mainly with Russia because of its size, and the degree of integration with global commodity and financial markets. It is hard to imagine circumstances under which any country can escape the near-term economic impact of the Ukraine crisis in this globalised world.
The impact is not just because of disruptions caused by the war but also the multifarious economic sanctions against Russia imposed by the US, the EU, the UK, Japan, and several others. Even neutral Switzerland has adopted EU sanctions.

Global banks are bracing for the effects of sanctions designed to restrict Russia's access to foreign capital and limit Russia's ability to process payments in dollars, euros, pounds, and yens which are crucial for trade. Large parts of the Russian economy will be a no-go zone for banks and financial firms after the decision to cut off some of its banks from SWIFT.
The situation has prompted a fast-growing list of large multinational corporations to shun Russia because of concerns about their financial and reputational risks. Among others, western oil and high-tech companies have severed or restricted ties with the Russian economy. US payment card firms Visa and Mastercard have blocked multiple Russian financial institutions from their network. Shipping giant Maersk has halted all container shipping deliveries to and from Russia.

The crisis is weighing heavily on the markets because of Russia's central role as a global energy producer. Russia is the third-largest producer of oil, providing roughly one of every 10 barrels the global economy consumes. Surging energy costs will ripple quickly through the global economy, fueling inflation further. Since December, oil prices have risen more than 40 per cent. Releases from the global oil reserve may only temporarily alleviate the shortage.

The sanctions could disrupt Russia's ability to export other commodities, including natural gas and wheat. Natural gas reserves are running low. Russia is the world's largest supplier of wheat and, together with Ukraine, accounts for nearly a quarter of total global exports. Other commodities tied to Russia and Ukraine, such as gold, aluminium, corn, and nickel, have been trading at multiyear highs since the eruption of the conflict.

Russia has banned air carriers from 36 countries, including European nations and Canada, from its highly trafficked airspace after the EU took similar action against Russian airlines. By forcing major airlines to take longer, more circuitous routes to Asia and the Middle East, this will increase ticket prices for travellers. There can be other retaliation by Russia in the days to come that may increase the cost and risk of doing international business.

The impact on the Bangladesh economy can be through disruptions in bilateral trade with Russia, rise in import payments, fall in export receipts, pressure on the exchange rate and a weakening of Russia's ability to deliver aid.

Disruptions in bilateral trade can hurt production and supplies in Bangladesh. The volume is small but nontrivial.

Total exports in FY21 were about $550 million and imports $480 million. Trade with Ukraine with Ukraine amounts to around $350 million. Bangladesh mainly exports apparel items, jute, frozen foods, tea, leather, home textiles and ceramic products to Russia and Ukraine. Imports include cereals, minerals, chemical products, plastic products, metal, machinery, and mechanical equipment.

Exports to Russia were on a rising curve. There may be an immediate impact on getting payments against items already exported to Russia and Ukraine. If two months' equivalent of export payments are stuck, we are talking about $100 million (based on FY21 exports to Russia and Ukraine). Disruption in import supplies can hurt domestic production and stoke domestic prices.

Pressure on external balance and the exchange rate will deepen. The external current account deficit in the first half of FY21 had already reached a record high of over $8 billion due to a steep increase in import payments and significant deceleration in remittances.

Global commodity price increases in the aftermath of the crisis will fatten the import bill. There may not be any major impact on remittances assuming migrant workers in the war-affected part of Europe will not face any complications in money transfer. The persistence of a high current account deficit implies continued pressure on the exchange rate.
Russia is financing multiple projects, including the Rooppur nuclear power plant. There is about $7.8 billion in Russian aid in the pipeline. Financial

and payment sanctions against Russia can make disbursements from the aid pipeline very difficult not to speak of the impairment of Russia's ability to do so because of foreign exchange shortages.

On the policy front, there are three areas where proactivity is immediately needed.

First, the relevant agencies of the government must continuously monitor the spillover effects of the sanctions on Bangladesh's international transactions. These will depend on the precise modes of application of the sanctions already in place and how they escalate further.

Second, the Bangladesh Bank must ensure the adequacy of liquid reserves to preempt undue volatility in the foreign exchange market. This means being more careful in committing reserves to longer-term uses.

Third, the finance and planning ministries will need to revisit the FY23 budget now under preparation. They need to ascertain to what extent the energy and food price increases can be absorbed in the budget considering the hardship the poor and vulnerable households are already facing as they struggle to recover from the impact of the pandemic.

Even after the immediate, headline-based volatility subsides, there will be many challenges to contend with. There is no immediate resolution of the Ukraine-Russia conflict on the horizon even if Russia wins the ground battle. The war is likely to continue in one form or another. We are likely to be in this environment of a multipronged and multifaceted sanctions regime for months if not longer.

Source: thedailystar.net – Mar 03, 2022

HOME

****

Over 25,000 visitors attend inaugural Istanbul fashion connection

More than 25,000 visitors from about 100 countries attended the kick-off event of Istanbul Fashion Connection. Over 600 companies presented their collections on more than 35,000 square meters of exhibition space and provided information about their creative collections and production capacities in the areas of womenswear, menswear, kidswear, denim, shoes, leather and fur, lingerie and bridal and evening wear.

The collections of the suppliers were presented in a clearly structured manner in booths with showroom design in eight halls of the exhibition center. Leading representatives of the apparel industry for men and women such as Cross, Climber BC, Lee Cooper and In City, Tugi for kids, Ferelle, Armofur and many more for leather & fur garments exhibited in Halls 2, 4 and 8 with shoes and accessories such as La Pinta and Bay Şapkacı which also complemented the product range.

The bridal and occasion wear area was concentrated in Halls 1 and 3, top lingerie and hosiery companies were presented in Halls 9-10 and 11. EKOTEKS, the official institute in Turkey for the development and awarding of internationally valid sustainability certificates also attended IFCO, holding seminars on sustainability and environment in addition to its booth area.

Despite the pandemic, Istanbul Fashion Connection registered more than 25,000 visitors from over 100 countries like Russia, Ukraine, UK, France, Germany, Poland, and further EU countries, Middle East and North Africa, USA etc.

The new fashion collections, combined with the ideal near shore capacities, experienced high demand and contributed to excellent business activities. For trade and industry, Istanbul Fashion Connection was a unique opportunity for a face-to face meeting on an international platform. All trade channels were represented at the fair, from large shopping mall and department store groups to wholesales and international retail chains or online platforms.

Source: fashionatingworld.com– Mar 04, 2022

HOME

****

NATIONAL NEWS

PM Modi: Special focus given in budget to strengthen MSMEs via credit facilitation, tech upgradation

Ease of Doing Business for MSMEs: Prime Minister Narendra Modi in a post-budget webinar on Thursday said the special focus has been given in the budget to strengthen MSMEs through credit facilitation and technology upgradation initiatives. For instance, "Government has announced a Rs 6,000-crore Raising and Accelerating MSME Performance (RAMP) programme for MSMEs," PM Modi said in his address to the industry representatives during the webinar on Make in India organised by the Department for Promotion of Industry and Internal Trade (DPIIT).

Finance Minister Nirmala Sitharaman in her budget speech last month had announced that the RAMP programme will be rolled out in the coming five years to improve the competitiveness and productivity of MSMEs. RAMP is a central government scheme in partnership with the World Bank for five years – FY22 to FY26 announced last year with the World Bank's contribution earmarked at Rs 3,750 crore under the Credit Linked Capital Subsidy and Technology Upgradation Scheme.

In terms of digital support for MSMEs, the budget had announced interlinking of Udyam, e-Shram, National Career Service (NCS), and Atmanirbhar Skilled Employee-Employer Mapping (ASEEM) portals to make access to government data on registration of MSMEs, unorganised workers, availability of skilled workforce, etc., more seamless.

PM Modi added that the focus has also been given in the budget to develop new "railways logistics products" for large industries, MSMEs and farmers. Moreover, the integration of postal and railway networks, PM Modi said, will solve the problem of connectivity for small enterprises and remote areas in terms of the movement of parcels.

Importantly, in order to attract MSMEs as supply chain vendors, Indian Railways in January this year has reduced its vendor application fee by 93 per cent from Rs 1.5 lakh to Rs 10,000 for identified safety items, Railways Ministry had said. For businesses other than MSMEs, the fee was cut 94 per cent from Rs 2.5 lakh to Rs 15,000.

The Prime Minister also noted the removal of 25,000 compliances so far to ease the compliance burden on businesses. “From Common Spice Form to National Single Window System to set up a company, now you are feeling our development-friendly approach at every step”, PM Modi said.

In order to boost Make in India, the Prime Minister urged industry leaders to take responsibility for manufacturing certain products within the country that are currently being imported. “Can you take the challenge of creating an environment within one year that will help India stop importing certain goods by taking the onus of making some of those goods in-house?”

Source: financialexpress.com– Mar 03, 2022

HOME

****

India can become green hydrogen hub: PM Narendra Modi

Referring to recently-announced National Hydrogen Mission, Prime Minister Narendra Modi today said India can become a hub of green hydrogen given its abundant renewable energy resources. He was addressing a webinar on 'Energy for Sustainable Growth'.

This was the ninth one in the series of post-budget webinars addressed by the prime minister, according to an official release.

The Prime Minister said that 'Energy for Sustainable Growth' not only resonates with the Indian tradition but is a pathway to achieve future needs and aspirations. He said that sustainable growth is possible only through sustainable energy sources. The Prime Minister reiterated his commitment made at Glasgow to reach Net Zero by 2070. He also mentioned his vision of life pertaining to an environmentally sustainable lifestyle.

On India's target of achieving 500 GW non-fossil energy capacity and achieving 50 per cent of installed energy capacity through non-fossil energy by 2030, Modi said: "Whatever targets India has set for itself, I do not see them as a challenges but as opportunity. India is moving with this vision in last few years and the same has been taken forward at policy level in this year's budget."

The last budget has announced ₹19,500 million for high-efficiency solar module manufacturing that will help in making India a global hub for manufacturing and research on solar modules and related products, he added.

Source: fibre2fashion.com – Mar 04, 2022

HOME

****

Banks huddle with RBI on Russia trade transactions

Senior executives of the Reserve Bank of India (RBI) on Friday held a face-to-face meeting with large banks to discuss the problems they are facing with respect to trade finance transactions with Russian entities. According to sources, the meeting was meant to take stock of the current situation and no alternative mechanism for processing of transactions was proposed.

A few large public sector banks (PSBs) and private sector lenders, along with major foreign banks, are understood to have attended the huddle. Lenders based in other cities were not present at the meeting. A few central bank executive directors were present at the stock-taking exercise.

The government is known to be exploring the option of activating the rupee-rouble trade channel to enable transactions with Russian entities to go through.

Indian banks have temporarily put fresh transactions with Russian entities on hold, as they await the final list of sanctions put out by the US Treasury's Office of Foreign Assets Control.

The RBI had earlier sought a status check of Indian banks' transactions with Ukraine and Russia soon after the war broke out between the two nations. Trade in rough diamonds and defence hardware is believed to have been hit worst by the freeze on transactions.

Source: financialexpress.com– Mar 05, 2022

HOME

****

Forex reserves decline by USD 1.425 bn on

India's forex reserves declined by USD 1.425 billion to USD 631.527 billion for the week ended in February 25 due to a dip in currency assets, according to the Reserve Bank data released on Friday.

The overall reserves had increased by USD 2.762 billion to USD 632.952 billion in the previous reporting week.

During the reporting week, the foreign currency assets (FCA) declined by USD 2.228 billion to USD 564.832 billion.

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

The value of the gold reserves continued its northward journey and increased by USD 958 million to USD 42.467 billion in the reporting week, the data showed.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) decreased by USD 122 million to USD 19.04 billion, the RBI said.

The country's reserve position with the IMF also decreased by USD 34 million to USD 5.187 billion in the reporting week, the data showed.

Source: financialexpress.com– Mar 04, 2022

HOME

****

Govt extends deadline for feedback on draft MSME policy

Ease of Doing Business for MSMEs: The MSME Ministry has extended the deadline for submission of feedback on the draft national policy for micro, small and medium enterprises (MSMEs) by two weeks to March 15 for greater participation of MSME stakeholders with their inputs. The announcement was made on Wednesday in an office memorandum signed by Amit Kumar Tamaria, Deputy Director (MSME Policy), Office of Development Commissioner (DC-MSME).

Office of DC-MSME had floated the draft policy document early last month that proposed eight “specific action areas” to promote competitiveness, boost technology upgradation, cluster and infrastructure development, procurement of MSME products and provide dedicated credit support. The draft policy document was prepared by the Indian Institute of Public Administration (IIPA), the memorandum said. IIPA is the academic institution under the Ministry of Personnel, Public Grievances and Pensions for training, research and information dissemination related to public administration.

“Complete stakeholders’ participation is very important in policy matters in order to ensure citizen or business-centric guidelines are framed. The government is looking to get maximum feedback on the current draft with the two-week extension. Also, it is the government’s discretion to decide on the period of extension,” a source familiar with the draft policy told Financial Express Online on anonymity.

Comments from the office of DC-MSME were not immediately available for this story. IIPA declined to comment.

The eight action areas mentioned in the draft policy included intergovernmental role and responsibility, legislation/regulatory framework for MSMEs, access to finance/ financial assistance for MSMEs, technology upgradation, knowledge management, ease of doing business, skill development, and exit code.

Importantly, India doesn’t have an MSME policy so far despite the MSME sector being hailed as the economic backbone of the country with nearly 30 per cent contribution to India’s gross domestic product, close to 50 per cent share in the country’s exports, and 11 crore jobs created.

However, efforts have been underway since around 2015 when the One Member Committee under the chairmanship of former Cabinet Secretary Dr Prabhat Kumar was constituted by the Ministry of MSME to help in formulating the policy. According to a tweet by the MSME Ministry on December 14, 2014, it had come out with a draft consultation paper then as well, but the sector continued to wait for the policy to be out.

Source: financialexpress.com– Mar 03, 2022

HOME

****

Cotton yarn prices drop in India as local & export demand remains weak

Cotton yarn prices in India slipped further by up to ₹8 per kg as the market received sluggish demand. According to trade sources, domestic demand did not support market sentiment as production activities remained weak in garment units. Export demand is weak due to uncertainty of geo-political developments after Russia's attack on Ukraine.

Domestic demand for summer clothing is not yet visible. A broker from Mumbai told Fibre2Fashion that the market was expecting better demand in March. But current demand was not up to the expectations. Prices fell because market was neither supported by domestic nor export demand. Local demand is expected to pick up after mid-March, but it will be short lived because of financial year ending. He said that around 70-80 per cent power looms are closed temporarily as demand from garment industry was very poor.

Export demand was also low in the market as buyers were not ready to take any risk. Traders said that export demand was already weak, and current crisis added to the worries. Exporters were facing difficulty to get containers. Availability of containers reduced as global vessel movement was disrupted after Russia-Ukraine conflict and restrictions imposed by the western powers.

In Mumbai market, yarn prices fell by ₹2-8 per kg as demand weakened further. 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,910-1,920 and 1,670-1,720 per 5 kg, respectively. Carded cotton yarn (44/46 count) of warp variety was traded at ₹1,700-1,740 per 5 kg. 80 count carded cotton yarn of weft variety was sold at ₹1,870-1,920 per 4.5 kg.

Tiruppur market also witnessed a downfall in cotton yarn prices. 30 count combed cotton yarn was traded at ₹355-365, 34 count combed at ₹365-375 and 40 count combed at ₹390-400 per kg. Cotton yarn of 30 count carded was sold at ₹315-320, 34 count carded at ₹325-330 and 40 count carded at ₹338-348 per kg, according to Fibre2Fashion's market analysis tool TexPro.

In global market, ZCE cotton yarn May 2022 futures traded lower at CNY 155 to CNY 27,640 per ton and September 2022 traded down CNY 225 at CNY 28,205 per MT today. ZCE cotton March declined CNY 65 to CNY

21,145 per MT and May contract traded down CNY 25 to CNY 20,205 per MT. ICE cotton futures surged on Thursday amid strong exports sales data, while a firmer dollar curbed gains. Cotton contract for May 22 closed at 119.8 cents, up 126 points, Jul 22 closed at 115.86 cents, up 78 points, and Dec 22 closed at 101.58 cents, up 77 points.

Cotton prices edged higher in Gujarat for the second consecutive session on Friday amid continued demand from mills, while daily arrivals registered an increase. 29 mm cotton was traded at ₹76,000 to ₹77,500 per candy. Cotton A grade was traded at ₹76,500 to ₹77,500, B grade at ₹75,000 to ₹75,500 and average grade cotton at ₹73,500 to ₹74,500 per candy. V797 variety was quoted at ₹40,000 to ₹42,000 per candy.

Source: fibre2fashion.com– Mar 04, 2022

HOME

****

Lenzing group's inaugurates second supply chain solutions hub in surat

The LenzingGroup, inaugurated its second supply chain solution center – The Lenzing Hub in Surat. The hub will serve as a nerve center for textile manufacturers and traders located in Gujarat and neighboring states, allowing them easy access to Lenzing's supply chain and product solutions. The initiative will fortify Lenzing Group's presence within India's textile capital and link the supply chain and brands looking to adapt sustainable fibers that are need of the hour.

Located in UdhanaDarwaza of Surat, the hub is spread across 850 sq. feet and is equipped with a team of commercial and technical experts. The hub will display Lenzing Group's specialty fibers solutions, it will house the products and innovations created using TENCELTM branded lyocell and modal fibers, Lenzingtm Ecoverotm specialty viscose fibers and carbon-zero Tenceltm branded fibers to attract both buyers and supply chain experts.

The hub would also display product samples that have been made in collaboration with top designers and brands across India and the globe, seen at key fashion events, on a regular basis. This platform will bring forward global innovation capabilities to help to build on Lenzing's ongoing conversation on sustainable fashion in the Indian Textile industry. Additionally, the hub would cater as an information and support center for textile suppliers, garment makers, designers and traders to enable quick solutions.

The hub will play a pivotal role in offering cost effective supply chain solutions for yarns in coordination with Lenzing's spinning partner mills as well as technical guidelines and solutions creating value added fabrics & end products. Further, creative and innovative fabric mills widen their presence through having their fabrics promoted on to Global Platforms using Lenzing's worldwide network.

Source: fashionatingworld.com – Mar 04, 2022

HOME

****