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INTERNATIONAL NEWS

Global e-commerce market projected to grow 55% by 2025: FIS

The global e-commerce market is projected to grow more than 50 per cent through 2025 to reach over $8 trillion in transaction value, according to a new report released today from financial technology leader FIS. Moreover, Buy now, pay later (BNPL) is projected to be the world's fastest-growing payment method both online and in-store through 2025.

The 2022 Global Payments Report by Worldpay from FIS has examined current and future payments trends across 40 countries in 5 regions. The report found the shift to online continued in 2021 with 13.9 per cent growth in global e-commerce, while the 13.4 per cent growth in point-of-sale (POS) transaction value reflects the steady recovery from the impacts of the COVID-19 pandemic.

The report found that global consumers continue to embrace BNPL, and by 2025 it is projected to account for approximately 5.3 per cent ($438 billion) of global e-commerce transaction value, increasing its share from 2.9 per cent ($157 billion) in 2021.

"Even as more customers return to the store, it is clear that there is no going back on the innovations we are seeing within fintech," said Jim Johnson, head of merchant solutions at FIS. "Consumers are now mirroring the way they shop online while they are at their favorite retailer – creating a more advanced blend of digital and physical payment options than we saw prior to the pandemic. The implications of this are significant for merchants, who now need to innovate and partner with a technology provider who can help them meet the diverse needs of modern-day consumers."

BNPL is projected to be the fastest-growing e-commerce payment in Argentina, Belgium, Brazil, Canada, Chile, France, Hong Kong, India, New Zealand, Singapore, the UK and the US. BNPL accounted for 8.1 per cent of Europe's regional e-commerce transaction value in 2021, more than twice the share of North America's 3.8 per cent. In 2021, global e-commerce spending exceeded $5.3 trillion in transaction value and is projected to surpass $8.3 trillion by 2025.

Digital wallets accounted for nearly half (48.6 per cent) of global e-commerce transaction value in 2021, with the report projecting they are projected to represent 52.5 per cent of e-commerce value in 2025.

The use of traditional payment methods such as cards and cash-on-delivery continue to lose share and combined are projected to account for less than a third of global e-commerce transaction value by 2025.

Source: fibre2fashion.com – Mar 16, 2022

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Russia's war in Ukraine may 'fundamentally alter' global economic, political order: IMF

Russia's invasion of Ukraine will affect the entire global economy by slowing growth and jacking up inflation, and could fundamentally reshape the global economic order in the longer term, the International Monetary Fund (IMF) said on Tuesday.

Beyond the human suffering and historic refugee flows, the war is boosting prices for food and energy, fuelling inflation and eroding the value of incomes, while disrupting trade, supply chains and remittances in countries neighbouring Ukraine, the IMF said in a post on its website.

It is also eroding business confidence and triggering uncertainty among investors that will depress asset prices, tighten financial conditions and could trigger capital outflows from emerging markets, it said. "The conflict is a major blow to the global economy that will hurt growth and raise prices."

Lower growth forecast

IMF officials have already said they expect to lower the fund's previous forecast of 4.4 per cent global economic growth in 2022. In Tuesday's post, they suggested their regional growth forecasts would also be likely be revised downward.

The IMF is due to release updated forecasts on April 19.

Countries with direct trade, tourism and financial exposures would feel mounting pressure, the IMF said, citing a greater risk of unrest in some regions, from Sub-Saharan Africa and Latin America to the Caucasus and Central Asia.

At the same time, food insecurity was likely to further increase in parts of Africa and the Middle East, where countries like Egypt import 80 per cent of their wheat from Russia and Ukraine.

In the longer term, it said, "The war may fundamentally alter the global economic and geopolitical order should energy trade shift, supply chains reconfigure, payment networks fragment and countries rethink reserve currency holdings."

Ripple effects

The IMF predicted deep recessions in Ukraine and Russia, and said Europe could see disruptions in natural gas imports and wider supply-chain disruptions. Eastern Europe, which has absorbed most of the 3 million people who have fled Ukraine, would see higher financing costs as a result.
The IMF said countries in the Caucasus and Central Asia with close trade and payment system links to Russia would be more affected by its recession and sanctions imposed since the invasion of Ukraine, curbing trade, remittances, investment and tourism.

In the Middle East and Africa, worsening external financing conditions may spur capital outflows and add to growth headwinds for countries with elevated debt levels and large financing needs, the IMF said.

Higher energy and food prices, reduced tourism and problems accessing international capital markets would threaten countries in sub-Saharan Africa, which imports around 85 per cent of its wheat supplies, with a third coming from Russia or Ukraine.

Food and energy prices are the main channel for spillovers in the Western Hemisphere, with high commodity prices likely to significantly quicken already high inflation rates in Latin America, the Caribbean and the United States.

In Asia, the biggest impact will be felt among oil importers of ASEAN economies, India, and frontier economies including some Pacific Islands, while new fuel subsidies could ease the impacts in Japan and Korea, the IMF said.

Source: thehindubusinessline.com– Mar 16, 2022

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Gap Stops Delivering to Russia

Gap Inc. has suspended deliveries to Russia, the latest in a line of apparel and footwear companies that have halted operations amid the ongoing humanitarian crisis in Ukraine, where civilian casualties continue to mount three weeks into the Kremlin's invasion.

The San Francisco-headquartered retailer, which owns the Gap, Banana Republic, Old Navy and Athleta brands, quietly announced the move Thursday in a staff memo that noted its "small franchise presence" in the Eastern European superpower. "We also have a handful of franchise locations in Ukraine, which are currently closed, and we are working through our partner to account for the safety of those employees," it added.

A Gap Inc. spokesperson declined to specify the number of storefronts it supported in the region, though a 2011 press release for the company's first Banana Republic store in Russia indicates at least 11 franchise stores in the market, including nine in Moscow. Fiba Holding, which manages the retailer's franchise locations in Russia, also opened Gap's first store in the Ukrainian capital of Kyiv the same year. Since 2010, Gap Inc. has offered Ukrainian and Russian consumers both Gap and Banana Republic products through its international online shipping provider.

"Russia's consumer base has nearly double the amount of disposable income compared with the average Western consumer," Stefan Laban, Gap Inc.'s then-managing director of strategic alliances, said at the opening of the Banana Republic store in Moscow's AfiMall City. "Given Russia's high demand for retail consumption, the market presents an ideal opportunity to introduce Banana Republic's affordable luxury offering."

Gap Inc. also revealed in the memo, as well as more widely across social media, a collective in-kind donation of more than $1 million worth of women's and children's clothes to the United Nations High Commissioner for Refugees (UNHCR) for "communities in need." The company said it is further encouraging employees to contribute company-matched donations to U.S.A. for UNHCR, Care and the International Rescue Committee to help with Ukranian refugee resettlement.

"It's devastating to witness all those affected by the war in Ukraine," CEO Sonia Syngal wrote on LinkedIn. "Seeing so many—especially women and children—leave behind their homes in search of safety, my hope is that these donations from the Gap Inc. family will lend help during this time of great need."

With the addition of Gap Inc., all Big Four apparel retailers by sales have exited the Russian market. H&M was the first to bow out not long after the war began, followed by Zara owner Inditex. On the same day that Gap Inc. sent its memo, Uniqlo parent Fast Retailing U-turned on its decision to maintain operations in the nation. All but Inditex have stated that they are also contributing clothing.

But aid workers are now pleading with wellwishers to stop sending clothing but money and household, sanitary and medical supplies instead. Volunteers have no time to sift through truckloads of clothing, and the people fleeing the violence have no time to tarry, they say. More often than not, such donations end up abandoned in makeshift camps along the Polish-Ukrainian border.

"When they say no clothes, this is why," Charles Hannerton, a charity worker from the United Kingdom, wrote on Instagram next to photos of toppled-over boxes spilling over with shirts and dresses. "Once refugees get to the camps, they then have to get coaches to their next destination in Europe and cannot take bags as there is little space. This is just a few piles directly outside my tent in Medyka, this is the scene in all camps."

Then there's the fact that transferring goods between countries is often costly, time-consuming and swaddled with red tape. When time is of the essence, aid workers say, money is the most efficient and effective way of allowing them to purchase what they need in Moldova, Poland or Romania, where most of the refugees have flocked.

"It's usually much easier to buy items in the countries where they are needed. It's also usually cheaper and helps local markets and economies, helping countries to get back on their feet," Judith Escribano, director of communications at Action Against Hunger, a humanitarian organization, told iNews.

Source: sourcingjournal.com– Mar 15, 2022

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USA: Is Inflation Behind Slowing Retail Sales Growth?

U.S. retail sales improved just 0.3 percent in February, illustrating inflation's effect on consumer spending.

Economists were looking for 0.4 percent growth. Excluding sales at automobile dealers, sales rose just 0.2 percent, significantly lower than the consensus of 0.9 percent. The Department of Commerce said retail trade sales were "virtually unchanged" from January, but up 15.9 percent from a year ago.

Sales at apparel and accessories stores rose 1.0 percent to $26.5 billion in February from $26.2 billion in January, but were up 31.0 percent from the February 2021 level of $20.3 billion. Department store sales rose 2.0 percent to $12.2 billion from $12 billion in January, but were up 23 percent from $9.9 billion a year ago.

Sales at nonstore retailers, such as e-tailers, fell 4.0 percent to $$95.8 billion from $99.5 billion in January, but was still up 14 percent from $84.2 billion a year ago. Sales at furniture stores fell 1 percent to $12.3 billion from $12.4 billion in January, but were up 7 percent from year-ago levels. All figures are on an adjusted basis to account for seasonal variations. Figures are adjusted to account for seasonal variations.

The nation's annual inflation rate surged to 7.9 percent in February, the highest since January 1982. It could reach to 8.5 percent by the quarter's end—reflecting the steepest jump in four decades. What's more, the Federal Reserve is expected to raise inter-bank interest rates—the amount they charge each other for short-term loans—on Wednesday to tame red-hot inflation. This would make its first rate hike since 2018, with many bracing for additional upward revisions in the near future. While some thought the Fed might greenlight a 50-basis point hike, Bank of America Securities forecast increases of just half that amount at each of the seven remaining Fed meetings this year.

Although February's retail sales report only showed a moderate gain, The National Retail Federation (NRF) on Tuesday said U.S. consumer spending could drive retail sales to 6 percent to 8 percent growth for 2022, or $4.86 trillion to $4.95 trillion.

NRF's forecast exclude those at automobile dealers, gasoline stations and restaurants. Online sales year-over-year, included in the total tally, are expected to improve between 11 percent and 13 percent to $1.17 trillion and $1.19 trillion.

While the forecast for 2022 remains above the 10-year, pre-pandemic growth rate of 3.7 percent, that figure pales in comparison with the 14 percent annual growth rate in 2021. Last year's rate of growth was the highest in more than 20 years, the result of pent-up demand after early covid lockdowns.

That said, retail sales growth is expected to move at a "sustainable rate in 2022, but at a slower pace than experienced in the last two years," NRF chief economist Jack Kleinhenz said at a press conference Tuesday.

Strong job and wage growth and declining unemployment are expected to support strong sales. Monthly payroll gains should average about 300,000, he said.

But Kleinhenz said NRF's projection reflected "a lot of moving parts." Inflation, geopolitical uncertainty and policy variability are just a few of the headwinds ahead.

"Our view is that we expect solid economic growth to continue in the 3.5 percent vicinity that's adjusted for inflation. Given the surge of inflation and tightening of monetary policy, and less fiscal stimulus, GDP growth will likely be slower this year," Kleinhenz said, adding that as the "economy opens further in the coming months, there will continue to be dislocations due to persistent inflationary pressures."

He added that NRF "expect[s] inflation to remain higher than previously expected," and it likely won't cool down until the Federal Reserve's target of 2 percent is reached "sometime in 2023."

"Given the recent geopolitical disruptions, we will likely see some resetting of the world economy. And these ripples will make their way to the United States," Kleinhenz said, adding that even after navigating three waves of Covid, the virus could "still complicate the outlook as well," referring to the current surge in cases in China and Hong Kong.

Morgan Stanley chief U.S. economist Ellen Zentner said current projections for 4.3 percent GDP growth is lower than earlier forecasts, but does take into account higher energy prices, while Joel Prakken, chief U.S. economist at Markit, expects higher gasoline prices, slower economic growth, and other financial uncertainties stemming from Russia's invasion of Ukraine.

"It wouldn't surprise me at all to see year-on-year consumer price inflation this year in the 6 to 7 percent range. So this is going to erode disposable incomes. It certainly is a damper on all those other positive fundamentals for consumers that we have noted," Prakken said.

Walmart U.S. president and CEO John Furner described how the past few years have taught him that "flexibility is absolutely paramount to thriving as a business." Customers are changing faster than ever, which means "we have to be ready for them any way" they need, he added.

Although Walmart still sees a financially healthy consumer, the retailer aims to create "great value for customers [so] we'll be working over the next few quarters to do everything we can to keep costs down," he said.

"While retail revenue forecasts remain strong, we must stay vigilant. There is still so much uncertainty and risk ahead. Despite somewhat solid fundamentals, consumers have so many things to contend with right now—war, inflation, fuel prices, the winding down of Covid benefits, to name just a few—which will put a strain on consumer confidence and, I suspect, future numbers," David Bruno, director of retail market insights at Aptos, said in a statement after the NRF briefing. "As we look ahead, the spring holidays will likely mask some of these underlying concerns through March and much of April."

Bruno said retailers can prepare for the uncertain months ahead by controling the customer experience. "Retailers who empower shoppers with convenience, flexibility, transparency and timely communications throughout every journey will earn the confidence of their customers and thereby encourage more purchases, more often," he said.

Source: sourcingjournal.com– Mar 16, 2022

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Vietnam's trade may be significantly hit by Russia-Ukraine conflict

Market fluctuations and problems in goods import and export are expected to significantly affect Vietnam, say experts. Some areas that would see direct impact include prices of commodities, circulation of goods and commercial contract payments. Domestic firms with joint projects with partners in Russia, Ukraine and Belarus will also be affected.

Textiles account for 10.5 per cent of Vietnamese exports to Russia.

According to the European-American market department of Vietnam's ministry of industry and trade, both Russia and Ukraine are traditional and important trading partners of Vietnam in the Eurasia region. Russia ranks first and Ukraine sixth in terms of trade turnover.

If the Russia-Ukraine conflict continues, it will have a serious impact on bilateral trade between Vietnam and the two countries, according to a report in a popular Vietnamese media outlet.

In the short term, the crisis will affect goods, supply and demand and prices. The conflict is one of the main reasons for increasing prices of a number of fuels and raw materials for production and consumption.

Regarding the payment of commercial contracts, for Russia, the US and Western countries have imposed a series of sanctions targeting the banking and financial system of Russia, which will affect the settlement of many contracts using the US dollar as payment currency.

In addition, as the ruble exchange rate has fluctuated, some Russian importers have proposed suspending payment for two to three weeks to wait for the situation to stabilise.

Some shipping lines have refused to accept orders to transport goods from Vietnam to Russia. Freight rates will continue to soar along with shipping delays that will severely affect trade in goods.

In addition, due to an air embargo, airlines will have to choose longer routes, causing increased costs and pressure on the global logistics transport system and the price of goods.

Experts, however, said that it is too early to assess the medium and long-term impacts of the Russia-Ukraine crisis on trade relations with Vietnam.

Bilateral trade turnover between Vietnam and Russia in 2021 reached $5.5 billion, up by 13.8 per cent compared to the 2020 figure. Of that, exports were worth $3.2 billion, up by 13.2 per cent, and imports $2.3 billion, up by 14.9 per cent.

Vietnam's primary exports to Russia include phones and components (accounting for 33 per cent), computers and electronic products (13 per cent), textiles (10.5 per cent), coffee (5.4 per cent) and seafood (5.1 per cent).

Vietnam-Ukraine trade turnover in 2021 was estimated at $720.5 million, up by 50.6 per cent compared to the 2020 figure. Vietnam’s export revenue from Ukraine last year was $344.6 million, up by 21 per cent, and import turnover $375.8 million, up by 94.2 per cent.

The main export items of Vietnam to this market include phones and components (49 per cent), seafood (8.3 per cent), machinery, equipment and spare parts (5.4 per cent), footwear (4.87 per cent), and computers and electronic products (4.84 per cent).

Source: fibre2fashion.com– Mar 16, 2022

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Australia keen to develop manufacturing hub in Bangladesh

Australia has reportedly expressed interest to develop a manufacturing hub in Bangladesh and buy back goods to be produced there or export to European and other countries. Australian businesses will provide inputs like wool, cotton, timber, meat, hides and grains to Bangladeshi industrialists, who will produce goods and re-export to Australia or Europe.

This was discussed at the first joint working group meeting under the Trade and Investment Framework Arrangement (TIFA) held late last month in Canberra.

Both countries will facilitate industry connections between Australian exporters of agricultural raw materials and Bangladesh importers and manufacturers, the meeting decided.
It was also decided that both sides will jointly identify the opportunities for Australian producers and Bangladesh manufacturers to engage with global value chains, according to Bangladeshi media reports.

Canberra agreed to continue to connect Bangladesh and Australian business chambers through its high commission in Dhaka for encouraging commercial ties between enterprises.

Trade officials in Dhaka said Canberra has pledged continuation of duty-free and quota-free (DFQF) market access of Bangladesh products to the Australian market even after Bangladesh's leaving the least developed countries club in 2026.

Trade between the two countries now hovers around $1.5 billion.

Source: fibre2fashion.com– Mar 16, 2022

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China-Bangladesh trade to see renewed growth: Envoy Li

China-Bangladesh bilateral trade will witness renewed growth with the implementation of Bangladesh's 2021-2024 export policy and duty-free access to China for 98 per cent of the former's products, according to Chinese ambassador to Bangladesh Li Jiming, who recently said China is committed to exploring more cooperation according to Bangladesh's demand under the Belt and Road Initiative.

"Our bilateral economic and trade ties show strong resilience during the pandemic. China-Bangladesh economic and trade cooperation shall play a role in boosting the recovery of both countries for our common interest," Li said in Dhaka at a media briefing session titled 'Spring Dialogue with China'.

Thanks to the BRI, he said, people in Bangladesh saw progress in several mega projects last year, such as bridges, tunnels, sewage treatment plants and wind power projects, according to an official Chinese news outlet.

China will keep its commitment to pursuing high-quality development as well as reform and opening up, and promoting ecological conservation, added Li.

Source: fibre2fashion.com– Mar 16, 2022

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EU Commission approves €2 bn of pre-financing for 12 nations under BAR

The European Commission (EC) recently approved the disbursement of more than €2 billion under the Brexit Adjustment Reserve (BAR) to 12 member states. This will make available €819.2 million by the end of March 2022 and the rest by April 2023. The funding will help these nations in mitigating the adverse impact of Brexit on their economies and regions.

Support will be provided to regions and economic sectors, small and medium enterprises as well as to job creation and protection initiatives, such as short-time work schemes, re-skilling and training, according to an official release.

The member states may use the funding until December 31, 2023, to cover expenses incurred and paid since January 1, 2020.

The Commission stands ready to quickly process the Brexit Adjustment Reserve decisions for the remaining member states, to ensure they can receive support from the reserve.

Ireland and Italy were the first member states for which funding from the Brexit Adjustment Reserve was disbursed in December 2021. By the end of March 2022, 14 countries will have received their first instalments of their pre-financing.

Source: fibre2fashion.com– Mar 16, 2022

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Pakistan: Textile exports increase by 26.08% to $12.607 bln in 8 months

The exports of textile commodities increased by 26.08 percent during the first eight months of the current fiscal year (2021-22) as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported on Tuesday.

The textile exports were recorded at $12,607.824 million in July-February (2021-22) against the exports of $9,999.923 million in July- February (2020-21), showing growth of 26.08 percent, according latest PBS data.

The textile commodities that contributed in trade growth included cotton yarn, the exports of which increased by 34.40 percent from $606.690 million last year to $815.375 million during the current year.

Likewise, the exports of raw cotton increased by 1007.76 percent, from $0.593 million to $6.569 million, cotton cloth by 28.23 percent, from $1,235.301 million to $1,584.063 million, cotton (carded or combed) by 100 percent to $1.611 million from zero exports last year, yarn (other than cotton yarn) increased by 105.59 percent, from $20.332 million to $41.801 million whereas exports of knitwear increased by 33.86 percent, from $2,476.009 million to $3,302.250 million.

In addition, the exports of bed wear increased to $2,186.426 million from $1,816.882 million, showing growth of 20.34 percent, towels' export increased by 17.26 percent, from $610.685 million to $716.114 million, ready-made garments by 25.11 percent, from $2,011.654 million to $2,516.762 million, art, silk and synthetic textile by 33.06 percent, from $229.845 million to $305.833 million, made-up articles (excluding bed-wear and towels) by 9.91 percent, from 505.988 million to $556.108 million whereas the exports of all other textile materials increased by 21.86 percent, from $412.713 million to $502.942 million.

The only textile commodity that witnessed negative growth in trade was tents, canvas and Tarpulin, the exports of which decreased by 12.48 percent, from $82.231 million to $71.970 million.

Meanwhile, on year-on-year basis, the textile exports increased by 35.72 percent during the month of February 2022 as compared to the same month of last year.

The exports during February 2022 were recorded at $1,674.785 million against the exports of $1,234.040 million during February 2021.

On month-on-month basis, the exports of textile from the country also witnessed an increase of 7.92 percent during February 2022 when compared to the exports of $1,551.890 million in January 2022.

It is pertinent to mention here that the country's total merchandise exports increased by 25.95 percent during the first eight months of the current fiscal year.

The merchandize exports during July-February (2021-22) were recorded at $20.559 billion compared to the exports of $16.323 billion during July-February (2020-21), the PBS reported.

On the other hand, the merchandize imports went up by 55.07 percent from $33.858 billion last year to $52.505 billion during the current fiscal year.

Source: app.com.pk– Mar 16, 2022

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'Woven air': How Bangladesh is reviving an elite forgotten fabric

With wooden spinning wheels and hand-drawn looms, Bangladesh is painstakingly resurrecting a fabric once worn by Marie Antoinette and Jane Austen but long thought forever lost to history.

Dhaka muslin was stitched from threads so fine that popular folklore in European parlours held that a change in the light or a sudden rain shower would render its wearer apparently naked.

The textile once brought magnificent riches to the lands where it was spun.

But to revive it, botanists had to hunt halfway across the world and back for a plant believed gone from the face of the earth.

"Nobody knew how it was made," said Ayub Ali, a senior government official helping shepherd the revival project.

"We lost the famous cotton plant, which provided the special fine yarn for Dhaka muslin," he told AFP.

The muslin trade at one time helped turn the Ganges delta and what is now Bangladesh into one of the most prosperous parts of the world, historians say.

Flowing dress garments weaved from the cloth were worn by generations of the Mughal dynasty then ruling India before the fabric enchanted European aristocrats and other notables at the end of the 18th century.

A muslin shawl belonging to Austen – supposedly hand-embroidered by the Pride and Prejudice author herself – is on display at her former home in Hampshire, while a 1783 portrait of Marie Antoinette depicts the French queen in a muslin dress.Ali, a senior government official helping shepherd the Dhaka muslin revival project, displaying a piece of muslin cloth in his office in Dhaka.

But the industry collapsed in the years after the 18th century conquest of the Bengal delta by the East India Company, paving the way for British colonial rule.

The mills and factories that sprung up in England after the industrial revolution produced much cheaper textiles, while European tariffs killed the foreign market for the delicate fabric.

The quest to bring back Bangladeshi muslin began with a painstaking five-year search for the specific flower used to weave the fabric, which only grows near the capital Dhaka.

"Muslin can't be woven without Phuti Carpus cotton. So to revive Dhaka muslin, we needed to find this rare and possibly extinct cotton plant," said Monzur Hossain, the botanist who led the effort.

His team consulted a seminal book on plants by the 18th century Swedish naturalist Carl Linnaeus along with a later historical tome on Dhaka muslin to narrow down a candidate among 39 different wild species collected from around Bangladesh.

With local museums lacking any specimen of Dhaka muslin clothing, Hossain and his colleagues went to India, Egypt and Britain for samples.

At the Victoria and Albert Museum in London, curators showed them hundreds of pieces imported from Mughal-era Dhaka by East India Company merchants.

Genetic samples revealed that the missing plant was already in their hands, found by the botanists in the riverside town of Kapasia north of the capital.

"It was a 100% match, and some history books say Kapasia was one of the places where Phuti Carpus was grown," Hossain said.

The plant is now being grown in experimental farms in an effort to raise yields and scale up production.

But the revival project immediately ran into another roadblock – finding weavers nimble enough to weave the plant's ultra-fine threads.

In the two centuries since the muslin trade collapsed, Bangladesh has again become a world textile hub, albeit with an industry no longer catering to royalty or other international elites.

Instead Dhaka is now home to countless bustling factories of the global fast fashion trade, supplying huge brands such as H&M and Walmart, with its US$35bil (RM146.5bil) in yearly apparel exports second only to China.

The country has no shortage of garment workers, but the muslin project needed to source artisans from the small cottage industry of spinners and weavers working with fragile threads.

They found candidates from villages around Dhaka where small workshops make intricate saris from jamdari, a fine cotton produced in a similar way to muslin.

"I don't how I did it. But it needs supreme concentration," said Mohsina Akhter, one of the spinners brought into the project.

"To do it you have to be in perfect mind. If you are angry or worried, you can't hand spin such a fine yarn."

It took months for the team to master the craft, working with threads four or more times finer than jamdari, with two people taking eight hours of non-stop labour to weave an inch or less of cloth.

"It is like doing prayers. You need to have full concentration. Any lapse will tear up the yarn and set your work backwards," said Abu Taher, a weaver.

"The more I work, the more I wonder how our ancestors wove such a fine clothing. It is almost impossible," he said.

The intense labour needed means that any garments stitched from Dhaka muslin will always remain a boutique product, but the government has found some tentative interest from established industry players.

"We want to make it a top global fashion item. It has a great history," said Parvez Ibrahim, whose family owns a factory supplying global fashion retailers.

"But to bring down cost, we have to speed up the production process. Otherwise, reviving Dhaka muslin won't mean anything," he said.

Source: thestar.com.my– Mar 16, 2022

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NATIONAL NEWS

At $12.50 billion, textile exports surpass annual target

Exports crossed the $14-billion-mark in the last 11 months

Exports of cotton textile products such as made-ups (including home textiles), fabrics and yarns have crossed the $14-billion-mark in the last 11 months against the government's target of $12.50 billion for the current financial year.

Terming it as a landmark achievement in the history of country's cotton textile exports, Manoj Patodia, Chairman, Cotton Textiles Export Promotion Council said that exports have exceeded the target by 102 per cent.

Shipments were boosted by the government's move to extend the RoSCTL (Rebate on State, Central taxes and levies) scheme for made-ups and garments for three years till March 31, 2024. Also, the coverage of the entire value chain of textile products under the RoDTEP (Rebate on Duties and Taxes on Exported Products) scheme has also supported exports.

Both the schemes reimburse the incidence of duties and taxes, including embedded taxes incurred on the export products, thereby making them more competitive, said Patodia.

He expressed confidence that with the extension of the Interest Equalization Scheme, signing of the Indo-UAE free trade agreement in record 88 days, fast tracking of FTA with the UK, GCC, Australia and Canada would continue to boost exports. "The government's initiatives on ease of doing business, infrastructural and logistics development will keep cotton textile exports on the growth trajectory," he added.

Meanwhile, Texprocil has urged the government to consider removal of Customs duty on raw cotton and include made-ups in the scheme for duty free imports of specified items that was introduced in the Union Budget 2022 for further accelerating textile exports.

Source: thehindubusinessline.com– Mar 16, 2022

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Textile And Clothing Sector

The global pandemic of Covid-19 affected the textile sector initially due to restriction of social gathering. However, the situation has improved in recent months and production and exports have looked up. The export of textiles and apparel during April-January 2021-22 is USD 34.459 billion, posting a growth of 49% over the same period in 2020-21(USD 23.137 billion). The performance of major textile sectors in terms of production is at Annexure.

In order to overcome the above challenges faced during the pandemic, the government has taken following major initiatives/ measures in textile sector to boost exports, production, demand and job opportunities in the sector on pan-India basis:

- To boost exports in Man Made Fibre(MMF) sector, Government has removed anti-dumping duty on PTA (Purified Terephthalic Acid), Viscose Staple Fibre and Acrylic.

- The Government has approved setting up of Seven PradhanMantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with an outlay of Rs. 4,445 crore for a period of seven years upto 2027-28. These parks will enable the textile industry to become globally competitive, attract large investment and boost employment generation.

- The Government has approved the Production Linked Incentive (PLI) Scheme for Textiles, with an approved outlay of Rs 10,683 crore, to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive.

- The scheme of Rebate of State and central Taxes and Levies (RoSCTL) effective from March 2019 has been continued till 31st March 2024 for Exports of Apparel / Garments and made-ups in order to make the textile sector competitive in international market.

- Government has allocated an outlay of Rs.1000 Crores for advance research and innovation in Technical Textiles at par with the best in the world. Research topics in 94 categories covering; specially fibres and composites, geo textiles, agro textiles, protective textiles, medical textiles, defence textiles, sports textiles, and environmentally friendly/biodegradable technical textiles have been identified and research proposals have been invited. Thirty One (31) research projects have been approved, so far, to various research institutes covering IITs, DRDO (Defence Research & Development Organization) CSIR (Council of Scientific and Industrial Research) and Textiles Research Associations, with total estimated cost of Rs.110 Crore.

In addition, Government is implementing various schemes viz the Amended Technology Upgradation Fund Scheme (A-TUFS), Schemes for the development of the Powerloom Sector(Power-Tex), Scheme for Integrated Textile Parks (SITP),SAMARTH- The Scheme for Capacity Building in Textile Sector, Jute (ICARE- Improved Cultivation and Advanced Retting Exercise), Integrated Processing Development Scheme (IPDS), Silk Samagra, National Handloom Development Programme, National Handicraft Development Programme, Integrated Wool Development Programme (IWDP) etc. catering exclusively for promotion and development of textile sector on pan-India basis.

The export of handicrafts products including handmade carpets in the current year has shown positive growth as compared to last three years. The Government has taken several steps in promoting the export of handicrafts. In addition to several standard International Marketing events, the virtual marketing events have been also organised to provide international marketing platform to the artisans. Domestic marketing events like Gandhi Shilp Bazaar, Craft Bazaar and Exhibitions are organized to provide domestic marketing platform to the artisans.

The export of handicrafts and handmade carpets during last three years and the current year is given below:

Export (Rs. In Cr.)					
Sl. No		**2018-19**	**2019-20**	**2020-21**	**2021-22(provisional) (till February)**
1	Handicraft	25548.97	25270.14	25679.98	29626.96
2	Handmade Carpet	12364.69	11799.45	13810.39	15449.14

Estimated production of man-made fibre, filament yarn, spun yarn for last three years and current year:

Period	Man-made fibre (Kg)	Man-made filament yarn (Kg)	Cotton yarn (Kg)	Blended & 100% Non-cotton yarn (Kg)	Total Spun Yarn (Kg)
2018-19	1,442	1,160	4,208	1,682	5,890
2019-20	1,898	1,688	3,962	1,702	5,664
2020-21 (Apr.-Jan)	1,299	1,226	2,950	1,225	4,175
2021-22 (Apr.-Jan) (Provisional)	1,803	1,676	3,410	1,462	4,872

This information was given by the Minister of State for Textiles Smt. Darshana Jardosh in a written reply in the Lok Sabha today.

Source: pib.gov.in – Mar 16, 2022

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India-UAE trade pact: Bilateral trade projected to touch USD 100 bn in 5 years

The bilateral trade in goods is projected to increase from the current USD 60 billion to USD 100 billion annually within five years of the implementation of the India-UAE free trade agreement, parliament was informed on Wednesday. India and the United Arab Emirates (UAE) signed the Comprehensive Economic Partnership Agreement (CEPA) on the sidelines of the India-UAE Virtual Summit held on February 18.

The India-UAE CEPA is a comprehensive and balanced partnership agreement that will give enhanced market access for India in both goods and services, Minister of State for Commerce and Industry Anupriya Patel said in a written reply to the Lok Sabha.

She said that the UAE has offered immediate market access at zero duty from Day 1 of the entry into force of the agreement to products accounting for around 90 per cent of India's exports to the UAE in value terms. As regards trade in services, the UAE has offered market access to India in around 111 sub-sectors from the 11 broad service sectors.

"Bilateral trade in goods is projected to increase from the current USD 60 billion to USD 100 billion annually within five years of implementation of the India-UAE CEPA," she said.

In another reply, she said there is no shortage of coal supply from sources of Coal India Limited (CIL) to tea gardens in the northeastern region.

"CIL has provided coal supplies to the tune of 618.70 million tonnes (MT) during the current fiscal (upto March 9, 2022) in comparison to 531.4 MT supplied during the same period last year, thereby achieving a growth of about 16.4 per cent," she added.

Source: financialexpress.com – Mar 16, 2022

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Rupee slide impacted export-import, inflation differently across periods

There are fears that the rupee may fall below 80 to the dollar due to the ongoing Russia-Ukraine war if RBI does not intervene aggressively and the conflict drags on. How will the slide impact exports, imports and inflation, more particularly the spike in the prices of imported goods?

The four major bouts of rupee depreciation in over a decade--2013-14, 2015-16, 2018-19 and 2020-21--impacted these heads differently in each of these periods.

Exports rose by about 5 per cent in 2013-14 but imports dipped 8.3 per cent when the rupee shed over 11 per cent year-on-year.

The impact of imported inflation falls mainly on WPI inflation of fuels and manufactured items. While WPI in fuel and power rose seven per cent, that of manufactured items was up just three per cent.

The rupee lost seven per cent in 2015-16. All the four heads declined YoY--exports, imports, WPI fuel and power inflation and WPI inflation in manufactured goods.

The rupee shed almost 8.5 per cent to the dollar in 2018-19. That was the only year among the four cited above which saw exports, imports and inflation increase. Exports rose 8.75 per cent, imports 10 per cent, WPI inflation in fuel and power by 11.5 per cent. However, WPI inflation in manufactured goods even then rose by just 3.6 per cent.

The year 2020-21 was a period of slackening demand, hit by the first wave of Covid. So though the rupee depreciated by almost five per cent, both exports and imports dipped. Also, while fuel and power inflation in WPI terms fell, manufactured products rose by just 2.7 per cent.
Decoding the difference in behaviour

Why did the depreciating rupee impact these four heads differently? As far as its effect on the exports is concerned, depreciation of currencies of competing nations against the dollar is a major factor, along with elasticity of demand for India's products in importing countries.

Imports should generally decline as the rupee loses value if demand is elastic. However, much of India's imports are essential items such as petroleum products, whose consumption does not decline all of a sudden. Also, global crude prices even in dollar terms keep fluctuating and impacted its import in value terms.

In 2013-14, global rates of the Indian crude basket moderated, but still remained elevated at $105.52 a barrel on average, against $107.97 the previous year. As such, imports of petroleum rose just 0.46 per cent, not allowing a surge in overall imports. However, since crude prices remained high, the impact on inflation was still felt.

In 2015-16, international prices of Indian oil basket declined significantly to $47.17 a barrel from $84.16 a year ago. This explains why the import bill on petroleum plunged by 40 per cent to $82.94. The development significantly impacted overall imports and led to a sharp decline as cited above. It also led to a huge fall in WPI fuel and power inflation, which declined by almost 20 per cent. However, impact on WPI manufactured item imports were minimal.

In 2018-19, the global rates of Indian oil basket rose to $69.88 billion a barrel from $56.43 billion, causing a spike in petroleum imports by 29.69 per cent to $140.92 billion. This led to a rise in overall import bill by over 10 per cent and WPI inflation in fuel and power by over 11 per cent. WPI manufactured products, however, rose just 3.6 per cent.

As cited above, the muted demand led to fall in all four metrics as the rupee dropped in 2020-21, albeit at the slowest rate of 4.75 per cent compared to the other three periods. Also, the huge fall of international rates of the Indian oil basket to $44.82 a barrel from $60.47 in the previous year helped.

The situation in 2022-23 may see the rupee depreciate further, accompanied by a rise in the global rates of Indian basket, depending on how long the Russia-Ukraine war lasts. The rupee dipped almost four per cent to 76.47 per dollar on February 24 against 73.61 in the previous day, when Russia invaded Ukraine. After much volatility, it still remained at 76.47 by March 15.

Global prices of Indian oil basket had already touched $108.70 a barrel by February against $97.09 the previous month. India imported $15.28 billion of petroleum in February, 27.76 per cent higher than $11.96 billion the previous month, despite the former being three days shorter. The impact on petroleum exports was also visible as these rose to $4.65 billion in February, 11.5 per cent higher than $4.17 billion in the previous month.

Overall imports rose slightly higher to $55.45 billion in February against $51.93 billion in the previous month, while overall exports remained almost the same at $34.57 billion in February against $34.50 billion in the previous month. High fuel prices have not so far impacted WPI inflation. However, WPI inflation in manufactured items did rise to 9.84 per cent in March from 9.42 per cent in the previous month. However, it was still less than 10.71 per cent in January.

Icra chief economist Aditi Nayar says a weaker rupee is likely to compress import volumes, especially because higher energy prices will squeeze disposable income. But elevated commodity prices would boost exports by value, she says.

The transmission of higher commodity prices into the WPI inflation tends to be considerable and rapid, whereas the prices of final goods may adjust at a slower pace, she further adds.

Nayar says the volatility in crude oil prices will dictate the trend in the rupee , which has been among the weaker emerging market currencies since the crisis started, given the preponderance of energy imports as well as large FII outflows.

"We expect the rupee to trade in a range of 76-79 to the dollar in the duration of the conflict, with an easing to 74-77/$ after the conflict ends, and normalising global sentiments spur renewed FII inflows," she says.

Given the substantial forex reserves in excess of 12 months of trailing 12 month imports, she does not foresee a disorderly depreciation in the rupee, going ahead.

Source: business-standard.com– Mar 16, 2022

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Govt data: Number of people employed by Udyam MSMEs doubled in FY21 from previous year despite Covid

Skill, labour and talent for MSMEs: The number of people employed by Udyam-registered MSMEs increased massively during Covid, according to the government data. In fact, the number of people employed in FY21 by MSMEs had more than doubled from pre-Covid FY20 and was also significantly higher than the expected number of job losses in the sector because of the pandemic. Moreover, the highest number of people employed was recorded in FY22 in the last five financial years.

The data shared by MoS MSME Bhanu Pratap Singh Verma in a written reply to a question during the ongoing second part of the Budget session of Parliament showed that 43,37,444 people were employed in MSMEs during FY20. This increased by 106 per cent to 89,53,149 in FY21 and by 4.9 per cent to 93,94,957 in the current financial year – highest during the FY18-FY22 period. 51,98,478 and 38,55,539 people were employed by MSMEs in FY18 and FY19 respectively. Currently, there are 77.35 lakh MSMEs registered on the Udyam portal, up from 25 lakh till March 2021.

"The government should have given the data on the number of enterprises vis-a-vis the number of employment generated. The growth in people employed in FY21 seems to be in parity with the number of registrations increasing on the portal. Hence, this might not be the number of new employment created. The inclusion of wholesalers and retailers into the MSME category in July last year could also be the reason for the jump this year. Nonetheless, MSMEs generally employ less than two people in a year," Anil Bhardwaj, Secretary-General, Federation of Indian Micro Small & Medium Enterprises (FISME) told Financial Express Online.

"Covid-19 epidemic has temporarily affected various sectors including MSMEs in the country including their employment. As MSMEs are present in both formal and informal sectors, data regarding temporary or permanent loss of jobs in the MSME sector are not maintained by the Government of India in Ministry of MSME," Verma told Rajya Sabha in his reply.

Maharashtra with 11.23 lakh people employed by its Udyam MSMEs followed by 8.54 lakh people employed by MSMEs in Tamil Nadu, 8.47 lakh in Uttar Pradesh, 8.29 lakh in Telangana, and 8.20 lakh in Rajasthan were the top five states in the number of people employed by their MSMEs during FY22.

Verma added that the MSME Ministry implemented various schemes to increase employment opportunities of the MSME sector in the country. These included Prime Minister Employment Generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE).

However, post-Covid, multiple surveys had indicated the Covid impact on jobs in the MSME sector due to lockdown-induced restrictions on business operations and movement of people including factory workers. For instance, a survey by MSME body Consortium of Indian Associations (CIA) last year involving 81,000 self-employed individuals and SMEs through its 40 partner SME associations said that 59 per cent respondents had reduced their staff or sacked or removed them in FY21 in comparison to the pre-Covid period. Another survey by community social media platform LocalCircles involving over 7,000 responses from MSMEs, startups, and entrepreneurs had reported that 78 per cent MSMEs and startups had cut workforce during March – October 2020 period.

Importantly, there is no latest data available on the total jobs created by the MSME sector so far in India. The most recent one was 11.10 crore jobs as per the National Sample Survey (NSS) 73rd round conducted during the period 2015-16. These included 360.41 lakh jobs in manufacturing, 387.18 lakh in trade, 362.82 lakh in other services in the rural and urban areas across the country.

Source: financialexpress.com– Mar 16, 2022

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Exporters seek freight subsidy to tide over Ukraine war impact

Elevated crude oil prices and a rise in insurance charges have caused the already-elevated global shipping costs to soar further and had a sobering impact particularly on dry-cargo despatches. High costs will compound supply-side issues and hurt India's ability to ship out to not just Russia or Ukraine but other nations as well.

Apex exporters' body FIEO has approached the government to roll out a freight subsidy scheme for micro, small and medium enterprises (MSMEs), at least temporarily, to blunt the impact of a spike in shipping costs in the wake of the Russia-Ukraine crisis.

In its representation to finance minister Nirmala Sitharaman, the Federation of Indian Export Organisations (FIEO) has said that the high freight rates already affected exporters in 2021 and hurt their profitability. "We were looking to the softening of freight charges in 2022. However, the recent global developments have pushed the freight rates again and we don't expect them to come down in near future," it said. "Our MSMEs require little support in the form of a freight subsidy scheme, which may be given for a limited period," it added.

Of course, exporters concede that shipping costs have spiralled across the globe and India isn't an outlier.

Elevated crude oil prices and a rise in insurance charges have caused the already-elevated global shipping costs to soar further and had a sobering impact particularly on dry-cargo despatches. High costs will compound supply-side issues and hurt India's ability to ship out to not just Russia or Ukraine but other nations as well.

Global freight rates started surging at a fast pace in the aftermath of the Covid outbreak in 2020 and hit a peak of $10,377 per 40-foot container in late September 2021, according to Drewry's composite World Container Index. The rates started easing thereafter to $9,051 as of February 12 before inching up again to $9,180 by March 10. The index has now gone up by 83% from a year before.

Brent crude oil prices topped $100 per barrel again in intraday trade on Wednesday, as worries about slowing demand from China in the aftermath of a fresh surge in Covid cases eased a tad, although signs of progress in Russia-Ukraine peace talks weighed on the gains.

The government currently provides some support under the Transport and Marketing Assistance (TMA) scheme. But this is meant primarily for farm exporters. Under this scheme, which was reintroduced this fiscal with larger coverage and greater support, the Centre reimburses exporters a certain portion of freight charges. Rates of the assistance have been raised by 50% for exports by sea and 100% for those by air.

Ensuring reasonable shipping costs remains crucial to realising India's lofty merchandise export target of $1 trillion by FY28. Exorbitant shipping costs hurt mainly small and medium exporters. The country's exports rebounded strongly this fiscal, after a pandemic-induced slump last year, and are likely to cross a record target of $400 billion.

Source: financialexpress.com– Mar 16, 2022

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'India-EU FTA to be a game changer for mutual trade'

The proposed free trade agreement (FTA) between India and the European Union will be a game changer for India-Ireland bilateral trade, with talks likely to resume soon, said Robert Troy, minister of state for trade promotion, Ireland, in an interview to Mint.

Troy said sustainability from the perspective of climate change will underpin any negotiations with the EU. He added that pharmaceuticals and whiskeys will be key areas for Ireland as far as market access under the EU FTA is concerned.

Edited excerpts of the interview:

Did you have discussions on the India-EU FTA so far?

That really is going to be a game changer in terms of the capacity of trade increase between the two countries. And as you know, trade talks were stalled over the last number of years but thankfully, they are going to recommence. Critical to any new trade agreement is to ensure that trade policy is underpinned with sustainable development. I think we all acknowledge sustainability from a climate perspective. We have a responsibility in that area, and that will underpin any negotiations from a European perspective.

What are the key areas of interest for Ireland under the proposed India-EU FTA?

One of our big areas is in terms of export of pharmaceuticals, export of med-tech, and we've seen because of our concentration in that area, we were the one of the only EU countries to see positive GDP growth during the pandemic.

And I think there's an opportunity there obviously, with the API specialization from an Indian perspective that would benefit Ireland. Obviously, Ireland is renowned for quality food and the production of whiskey. We see an opportunity there, as well.

With the worsening Russia,-Ukraine conflict, do you see demand slowing down in EU economies and in Ireland in particular?

Obviously, there's going to be a consequence. Firstly, to say that we condemn the war from an Irish perspective, it's unjustified and we would like to see an early resolution. We have been a part of the EU and a broader global response to this has been important, very tough financial sanctions on Russia. And there is going to have consequences in relation to the supply chain of energy.

As you know, Russia is a significant supplier of energy to the European market at the price of oil to the price of the gas the price of petrol and diesel at our pumps has risen and obviously, that has knock-on effects, particularly for an island that depends on trade and on delivery of lorries to get our products in and out. There's also a difficulty in relation to wheat and food supply.

Ukraine was the bread-basket of Europe and we know that they're not going to have any harvest this year. So we're going to see food supplies increase in value and drive up the cost of living that has consequences in relation to inflation.

We introduced an excise reduction on our fuel to help put soaring fuel costs. We introduced a subsidy to all our transport companies to help bring the cost of transport down because we want to keep our supply of the cost of products down as much as possible to try and keep inflation as low as possible.

Regarding the supply of wheat are you also looking at India to fill in that supply gap?

The minister for agriculture who is also has the responsibility for food in Ireland has been engaged at the bloc level to look for alternatives. But it's not just Ireland that depends on Ukraine, the EU as a whole has to look at other supply chains.

But we are also incentivizing our farmers at home. And the one positive is that it's happening at a time of the year when it's not too late for farmers to take corrective action and plant our own land. Because we need it not only to supply our own food chain, but we need to supply the food chain for animals.

What is the primary focus during your India visit?

India and Ireland have seen levels of trade increase over the last decade. In 2021, trade between the two countries reached 5.5 bn euros. It might seem small for a country the size of India but it's quite large from an Irish perspective and we want to build on that trade.

Another big area where we have long ties is in education. Nearly 5,000 students a year choose to study either postgraduate or master's level in Ireland.

Are there MoUs planned with Indian universities during your visit?

We had a very positive discussion with the vice chancellor of Delhi University on Monday. And talks will be ongoing in terms of how we can further deepen our collaboration between Ireland and New Delhi University. But that's not the only educational institution that we have interaction with and those talks will be ongoing.

Source: livemint.com– Mar 17, 2022

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DATA OF IMPORTS AND EXPORTS

The details of overall export and import (merchandise plus services) from financial year 2009-10 to 2021-22 are as follows:

The Government has taken the following steps to increase India's exports:

Year	Export (Value in US$ Billion)	Import (Value in US$ Billion)
2009-10	274.80	348.40
2010-11	374.45	450.32
2011-12	448.29	567.55
2012-13	446.08	571.50
2013-14	466.22	528.95
2014-15	468.45	529.61
2015-16	416.60	465.64
2016-17	440.05	480.21
2017-18	498.61	583.11
2018-19	538.08	640.14
2019-20	526.55	602.98
2020-21	497.90	511.96
2020-21(Apr-Jan)	396.37	399.67
2021-22(Apr-Jan)	544.73	613.65

*Source: DGCI&S & RBI, (*Provisional)*

- The mid-term review (2017) of the Foreign Trade Policy (2015-20) was carried out and corrective measures were undertaken.
- Foreign Trade Policy (2015-20) extended by one year i.e. upto 31-3-2022 due to the COVID-19 pandemic situation.
- Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.
- A Central Sector Scheme, 'Transport and Marketing Assistance for Specified Agriculture Products' was launched for providing assistance for the international component of freight to mitigate the freight disadvantage for the export of agriculture products.
- Remission of Duties and Taxes on Exported Products (RoDTEP) scheme and Rebate of State and Central Levies and Taxes (RoSCTL) Scheme have been implemented with effect from 01.01.2021.
- Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.

- 12 Champion Services Sectors have been identified for promoting and diversifying services exports by pursuing specific action plans.
- Districts as Export Hubs has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
- Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- Package announced in light of the COVID pandemic to support domestic industry through various banking and financial sector relief measures, especially for MSMEs, which constitute a major share in exports.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Smt. Anupriya Patel, in a written reply in the Lok Sabha today.

Source: pib.gov.in– Mar 16, 2022

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MAKE IN INDIA

'Make in India' is an initiative which was launched on 25th September, 2014 to facilitate investment, foster innovation, build best in class infrastructure, and make India a hub for manufacturing, design, and innovation. It is one of the unique 'Vocal for Local' initiatives that promoted India's manufacturing domain to the world.

'Make in India' initiative has significant achievements and presently focuses on 27 sectors under Make in India 2.0. Department for Promotion of Industry and Internal Trade (DPIIT) coordinates action plans for 15 manufacturing sectors, while Department of Commerce coordinates 12 service sector plans. Investment outreach activities are done through Ministries, State Governments and Indian Missions abroad for enhancing international cooperation and promoting both domestic and foreign investment in the country.

In addition to ongoing schemes of various Departments and Ministries, Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in Corporate taxes, financial market reforms, consolidation of public sector banks, enactment of four labour codes, improving ease of doing business, FDI policy reforms, other sectoral reforms, reduction in compliance burden, policy measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP), to name a few.

The series of measures taken by the Government to improve the economic situation and convert the disruption caused by COVID 19 into an opportunity for growth includes Atmanirbhar packages, introduction of Production Linked Incentive (PLI) Scheme in various Ministries, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), etc.

In addition, Government of India is developing various Industrial Corridor Projects as part of National Industrial Corridor Programme which is aimed at development of greenfield industrial regions/nodes which can compete with the best manufacturing and investment destinations in the world. GoI has accorded approval for development of 11 Industrial corridors (32 projects) in four Phases. Under Delhi Mumbai Industrial Corridor (DMIC) Project, 04 greenfield industrial nodes have been developed under Delhi Mumbai Industrial Corridor (DMIC).

Further, PM GatiShakti National Master Plan provides a transformative approach for ensuring multimodal connectivity to various economic zones. Minimizing disruptions, ensuring quick completion of works with cost efficiency are the guiding principles for the development of infrastructure as per the National Master Plan. Boost in economic growth, attracting investments and enhancement of country's global competitiveness, are some of the expected outcomes.

The reforms taken by Government have resulted in increased Foreign Direct Investment (FDI) inflows in the country. FDI inflows in India stood at US $ 45.15 billion in 2014-2015 and have continuously increased since then, and India registered its highest ever annual FDI inflow of US$ 81.97 billion (provisional figures) in the financial year 2020-21.

Keeping in view India's vision of becoming 'Atmanirbhar' and to enhance India's Manufacturing capabilities and Exports, an outlay of INR 1.97 lakh crore (over US$ 26 billion) has been announced in Union Budget 2021-22 for PLI schemes for 14 key sectors of manufacturing, starting from fiscal year (FY) 2021-22. With the announcement of PLI Schemes, significant creation of production, skills, employment, economic growth and exports is expected over the next five years and more.

The activities under the Make in India initiative are also being undertaken by several Central Government Ministries/ Departments and various State Governments. Ministries formulate action plans, programmes, schemes and policies for the sectors being dealt by them, while States also have their own Schemes for attracting investments.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Lok Sabha today.

Source: pib.gov.in– Mar 16, 2022

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FDI FROM NEIGHBOURING COUNTRIES

Since 18th April, 2020, 347 FDI Proposals have been received by the Government from countries sharing land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country.

The value of investments proposed in the aforementioned proposals received by the Government is approximately INR 75,951 Crore.

Of the aforementioned proposals, 66 proposals have so far been granted approval by the Government. 193 cases have been rejected or closed or withdrawn. The sector-wise breakup of approved proposals along with total value of investments in the sector is placed below:

Sector-wise breakup of approved proposals along with total value of investments in the sector:

S.No	Sector	Number of Proposals	Total value of investments in the sector (approximately) in INR Crore
1	Automobile Industry	7	79.61
2	Chemicals (Other Than Fertilizers)	5	82.25
3	Computer Software & Hardware	3	10.68
4	Drugs & Pharmaceuticals	4	5037.00
5	Dye-Stuffs	1	5.44
6	Education	1	0.10
7	Electrical Equipments	1	20.00
8	Electronics	8	1575.79
9	Food Processing Industries	2	5.93
10	Information & Broadcasting (Including Print Media)	1	3.00
11	Machine Tools	1	37.80
12	Miscellaneous Industries	8	241.92

13	Non- Conventional Energy	6	2810.00
14	Petroleum And Natural Gas	1	20.00
15	Power	1	755.00
16	Services Sector (Fin., Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing And Analysis, Other)	11	2907.81
17	Telecommunications	1	0.00
18	Textiles (Including Dyed,Printed)	1	1.90
19	Trading	3	30.65
Total		**66**	**13,624.88**

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Lok Sabha today.

Source: pib.gov.in– Mar 16, 2022

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Gati Shakti: A road map for realising India's logistics potential

The logistics sector has an important role in the economy, in ensuring efficient movement of goods and services across the country. Thus, it acts as a crucial 'link' by connecting the producers and consumers. Due to this, an efficient logistics sector is a pre-requisite for sustained economic growth.

At the outset, inefficient logistics not only entails higher prices for domestic goods but also reduces the competitiveness of exports. Further, these inefficiencies result in greater transportation and turnaround time. This results in increased inventory costs, as the producers are forced to maintain large inventories to meet fluctuations in demand.

According to estimates, the logistics cost in India is about 13-14% of the GDP, while its about 7-9% of GDP in advanced economies. This implies India is incurring an additional cost of about $150 billion (~5% of GDP) on logistics than it ideally should. However, this is only a fraction of the actual cost, as there are numerous indirect costs associated with inefficient logistics.

One such effect is reduced investment, both domestic and foreign, due to reduced profitability of firms, which culminates in lower GDP and employment. Further, it is also a factor responsible for a lower share of manufacturing in India, as entrepreneurs/businesses would rather invest in the service sector, which isn't as constrained by logistical bottlenecks.

There are many reasons for such high logistics costs in India. First, the freight traffic is highly skewed towards road travel (~65% of all freight) despite being expensive. According to World Bank, it costs Rs 2.2 per-tonne-per-km for road freight in India (Rs 1.4 and Rs 0.7 for rail and waterways, respectively). One reason for this is the lack of multi-modal connectivity which prevents seamless connectivity between various modes of transport. As a result, it is easier to transport goods through road, which have greater last-mile connectivity, despite higher costs.

Second, investment in warehousing, freight fleet and technology upgradation has been limited. This is because small enterprises which dominate India's logistics sector are unable to undertake large investments needed to achieve necessary economies of scale. As a result, not only is the unit cost of logistics high but also the turnaround time for transporting goods (Economic Survey 2019-20). This is further accentuated by the multiplicity of the compliance requirements, from various bodies like MoRTH, GSTN, CBIC, etc.

Any effort to improve the logistics sector in India would invariably have to address these factors. It is in this regard, that the government has made the PM Gati Shakti Scheme a centrepiece of Budget FY23. PM Gati Shakti or the National Master Plan for Multi-modal Connectivity is aimed at developing an organic and efficient infrastructure system to better transport goods and people across the nation.

Through Gati Shakti, all pre-existing infrastructure projects like Sagarmala, Bharatmala, etc, have been brought together on a single platform to ensure synchronised and integrated planning. This breaks away from the traditional approach wherein, each ministry plans and implements its project in silos. Further, Gati Shakti, through indigenously developed spatial planning tools, integrates more than 200 layers of GIS data. The significance of this data is immense as projects of individual ministries can be examined and approved within the contours of the master plan. This would not only boost complementarity between projects of different ministries (e.g. linking rail line with ports) but also prevent geographically conflicting infrastructure (e.g. planning a road over a proposed reservoir due to poor coordination).

By leveraging these tools, Gati Shakti would help develop a transport system that optimises cost and fuel efficiency by allowing seamless movement of goods between various modes of transport. For example, railways and waterways can be used to transport goods over large distances, while roadways can be used to provide last-mile connectivity. Thus, it could also shift the dependence of freight traffic from roadways to more efficient modes like railways and waterways.

The platform would also allow ministries and departments to visualise, review and monitor projects, thus helping identify specific bottlenecks at the ground level. For example, it could show if the delay is caused due to land acquisition or pending clearance, etc. This would not only ensure that projects are completed in the proposed timeline but also reduce the prevalence of cost overruns.

The Multi-Modal Logistics Parks (MMLPs), which would act as the focal point to link various modes of transport, are at the heart of Gati Shakti. MMLPs would also allow for large scale warehousing, container movement and provide scope for value addition like sorting, grading, etc. These would ensure necessary upgradation and automation of the warehouses, thus reducing turnaround time and the costs incurred.

Complementary to these efforts, the government is also developing the Unified Logistics Interface Platform (ULIP) as the digital backbone of the sector. ULIP, in a secure and decentralised manner, would integrate data from various government bodies like GSTN, Vaahan, Customs, etc. This would not only reduce the compliance burden by doing away with tedious documentation, but also create a uniform regulatory framework for the sector.

ULIP would also allow for tracking of shipments by all the stakeholders. Such monitoring would allow the producers and logistics players to not only better identify hold-ups in supply and delivery but also understand demand trends better. This would reduce the need to hold large inventories by allowing for 'just-in-time' inventory management. Finally, ULIP would bring resilience to the supply chain resilience by identifying vulnerabilities in the sector as done with the Logistics Data Bank for container tracking.

Presently, such benefits from digitisation are restricted to select large players and not shared by the entire logistics sector. ULIP, due to its universality, could also offset disadvantages faced by the smaller logistics firms, thus greatly benefitting MSMEs engaged in the sector. Thus, ULIP not only has the potential to reduce the logistics cost and improve supply chain resilience but also promote equity.

Finally, Gati Shakti, with investments of more than Rs 100 trillion, would create large-scale employment while stoking investment from the private sector. This is the same phenomenon which contributed to the rise of Asian Tigers during the 1970-80s and more recently, China.

Source: financialexpress.com– Mar 16, 2022

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Equity support: Validity of key MSME scheme extended

The government has extended the validity by one year of a key scheme that was aimed at bolstering equity support to micro, small and medium enterprises (MSMEs), by facilitating Rs 20,000 crore as subordinate debt.

The credit guarantee scheme for subordinate debt will now remain in force until March 31, 2023, as the government has acceded to industry request for an extension to help a wider pool of small businesses, according to an official statement.

Realising that stressed MSMEs will find it harder to get credit, the government had in May 2020 announced the subordinate debt scheme, as part of its Aatma Nirbhar Bharat Package to soften the Covid blow to individuals as well as businesses.

It was designed to provide credit facility through lending institutions to the promoters of stressed MSMEs (SMA-2 and non-performing asset accounts) who are eligible for restructuring, as per the Reserve Bank of India's guidelines.

Initially, the scheme was valid up to March 2021, which was then extended until March 2022 "in order to keep the avenues of assistance to stressed MSME units open". This scheme was aimed at benefitting 2,00,000 stressed MSMEs.

Under this scheme, the government was to provide Rs 4,000 crore to the state-run Credit Guarantee Fund Trust for Micro and Small Enterprises, which would offer partial credit guarantee to banks. In turn, promoters of the stressed MSMEs can approach the banks for loans, which will then be infused by them as equity in their units.

Source: financialexpress.com– Mar 16, 2022

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INVESTMENT IN INDUSTRIAL SECTOR

Recently Government has taken various steps to boost domestic investments in India. These include Promoting FDI (Foreign Direct Investment) and improve Ease of Doing Business, Make in India initiative, National Infrastructure Pipeline, Reduction in Corporate Tax, easing liquidity problems of NBFCs (Non Banking Financial Companies) and Banks, trade policy measures, constitution of Investment and Project Development Cells, One District One Product (ODOP), and PLI (Production Linked Incentive) Scheme for 14 key sectors etc. Government of India has also taken up various Industrial Corridor Projects as part of National Industrial Corridor Programme which is aimed at development of greenfield industrial nodes/regions which can compete with the best manufacturing and investment destinations in the world.

The time taken for completion of a project depends on factors like type of project, number of stakeholders, statutory clearances, various other issues related to project etc.

In order to minimize delays and for timely completion of projects, the Government has institutionalized a monitoring mechanism called Project Monitoring Group (PMG) for various infrastructure and industrial projects above Rs. 500 Crore. The PMG reviews such projects and resolve issues related to various central ministries as well as State Government. Private Companies can also upload their issues on this portal and get their issues resolved. As per available information, out of total 1805 Projects on the PMG Portal, 442 Projects under implementation have reported issues. Further, 421 projects have been commissioned after resolution of issues.

Department for Promotion of Industry and Internal Trade (DPIIT) also has 32 greenfield industrial nodes across 11 Industrial Corridors in the country. National Industrial Corridor Development Corporation (NICDC) as well as DPIIT monitors these project on regular basis.

The Government has also developed PM GatiShakti National Master Plan which is supported by a digital platform to enable synchronized planning for providing multi-modal infrastructure connectivity to various economic zones, including industrial parks and clusters.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Lok Sabha today.

Source: pib.gov.in– Mar 16, 2022

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SCHEMES FOR PROGRESS OF INDUSTRIES

Government of India has continuously been promoting the progress of industries throughout the country through various policy measures/schemes.

Government has taken a number of recent initiatives under the Aatma Nirbhar Bharat Abhiyan to mitigate the impact of Covid-19 on industries. Some of the initiatives are: Rs. 20,000 crore Subordinate Debt for stressed MSMEs, Rs.3 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for Businesses, Rs. 50,000 crore equity infusion through MSME Self-Reliant India Fund, New Revised criteria of classification of MSMEs, New Registration of MSMEs through 'Udyam Registration' for Ease of Doing Business and no global tenders for procurement up to Rs. 200 crore for promotion of domestic manufacturing.

Besides above, Central Government has also taken following measures to promote industrial development:- announcement of Production Linked Incentive (PLI) Scheme , launch of the PM GatiShaki - a National Master Plan for multi-modal connectivity to reduce logistic cost and create world class infrastructure, implementation of various industrial corridor projects to develop greenfield industrial nodes and to facilitate provision of plug and play infrastructure, reducing compliance burden on citizen and business to simplify, decriminalize & remove redundant laws, setting up of Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs) to monitor investment projects, building a strong eco-system for nurturing innovation and Startups in the country with the help of schemes such as Fund of Funds for Startups Scheme (FFS), and Startup India Seed Fund Scheme (SISFS) schemes, launching of GIS-enabled India Industrial Land Bank, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE), Credit Guarantee Scheme (CGTMSE), Micro & Small Enterprises – Cluster Development Programme (MSE-CDP), National Scheduled Caste and Scheduled Tribe Hub (NSSH).

State Governments also promote industrial development through various initiatives / schemes.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Lok Sabha today.

Source: pib.gov.in– Mar 16, 2022

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25,46,285 Women working in Handloom Sector of Textiles Industry

According to the Handloom Census 2019-20, about 35,22,512 Handloom workers were employed across the country, out of which 25,46,285 were Women workers with a share of 72.29% of the total handloom workers. In addition, there are around 16,87,534 Women Handicraft artisans registered with Office of Development Commissioner (Handicrafts). The figures showing the number of women working in the unorganized sector viz. Handlooms and Handicrafts sector of the textile industry, State-wise are at Annexure I & II respectively.

With a view to attract investment, boost employment generation and position itself strongly in the global textile market, the Government has recently approved Production Linked Incentive (PLI) Scheme for Textiles and Pradhan Mantri Mega Integrated Textile Region and Apparel (PM-MITRA) Scheme which have potential to generate large scale employment in the sector.

In addition, the Government is implementing various schemes viz the Amended Technology Upgradation Fund Scheme (A-TUFS), Schemes for the development of the Powerloom Sector(Power-Tex), Scheme for Integrated Textile Parks (SITP),SAMARTH- The Scheme for Capacity Building in Textile Sector, Jute (ICARE- Improved Cultivation and Advanced Retting Exercise), Integrated Processing Development Scheme (IPDS), Silk Samagra, National Handloom Development Programme, National Handicraft Development Programme, Integrated Wool Development Programme (IWDP), National Technical Textile Mission etc. for promotion and development of textile sector on pan-India basis.

Click here for more details

Source: pib.gov.in– Mar 16, 2022

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