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INTERNATIONAL NEWS

EU China's top trade partner in Jan-Feb: Chinese commerce ministry

With the European Union (EU) surpassing the Association of Southeast Asian Nations (ASEAN) to become China's largest trading partner in January-February 2022, China-EU trade demonstrates resilience and vitality, but it will take some more time to figure out if the EU can hold the top place over the long term, Chinese commerce ministry spokesman Gao Feng said recently.

"China is willing to join hands with the EU to proactively promote the liberalisation and facilitation of trade and investment, safeguard the stability and smooth operations of industrial and supply chains, and jointly elevate China-EU economic and trade cooperation to benefit enterprises and people of both sides," he was quoted as saying by official Chinese media.

During the January-February period, bilateral trade between China and the EU surged by 14.8 per cent year on year to reach $137.16 billion, which was $570 million more than the ASEAN-China trade value. China and the EU also achieved a record $828.1 billion in bilateral goods trade last year, according to the ministry.

"China and the EU are mutually important trading partners, and have strong economic complementarity, wide cooperation space and great development potential," Gao said.

The spokesman also said the implementation of the Regional Comprehensive Economic Partnership agreement in Malaysia will further boost trade and investment cooperation between China and Malaysia, and benefit enterprises and consumers of both countries as the two countries deliver on their market openness commitments and apply RCEP rules in various areas.

That will also enhance the optimisation and deep integration of regional industrial and supply chains to make more contributions to regional economic growth, he added.

China is the largest trading partner of Malaysia. Data from the Chinese side showed bilateral trade value was worth $176.8 billion in 2021, up 34.5 per cent year on year.

Chinese exports to Malaysia grew by about 40 per cent to $78.74 billion while its imports from the latter surged about 30 percent to $98.06 billion.

Gao also said China will continuously expand high-level opening-up and always welcomes investors from any country to do business and expand presence in China.

Source: fibre2fashion.com – Mar 22, 2022

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Brazilian cotton prices see slight fluctuations this month

The price competition between sellers and purchasers was fierce in the Brazilian spot market in the first fortnight of March, resulting in slight fluctuations of cotton values. Between March 1 and 15, the CEPEA/ESALQ Index for cotton ranged between BRL 6.89 and BRL 7.02/pound. Still, sellers' firm stance on prices prevailed and underpinned quotations.

Between February 25 and March 15, the CEPEA/ESALQ Index for cotton rose by 1.45 per cent, closing at BRL 6.9860/pound on March 15, according to the latest fortnightly report on Brazilian cotton market released by the Center for Advanced Studies on Applied Economics (CEPEA).

"Aware of the recent oil valuations, sellers raised asking prices for cotton. However, purchasers are concerned about the economic situation in Brazil, lowering bidding prices for the product. Thus, only a few buyers were interested in closing deals in the spot market, and agents from some processors reported high stocks of by-products, postponing deliveries of the cotton already purchased. Also, some processors reduced activities.

"This scenario and the high increase of freight costs constrained new deals in the first half of March. The agents who closed deals and needed to hire freight for delivery seemed very concerned about costs," the report said.

Meanwhile, Conab (Brazil's National Company for Food Supply) has released a report which estimates the country's cotton area in 2021-22 season at 1.6 million hectares, 4.16 per cent larger than that estimated in February and 16.8 per cent larger than the last season. Productivity is forecast to increase by 2.5 per cent to 1,765 kilograms/hectare. Thus, the Brazilian cotton output is expected to be 19.7 per cent higher than that in 2020-21, totalling 2.82 million tons in 2021-22 (+4.15 per cent compared to that previously estimated).

In Mato Grosso, the main cotton producing province in the country, Conab estimated the area to be sown with cotton at 1.14 million hectares, 4.31 per cent larger than that estimated in February 2022 and 13.8 per cent larger than that in 2020-21. Productivity is forecast unchanged at 1.739 kg/hectare. Production estimates were revised up by 4.31 per cent in the monthly comparison and by 22.6 per cent compared to that in the season before, to 1.982 million tons in 2021-22.

In Bahia, the second-largest cotton producing province, the cotton area is estimated to be 5.33 per cent larger than that forecast in February 2022 and 14.8 per cent larger than that last season, at 306,100 hectares.

Thus, the output was revised up by 5.15 per cent compared to that previously reported and by 14.4 per cent compared to that last season, estimated at 579,600 tons. Productivity is forecast at 1,894 kg/hectare.

Source: fibre2fashion.com– Mar 21, 2022

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SLCP conducts webinars at apparel & footwear facilities in India

To support facilities to implement SLCP and save on unnecessary social audits, SLCP is running training webinars targeted at apparel and footwear facilities in Karnataka, India. The Social & Labour Convergence Programme (SLCP) is an initiative led by leading manufacturers, brands, retailers, industry groups, service providers and civil society organisations.

The aim of the programme is to eliminate audit fatigue by replacing current proprietary tools with a Converged Assessment Framework. SLCP's aim is to improve working conditions by freeing up resources that were previously wasted on compliance audits to be redirected towards the improvement of social and labour conditions, SLCP said in a press release.

Since launching operations in 2019, SLCP has quickly scaled with over 4,000 facilities worldwide completing an SLCP verified assessment in 2021. Over 55 brands, retailers and standard holders are already publicly committing to accept SLCP verified data from their suppliers instead of requesting a separate audit. India was one of the first countries where the Converged Assessment Framework became available and is a priority country for SLCP.

To further boost SLCP adoption in 2022, SLCP is holding a series of free training webinars in local languages. This will include two sessions in Kannada in April: the first to help facilities complete an SLCP self-assessment and the second to explain the verification process and how the verified data can be shared. SLCP invites all interested stakeholders, in particular apparel and footwear facilities in Karnataka, to sign up for these webinars so they can get started with SLCP this year. Completing an SLCP verified assessment can help facilities to reduce the number of social audits they have to do each year, as the SLCP verified data can be shared with multiple buyers.

"The Gap is fully committed to adopting SLCP in order to reduce the proliferation of social audits. We are therefore pleased that SLCP is providing this free training to support our suppliers in Karnataka to have a smooth experience when they complete an SLCP assessment and verification. We encourage facilities to attend these sessions if they would like to find out more about SLCP," Sharmila Nithyanand, programme manager, supplier sustainability at Gap, said in a statement.

SLCP is a non-profit multi-stakeholder initiative that aims to eliminate audit fatigue in global supply chains. They provide the tools and system for a high-quality comparable data set on working conditions that can be used by all industry stakeholders.

Source: fibre2fashion.com– Mar 22, 2022

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China's industrial output grows by 7.5% in Jan-Feb 2022

The value-added industrial output of China increased by 7.5 per cent in January and February this year, compared to the previous year, according to official data released by the National Bureau of Statistics (NBS). The high-tech manufacturing sector posted a high growth rate of 14.4 per cent year on year in the first two months of 2022.

The industrial output measures the activity of enterprises that have an annual business turnover of 20 million yuan (approximately $3.14 million) or more.

The output of state-owned enterprises went up by 5.9 per cent in the same period, while that of the private sector rose by 8.7 per cent, compared to last year, according to NBS.

China's production demand recorded a growth despite the pandemic and complex international environment, Chinese media reports said quoting Fu Linghui, NBS spokesperson.

The purchasing managers' index for the country's manufacturing sector was 50.1 and 50.2 in January and February, respectively.

Source: fibre2fashion.com– Mar 21, 2022

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Japan, Bangladesh perceive FTA to be next phase of Japan-Bangla ties

As Bangladesh prepares to graduate from its least developed country (LDC) status in 2026, it stares at losing many benefits from trade partners, including Japan, with which it is celebrating 50 years of friendship this year. Economists and businesses feel signing a free trade agreement (FTA) is a solution to address this, and both governments also perceive this as the most viable alternative.

Japan would be a strong contender in Bangladesh's list for signing an FTA, the latter's planning minister MA Mannan recently said.

"Based on the experiences of the bilateral relationship between Bangladesh and Japan over the last 50 years, we are looking forward to the next 50 years, which are going to be much better, stronger and warmer," he said, while addressing a dialogue titled 'Bangladesh-Japan Partnership for the Next Development Journey' organised by the Centre for Policy Dialogue (CPD).

Mannan also said Bangladesh is attaching the highest importance to its relationship with Japan, adding that completion of the special economic zone (SEZ) at Araihazar in Narayanganj would change the landscape for Japanese investors, according to Bangla media reports.

Japanese ambassador to Bangladesh Ito Naoki said Tokyo is considering initiation of a joint study on framing the FTA with Bangladesh.

According to a recent Japan External Trade Organisation (JETRO) survey, 68 per cent of Japanese companies in Bangladesh are ready to expand their business operations in the coming years, the envoy added.

Naoki also noted that there is a need to focus on training the Bangladeshi workforce for catering to the needs of the Japanese market.

Source: fibre2fashion.com– Mar 21, 2022

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More foreign investment flows into Vietnam's logistics sector

More foreign investment is pouring into Vietnam's logistics market—despite regulatory barriers—to seize development opportunities after the pandemic. With Vietnam's role in the global supply chain rising, the logistics sector, still dominated by smaller domestic players with traditional warehouses, will continue to develop at a faster pace, expert say.

Recently, GLP announced the establishment of GLP Vietnam Development Partners with an investment of $1.1 billion. Similarly, WHA Corporation PCL (Thailand) has announced a plan for a new revenue stream by investing 50 billion baht ($1.51 billion) over the next five years. Part of this will be used to expand in Vietnam.

WHA plans to expand 352 hectares of an industrial park in Nghe An province in the first quarter of this year.

According to the country's ministry of industry and trade, more than 4,000 logistics companies operate in the country.

Statistics of the Vietnam Logistics Association show that in the period from January to September 2021, more than 2,500 logistics companies had to suspend operations, while more than 570 others had to completely stop operations.

Moreover, with customer habits shifting to e-commerce, the sharp increase in the number of e-commerce businesses is expected to continue, leading to a rise in demand for warehousing and delivery services, according to a report in a Vietnamese newspaper.

However, foreign investors will also face some challenges. For example, such enterprises cannot hold more than 51 per cent of shares in a domestic logistics business, and there are also requirements for the infrastructure used such as warehouses and vehicles.

Source: fibre2fashion.com – Mar 22, 2022

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Ukraine war to hinder growth, aggravate inflationary pressures: OECD

The war in Ukraine has created a new negative supply shock for the world economy, just when some of the pandemic-induced supply-chain challenges appeared to be starting to fade, says the latest economic outlook released by the Organisation for Economic Cooperation and Development (OECD). The effects of the war will operate through many different channels, and are likely to evolve if the conflict deepens further, it says.

In some respects, the direct role of Russia and Ukraine in the global economy is small. Together, they account for only about 2 per cent of global gross domestic product at market prices and a similar proportion of total global trade, with limited bilateral trade for most countries.

Financial linkages with other countries are also generally modest. Stocks of foreign direct investment in Russia, and by Russia in other economies, account for between 1-1.5 per cent of the global total. Consolidated cross-border bank claims by the Bank for International Settlements reporting banks on residents of Russia and Ukraine represented less than 0.5 per cent of the global total as of the third quarter of 2021, the report says.

There are some possible longer-term consequences from the war, including pressures for higher spending on defence, the structure of energy markets, potential fragmentation of payment systems and changes in the currency composition of foreign exchange reserves.

A re-division of the world into blocs separated by barriers would sacrifice some of the gains from specialisation, economies of scale and the diffusion of information and know-how.

The exclusion from the SWIFT message system could accelerate efforts to develop alternatives. This would diminish the efficiency gains from having a single global system, and potentially reduce the dominant role of the US dollar in financial markets and cross-border payments, the report adds.

Source: fibre2fashion.com– Mar 22, 2022

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ITC-Vietnam workshop seeks consultation on export strategy priorities

Vietnam's ministry of industry and trade, in collaboration with the International Trade Centre (ITC), recently held a virtual workshop to seek consultation on priority sectors and areas in developing the national export strategy. The event was part of the Trade Policy and Export Promotion Programme in the country funded by SwissTrade.

An ITC expert delivered a report on Vietnam's export situation and its untapped potential and put forward recommendations on five priority sectors—food, textile-garment, electronics, furniture and environmental goods.

Other areas like quality certification and standards, trade facilitation, sustainable development and digital transformation were suggested to be prioritised in the next phase of the strategy.

In the first stage of the strategy development, ITC has consulted MoIT, several other ministries and the private sector to produce in-depth assessment on Vietnam's competitiveness in trade, said Alberto Armugo Pacheco, a member of the national export strategy development team.

ITC has been focusing on formulating separate strategies for each selected priority sector and area, he said, adding that the three largest hard-currency earners – electronics, textile-garment and footwear – account for up to 60 per cent of untapped potential, and therefore, can be viewed as priorities, according to a news agency report.

Other experts felt that agricultural processing and furniture, though having relatively low export potential index now, hold other advantages and that is why it is important to heighten their position in the market in the future.

Source: fibre2fashion.com – Mar 21, 2022

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Pakistan: Cotton procurement: Govt to extend CCL to TCP

The Ministry of National Food Security and Research briefed the ECC that Pakistan had the potential to produce 20 million bales, as compared to 7.01 million bales produced in 2020-21, provided historic cotton area is re-gained, farmers are supported with appropriate technology and also ensured a fair price.

According to MoNFS&R the price intervention policy during 2021-22 had impacted on price stability in domestic market and fair investment in crop management, which resulted in production of 2 million more bales in 2021-22. It was also noted that consultations on the policy were held with the provincial governments, growers and cotton-related Associations.

The Ministry added that announcement of price intervention policy at this point of time would positively affect growers' decision about planting of cotton and would ensure investment on crop management, which would enhance production by 10 percent and area by 20 percent.

Spot rate unchanged on cotton market

Agriculture Policy Institute (API) had calculated the cost of production and M/o NFS&R recommended the intervention price at Rs 5,700/40kg of seed cotton for the year 2022-23.

The sources maintained that in order to revive cotton production in the country, bring stability in domestic market and assure fair return to the farmers, M/o NFS&R submitted the following proposals for consideration and approval of the ECC on March 15, 2022: (i) constitute a Cotton Price Review Committee (CPRC) with mandate to review market prices and propose intervention at fortnightly bases; (ii) regularly monitor the cotton prices in the main domestic markets of Punjab and Sindh, as well as, those in the international markets and issue a brief price report at weekly interval; (iii) the threshold intervention price of seed-cotton is Rs. 5,700/ 40kg.

When domestic prices drop below this threshold, they trigger the intervention price of seed-cotton at 10 percent discount of the estimated import parity price using the Cotlook 'A' Index; (iv) direct TCP, when to procure cotton lint (base grade –III with staple length 101/32) and pre-selected ginning factories based on the methodology and advise TCP when to sell procured bales by assessing the local and international markets; (v) present a monthly report of the activities to ECC within five working days of the end of each calendar month; (vi) provide a Cash Credit Limit (CCL), as required by the TCP, to initially procure two million bales of cotton at intervention price. The estimated mark-up cost of capital for three months would be 7.08 percent but would be charged on actual expense of CCL as financial and administrative cost etc. of TCP; and (vii) this intervention price policy would terminate on December 31, 2022.

During discussion, Advisor to the Prime Minister on Commerce and Investment Abdul Razak Dawood supported the proposal. However, he added that the price stability last year was not due to the intervention of the TCP but due to the higher prices of cotton in the international market.

He further added that the mechanism adopted by the TCP last year was intended to mainly benefit the ginners instead of the farmers and the strategy should be to procure cotton directly from the farmers, if intervention is required.

It was further added that the target of procurement of cotton should not be kept flexible at this stage and left to the Cotton Review Committee, which meets on monthly basis to decide, based on the market conditions. He further proposed to include Pakistan Textile Council amongst the stakeholders.

After detailed discussion the ECC approved intervention price for cotton 2022-23 crop with the direction that the Cotton Review Committee shall review quantity of procurement of cotton on monthly basis.

Source: brecorder.com – Mar 22, 2022

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NATIONAL NEWS

India-Australia trade pact to help economic revival, boost relations: Modi

Early conclusion of the India-Australia Comprehensive Economic Cooperation Agreement (CECA) will be significant in boosting bilateral economic relations and ensuring economic revival and economic security, Prime Minister Narendra Modi has said.

Modi, and his Australian counterpart Scott Morrison, also supported increased cooperation between India's National Investment and Infrastructure Fund and Australia's Pension and Sovereign Fund, partnerships in the critical mining sector as well as in migration and mobility and collaboration in new energy technologies and new fuel sources. The two leaders participated in the second India-Australia virtual summit on Monday.

The two expressed serious concerns about the ongoing conflict in Ukraine and pressed on the need for cessation of hostilities and violence.

"There has been tremendous progress in the CECA talks in a very short period of time," the Indian PM noted in his opening remarks. "I am confident that a consensus will be reached soon on the remaining issues," he added.

30-day target

Last month, Commerce & Industry Minister Piyush Goyal and Australian Trade Minister Dan Tehan, had set a 30-day target to arrive at an interim or early harvest free trade detail with limited commitments.

"The interim agreement is taking time as Australia wants most important sectors to be covered in the deal and it is difficult to arrive at a consensus on so many different areas," a source tracking the matter told BusinessLine.

The 2022 Australian federal election scheduled in May could also be playing a role in slowing down free trade talks, the source said.

Morrison told reporters that the two Trade Ministers will be meeting soon and they had been tasked with being ambitious to see where the two countries could get to.

At a press briefing after the summit, Foreign Secretary Harsh Vardhan Shringla said that Morrison expressed understanding of India's position on the issue of Ukraine, which reflected Australia's situation and consideration.

"Both leaders discussed serious concerns about the ongoing conflict and humanitarian situation in Ukraine and there was equal emphasis on the fact that international orders stand on the UN Charter on the rule of law and respect for the territorial integrity and sovereignty of states," Shringla said. India, unlike its Quad partners – the US, Australia and Japan – has not directly criticised Russia for its invasion of Ukraine, and this has caused some uneasiness between the countries.

Modi appreciated the fact that India and Australia had now decided to establish a mechanism of Annual Summits. "This will put in place a structure for regular review of our relationship," he said.

Areas of co-operation

The PM also pointed out that over the last few years the two countries have closely cooperated in a multitude of areas such as trade and investment, defence and security, education and innovation and science and technology. "Our collaboration has also increased in other areas such as critical minerals, water management, renewable energy and Covid-19 research," he said.

Shringla said that Australia has about $15 billion quantum of investment in India and India had about $ 12 billion investment in Australia, and both investments were growing steadily. "NIIF is an important area that has potential for significant investments in our infrastructure development," he said. Australia also announced ₹1,500 crore worth of investments in India.

A Letter of Intent was also signed between India & Australia to work towards concluding the migration & mobility partnership agreement. India's total trade with Australia in 2020-21 was at $12.29 billion with exports at $4.04 billion and imports at $8.25 billion.

Last month, Commerce & Industry Minister Piyush Goyal and Australian Trade Minister Dan Tehan, had set a 30-day target to arrive at an interim or early harvest free trade detail with limited commitments "The interim agreement is taking time as Australia wants most important sectors to be covered in it because there is a feeling that if only easy areas are covered initially, it may be difficult to accommodate the more complex negotiations when the full-fledged agreement is being finalised," a source tracking the matter told BusinessLine.

Source: thehindubusinessline.com– Mar 21, 2022

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Huge business opportunities exist to boost trade, investment, says Austrian minister

Huge business opportunities exist for India and Austria to enhance bilateral trade and investments, Austrian Minister for European and International Affairs Alexander Schallenberg said on Monday. The bilateral trade between the two countries has crossed USD one billion and "it shows what kind of potential we have," he said here at Austria-India Business Forum, organised by industry body CII.

"We are reliable partners, we are people who look for a long term relationship. There are no political strings attached when you deal with Austrian businesses, I can assure you that," the minister said. He added that businesses of both countries can increase cooperation in areas like renewable energy, safe water, hydro plant, infrastructure and waste management.

"We all know that there is an enormous untapped potential in relations between Austria and India," Schallenberg noted. He said that Austrian small and medium-sized companies are looking for business potential in new markets. "We are facing challenges in Ukraine and Russia" and Austrian companies are looking for newer opportunities and markets, he pointed out.

"Indian markets might be one of the most challenging ones...but we are hopeful that out of these meetings and talks, some doors will open," he added. Talking about the Russia-Ukraine conflict, he said that it is a direct attack on the rules-based international system.

"As far as businesses are concerned, we have (to) be aware that there is a real earthquake going on...Yes, there might be medium-term or long-term opportunities for other countries...but this is something where we should not look at it in that way because what we seeing is actually a catastrophe," Schallenberg said.

He added that when there is a war in Europe, "it has a tendency of spilling over to other continents and other countries. So, nobody can be indifferent of what is happening in Ukraine".

Source: economictimes.com– Mar 21, 2022

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RBI governor Shaktikanta Das says inflation at 6%-plus transitory; expects rupee to remain stable

The Reserve Bank of India (RBI) does not expect inflation to remain above 6% for long, governor Shaktikanta Das said on Monday. Given the strength of its foreign exchange reserves, the Indian economy is at present better placed to weather the effects of a hike in US interest rates than it was during the taper tantrum of 2013, Das observed, speaking at the Confederation of Indian Industry's (CII) national council meeting.

Das ruled out the possibility of the phenomenon of stagflation — low growth coupled with high inflation — playing out in India. "I can't say any number today not just because of MPC (monetary policy committee) confidentiality issues but because those numbers are still on the drawing board. So, I don't see inflation going up beyond 6%. In fact, our expectation was that it will moderate to 4.5%. Now, when we rework we will know where exactly we stand," he said.

Retail inflation as measured by the consumer price index (CPI) stayed above the upper end of the MPC's tolerance band of 4+/-2% for two consecutive months in 2022, clocking 6.01% in January and 6.07% in February.

"RBI continues to remain supportive of growth. We are conscious of our primary responsibility to maintain price stability and keep inflation under control," Das said. "We will ensure abundant liquidity to meet the requirements of the productive sectors of the economy. Liquidity support of Rs 17 lakh crore was provided," he added.

Das conceded that the volatility in crude prices resulting from the war between Russia and Ukraine could create difficulties for the rate-setting panel in their calculations and described the current situation as "unimaginably uncertain".

While making calculations on inflation, the panel's assumptions on crude and commodity prices are assumed to hold for 365 days. "We don't know today whether crude oil will remain at $100 (per barrel) plus till March 2023," Das said.

The MPC will spell out its inflation roadmap, expectations and estimations only during its next policy review in April, he said. However, the impact of the Ukraine crisis on the RBI's growth projection of 8.9% for FY22 will be marginal, Das added.

He also defended the flexible inflation targeting framework and said that the central bank would not have had the flexibility to provide the benefits of an accommodative policy and other reliefs that it offered over the last two years, had the target been fixed at 4%.

The governor said that so far the RBI has resisted temptations to tighten its monetary policy stance as doing so could have led to demand compression. "The point is initiating a premature demand compression through monetary policy action would be counterproductive. Monetary policy addresses the demand side issues while supply side issues are dealt with by the government," Das said.

He asserted that India's foreign currency reserves of $677 billion and forward market assets worth $55 billion, which are all likely to come back in the months ahead, offer comfort to the economy at a time of policy tightening in Western economies.

Though there could be some spillovers, the RBI will be able to maintain the stability of the Indian rupee. "Our standard policy is that we intervene to prevent excessive volatility," Das said, adding that between April 1, 2021, and March 17, 2022, the rupee depreciation vis-à-vis the US dollar was 0.4%. Going forward, India's forex reserves and its ability to finance the current account deficit (CAD) will help maintain the stability of the rupee.
The RBI is widely understood to have been intervening in the currency markets to help shore up the rupee amid rising geopolitical uncertainty and volatility in crude prices.

Das argued against touching the reserves to finance other needs of the economy. Stating that the reserves are held against the country's liabilities, he warned against the risk of revaluation of assets. "That (reserves) represents the strength and stability of the economy and the exchange rate. Therefore, touching the reserves for financing various requirements of the economy is not at all advisable and they are not in the medium-term, forget long-term, interests of any government," Das said.

Source: financialexpress.com– Mar 22, 2022

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EPFO interest rate reflects reality; is still better than other schemes: FM

The reduction in interest rate offered by Employees' Provident Fund Organisation (EPFO) to 8.1 per cent reflects 'today's realities' and is still higher than interest on small savings schemes and bank fixed deposit rates, finance minister Nirmala Sitharaman said on Monday.

"EPFO has a central board which is the one which takes the call on what rate has to be given for them, and they have not changed it for quite some time...they have changed it now ... to 8.1 per cent," she said, adding that the proposal is yet to come to the finance ministry for approval. Sitharaman was giving a reply to a discussion on Appropriation Bills in the Rajya Sabha.

The central board has proposed to slash the PF rate to 8.1 per cent for FY22 from 8.5 per cent in FY21 and FY20, the lowest in four decades.

Rates offered by other schemes such as Sukanya Samriddhi Yojana is at 7.6 per cent, senior citizen saving scheme is at 7.4 per cent.
"The fact remains these are rates which are prevailing today, and it (EPFO interest rate) is still higher than the rest," she said.

Sitharaman further said that the government may offer a discount to policyholders of Life Insurance Corporation of India subscribing to the insurer's IPO. The government has reserved 10 per cent of the issue for eligible policyholders, and they may also get a discount on the issue price, Sitharaman said in the Parliament Monday.

LIC's embedded value has been calculated in a scientific way, and has been disclosed in the draft red herring prospectus (DRHP). The IEV is an actuarial metric and is based on the value of in-force business, Sitharaman said. LIC's EV has been pegged at Rs 5.4 trillion as on September 30, in its DRHP.

On excess spending approval being sought via supplementary demand for grants the minister said that spending was done under certain schemes to meet the pressing needs of the common man.

"The fertiliser subsidy is Rs 14.092 crore and indegenous urea subsidy is Rs 8.270 crore (included in fertiliser subsidy). Last year, there was a spike in the price of urea and we imported it at a higher cost. The government did not push the burden on farmers. The entire hike in the cost was borne by the government. The farmers did not have to pay one extra paisa," she said.

As much as Rs 10,260 crore was spent for labour and employment, which will be for contribution towards employees pension scheme, 1995. Similarly, Rs 9,068 crore is being spent by the rural development ministry, towards PM Aawas Yojana.

Sitharaman also said that the devolution to states was not being held back by the Centre. Devolution of state share in central taxes is projected at Rs 8.17 lakh crore in FY23, and the revised estimate of Rs 7.45 trillion for FY2021-22 has already been released. As much as Rs 5,000 crore is proposed for recapitalisation of state insurance companies in the third batch of supplementary demands for grants.

Source: business-standard.com– Mar 22, 2022

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A Yen for India: To take bilateral relations forward, Japan and India must exploit complementarities

Japan's youngest-ever PM wrote in his book Towards A Beautiful Society that he will not be surprised if in ten years' time, Japan-India relations overtake Japan-US and Japan-China relations. The challenge for both nations is to translate this ambitious vision into reality.

At the 14th India-Japan Annual Summit, prime ministers Kishida Fumio and Narendra Modi resolved to further advance the India-Japan Special Strategic and Global Partnership. They shared a common vision that the economies of both countries would be powered by "robust bilateral investment and trade flows through diversified, resilient, transparent, open, secure and predictable global supply chains" according to the joint statement. No doubt, the high watermark of the bilateral relationship was during the premiership of Abe Shinzo when Indo-Japanese ties entered a qualitatively new phase.

Japan's youngest-ever PM wrote in his book Towards A Beautiful Society that he will not be surprised if in ten years' time, Japan-India relations overtake Japan-US and Japan-China relations. The challenge for both nations is to translate this ambitious vision into reality. The template of economic cooperation in 2014 is also broadly similar to what was announced at the summit. Under Abe, 3.5 trillion yen ($33.8 billion) was promised by Japan for bullet trains, smart cities, rejuvenation of rivers like the Ganga and clean energy projects. This has now been raised to 5 trillion yen ($42 billion) of public and private investment and ODA in the next five years.

Despite progress in bilateral economic cooperation, the flagship bullet train project between Ahmedabad and Mumbai is still a work-in-progress with land acquisition still not complete. So, too, are dedicated freight and industrial corridors and smart cities.

Both leaders affirmed that this bullet train project was an important symbol of India-Japan collaboration; that they would work together for the commencement of operations at the earliest. Currently, there are 1,455 Japanese companies in India. Japan is the only country in the world with 12 dedicated country-focused industrial townships across nine states all over India.

There is a Japan Plus Desk, incorporated in 2014 by an agreement between Abe and Modi, to provide facilitation and hand-holding to investors in India. This has improved comfort levels for Japan to become India's fifth largest investor.

However, this is not reflected in robust trade – two-way flows are only $17.2 billion despite a comprehensive economic partnership agreement (CEPA) since 2011 which sought to abolish duties on most products; increase access for Indian professionals and contractual service providers to the Japanese market. Japan runs a trade surplus of $6.8 billion this fiscal (April-January). At the summit, both leaders recognized the need for enhancing bilateral trade and encouraged further review of the implementation of CEPA through existing mechanisms.

Although India has taken steps to improve the business environment for Japanese investors, this is an area where additional measures are necessary to attract big-ticket investments. For all the bullish surveys of Japan External Trade Organisation that a majority of Japanese companies who have invested in India are positive of expanding their businesses, they don't take decisions to invest in a hurry. Their exposure to ASEAN is 11-times higher than in India. Net FDI inflows from Japan to India declined sharply to $2.7 billion in 2021 from peak levels of $4.2 billion in 2016 according to JETRO at a time Japan seeks an alternative to investing in China.

Japanese big-ticket investments are bedeviled by concerns over the complicated legal and tax system, difficult labour issues, inadequate infrastructure, poor contract enforcement etc. To tap the unfulfilled promise of the relationship, both Japan and India must exploit their natural complementarities. Japan is a "hard" power with manufacturing prowess. India is a "soft" power in IT and services. Japan is short of natural resources which India has. Japan has capital. India has skilled labour. Japan seeks markets. India has a flourishing huge domestic market.

Source: business-standard.com– Mar 21, 2022

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Online retail in India forecast to grow at a CAGR of 19.8% to reach $85.5 billion by 2025: Report

India's online retail market is forecast to grow at a CAGR of 19.8 per cent to reach $85.5 billion by 2025, according to a report by Forrester.

As India's retail segment faced supply chain ad operational restrictions and customers began focusing on saving money and lowering discretionary expenses, online retail grew by 5 per cent, adding $1.6 billion in sales in 2020. Forrester projects that the online market rose by $7 billion in 2021.

The growth ahead in the online retail in India will be by a host of factors including massive growth opportunity driven by global investments, a growing online shopper base and evolving customer behaviour, as per the report. In 2020, online accounted for 3.6 per cent of India's total retail sales.

This is projected to rise to 6 per cent by 2025. Forrester's E-Commerce Readiness Index 2020 categorised India as a large and developing opportunity for online retail.

"This readiness is evident from the more than $8 billion that local and international organisations invested in online retail in 2020 and 2021," it said. Further, retail tech firms are also growing. Additionally, the number of online buyers in India is also on the rise, growing from 71.5 million in 2016 to 179.5 million in 2020.

"This group's disposable income has increased, and it boasts the highest percentage of younger consumers — which affects how Indians consume products and services. Half of metro Indian online adults research products or services on smartphones or PCs prior to purchase," the report said.

About 58 per cent of metro Indian online adults with a smartphone make purchases on that device, versus 47 per cent who use a PC and make purchases on it, as per the Forrester Analytics Consumer Technographics Benchmark Survey, 2021.

"Current use skews to metro areas and top-tier cities, but internet and mobile penetration are steadily increasing in tier three and four towns and cities," it said. The overall online buyer population in India is set to grow at a CAGR of 10.1 per cent from 2020 to 2025 with smaller towns expected to account for most of this. India's total online buyers are forecast to reach 291.2 million in 2025.

"Low-cost, highly available data, rising smartphone adoption, and the pandemic are all pushing Indian consumers to think, do, and be digital. Today, over half of metro Indian online adults discover products and brands via social media at least daily. Social commerce start-ups are also gaining traction," it said.

As per the Forrester Analytics Consumer Technographics Benchmark Survey 2021, metro Indian consumers have also started to use voice assistants to research products and services. 48 per cent of consumers said that they do so at least weekly.

More and more firms are enabling vernacular languages in various channels to cater to diverse audiences. And 77 per cent of metro Indian online adults feel more confident about a purchase when they use a smartphone to do research while they're in the store "indicating a growing trend of digital and physical integration," as per the report.

Shift in online spending categories

There has also been a shift in spending categories online amid the pandemic. "Traditionally, smartphones, computer hardware and software, and consumer electronics have seen tremendous growth in online retail sales, whereas grocery and personal care have seen slower growth. The pandemic appears to have turned the tide slightly," as per the report.

In 2020, online retail sales of smartphones were $13 billion, followed by apparel and accessories ($3.7 billion) and grocery at $2.9 billion. Smartphones accounted for 38 per cent of India's $34.7 billion in online retail sales in 2020, as per the report.

"As more digital-native consumers join the market, smartphone sales will rise, but longer replacement cycles will limit growth. Chip shortages and logistics costs will also determine price points and thus influence sales," the report said.

Talking about the grocery segment, "whether the 'quick commerce' industry will succeed is yet to be seen, because the core issue is consistency and quality, not speed". "With investment in the segment rising rapidly, the competition between grocery retailers is heating up more than ever," it said.

The lifestyle segment is also expected to bounce back after facing major challenges amid the pandemic which had put major stress on discretionary spending.

"We expect this segment to bounce back stronger after the pandemic, especially because of consumer behavior like 'revenge buying'. While e-commerce players are making a play for this category by collaborating with and acquiring luxury labels, there has been a larger movement toward sustainable fashion — a trend that brands need to be diligent about addressing in today's values-based economy," it said.

Key players

The Amazon-Flipkart duopoly is fast becoming a four-way competition as Reliance Digital and Tata join the fray, as per the report. It further estimates that Flipkart, Reliance, Amazon, and Tata (FRAT) collectively own more than 80 per cent of India's online retail market, "and each is maneuvering to gain market share".

Further, "smaller players like Nykaa and Paytm Mall are also vying for a slice of the billion-dollar pie," it said. "Online retail in India has been busy; incumbent retailers, e-commerce firms, private equity and venture capital firms, tech firms, and start-ups are bringing to life concepts like social commerce, livestreaming commerce, authentic direct to-consumer experiences, and quick commerce. Innovation is rife as payment firms bolster online retailers' digital presence," the report further said.

Forrester Analytics data shows that two-thirds of metro Indian adults who purchased products online in the past three months did so from Flipkart or Amazon, and one-quarter from Paytm.

"The next wave of online retail growth will come from tier-two cities and beyond. Online retailers understand the value of providing ubiquitous access and greater convenience; they now deliver to 19,100 unique PIN codes with only a marginal difference in average selling prices," as per the report.

They are also setting up warehouses across India and investing in last-mile delivery. As per Forrester Analytics data, 83 per cent of metro Indian online adults said that their purchases are influenced by the availability of free same-day delivery; 73 per cent by paid same-day delivery; and 56 per cent by the ability to pick up a purchase in a store.

“Rapid e-commerce adoption, fulfillment of same-day or next-day delivery commitments by third-party logistics companies, and the need to diversify supply chains are boosting demand for warehousing and logistics services,” as per the report. Players have also been bullish on local kiranas. Kiranas are expected to generate more than $1 trillion in sales by 2030, as per the report.

Overall monthly online spending across the nation is the highest to date. As per Forrester Analytics data, 64 per cent of metropolitan Indian online adults who have purchased products online in the past three months spent more than ₹5,000 on those purchases. Online retailers will also have to focus on personalisation to achieve differentiation.

“Affordability, accessibility, discounts, and payment features like cash on delivery for ‘buy now, pay later’ sales will continue to drive online retail in India,” it further added.

Source: thehindubusinessline.com– Mar 21, 2022

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Garment exporters worried about fall in global orders

Garment makers in Tirupur and Noida are seeing up to a 25% reduction in fresh orders from global brands like Mango, Zara, H&M after they suspended operations in Russia following its invasion of Ukraine. Spanish fashion retailer Inditex - which owns Zara - has halted trading in Russia, closing its 502 shops and stopping online sales a fortnight ago.

H&M has suspended operations in Russia, while Spain's second-largest fashion retailer Mango has also temporarily closed its 120 shops in Russia.

"Garments were routed to Russia through Spain," said Lalit Thukral, president, Noida Apparel Export Cluster. After all the global brands suspended operations, fresh orders have come down by 15%, he added. "We are a bit worried regarding payments that have got stuck due to the Russia-Ukraine war," Thukral said. The apparel export cluster in Noida houses 3,000 units, with an annual turnover of nearly ₹30,000 crore.

"The Russia-Ukraine war and the uncertainty around it have come at a time when the garment exporters were gradually recovering from the business impact of Covid-19," said Raja Shanmugam, president, Tirupur Exporters' Association. Fresh orders from brands like Zara, Mango, H&M have dropped 25% since the invasion, he said. "The freight rates have started climbing further due to geopolitical tension and exporters are bleeding," Shanmugam said.

Shipments through the Black Sea have also come to a grinding halt and exporters are now sending garments by air. The air freight rate has shot up to ₹500 per kg from ₹150 per kg. "Buyers will not pay for rising freight rates," said Thukral. Tirupur houses 2,000 knitwear garment export units and another 18,000 ancillary units that supply to knitwear firms.

"We have no worries about Q4 of FY22. All the orders have been locked and everything is in place. We are worried aboutQ1 of FY23. We do not know how long the war will continue and how the world will react to it," said Shanmugam. Tirupur is the biggest garment manufacturing hub in the country and its share in India's knitwear exports is more than 55%.

In the current financial year, Tirupur exporters are expecting to touch ₹33,000 crore worth exports. They have targeted ₹40,000 crore in exports in FY23.

Source: economictimes.indiatimes.com– Mar 22, 2022

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Indian cotton breaches ₹80k per candy mark on strong buying

Taking a cue from ICE cotton, which jumped to its upper limit on Friday due to strong buying and limited stocks in the US, the price of Indian cotton breached the critical mark of ₹80,000 per candy of 356 kg each on Saturday. Industry sources said that some markets registered cotton prices as high as ₹85,000 per candy posing a new challenge for the industry.

The increase in prices, due to strong buying, have come after nearly two months of relatively stable cotton prices. The Russian attack on Ukraine also caused for decline in the entire commodity segment including cotton.

On Friday, ICE cotton contract for May 2022 closed at 126.86 cents, up 500 points; July 2022 closed at 123.03 cents, up 493 points; while December 2022 closed at 105.24 cents, up 172 points. A market analyst said, "Demand for US cotton is still good, but on the supply side there is not much left in the country to buy." Meanwhile, the US Department of Agriculture's weekly export sales report on Thursday showed net sales of 371,400 running bales of cotton for 2021/2022, up 5 per cent from the previous week and 34 per cent from the prior four-week average. Increases were primarily for China.

On Saturday, Indian cotton prices raised by around ₹1,500-2,000 per candy. Cotton prices surged by ₹2,000 per candy in North Indian markets on Saturday amid increased buying by the mills, while daily arrivals rose in the mandis of these states.

As per traders, the production of kapas (seed cotton) in the states of North India in the current season is expected to be lower than the industry's second estimate, so daily arrivals of kapas in March have been lesser than normal, and will decline further by the end of the month. The balance stock of cotton with the mills of the states is lower than last year, and ginners are not selling bales on current prices. Therefore, domestic cotton prices are likely to remain bullish for the time being.

Kapas was quoted at ₹9,400-10,400 per quintal in the Punjab and Haryana line, while Upper Rajasthan line noted prices at ₹9,500-10,500 per quintal.

In Punjab, cotton was sold at ₹80,000-81,500 per candy. In Haryana, the prices were hovering at ₹77,400-80,200 per candy. In Upper Rajasthan, cotton was traded at ₹79,500-80,800 per candy. In Lower Rajasthan, cotton prices were at ₹74,400-76,400 per candy for spot delivery.

In Gujarat, A grade cotton was sold at ₹81,000-82,500 per candy, B grade at ₹80,000-81,000 per candy and average grade at ₹78,000-79,000 per candy, according to Fibre2Fashion's market insight tool TexPro. V797 cotton was sold at ₹40,000-45,000 per candy.

Source: fibre2fashion.com– Mar 21, 2022

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Russia-Ukraine war: Rupee-rouble may be pegged to a third currency, likely dollar

As the government weighs the rupee-rouble trade to avoid any delay or default in payments in the wake of the Ukraine crisis, it is planning to peg the payment mechanism to a third international currency to ensure Indian exporters don't lose out if the Russian currency fluctuates sharply.

The dollar or the euro could be used to determine how many roubles would be equivalent of a rupee, based on their respective value against the third currency, a top source told FE. "But, given the recent sharp volatility in the rouble movement, this has to be a dynamic rate, and not a fixed one," he added. Any such mechanism will allow exporters to get payments in their local currency.

However, the government is yet to take a final call on whether to allow such a payment mechanism in the first place. At the moment, it's closely monitoring the situation, he added.

According to exporters, to operationalise this mechanism, the government has to nominate banks that will anchor the payments. For instance, Uco Bank facilitated payments to exporters, through the rupee-rial mechanism, for supplying to sanctions-hit Iran.

The rouble has weakened by more than 38% against the dollar in 2022. It lost over 32% since February 22 when the Russian parliament authorised President Vladimir Putin to use military force outside the country. Similarly, the rupee has appreciated 26% against the rouble since the start of 2022 and 23% since February 22.

The government is considering the rupee-rouble mechanism following requests by exporters, who fear massive defaults in payments for their supplies to Russia in the wake of western sanctions against Moscow. The Reserve Bank of India, too, has reportedly sought inputs from SBI and Uco Bank on this issue.

But any such mechanism in the aftermath of western sanctions on Moscow has strategic ramifications for New Delhi. So, the finance ministry will factor in the inputs from the ministry of external affairs, apart from the commerce ministry and the central bank, before allowing it to happen, sources had earlier told FE.

Bankers have said that the impact could be limited if the sanctions remain limited to only the two Russian banks. But if all Russian banks are cut off from the SWIFT global payment messaging network going forward, it will create troubles for Indian traders. Moreover, there will be only a very few global banks that would still be willing to keep ties with such Russian banks after the sanctions.

New Delhi buys substantially more goods from Moscow than what it ships out to the latter (its bilateral trade deficit stood at $4.34 billion in the first three quarters of this fiscal). So, payments shouldn't be an issue, if a proper rupee-rouble architecture is worked out, exporters said.

India mostly buys petroleum products, diamonds and other precious stones and fertilisers from Russia. Similarly, it ships out capital goods, pharmaceutical products, organic chemicals and farm products to Moscow. Capital goods and certain consumer products made up 25% of India's exports to Russia in the first three quarters of this fiscal, while pharmaceutical and organic chemicals accounted for over 22% and farm items 18%.

Source: financialexpress.com– Mar 22, 2022

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Trade delegation to Ethiopia announced

The India Africa Trade Council organized the India Ethiopia Trade Conference which was attended by the Business community in South India especially Tamil Nādu. The President of Indian Economic Trade Organization Dr. Asif Iqbal welcomed the Ambassador of Ethiopia in India HE Dr. Tizita Mulugeta and pledged the commitment of support between the two nations for a robust partnership.

There is a huge interest in India for Ethiopia, a country with great scope for bilateral trading opportunities in Pharma, Medicines, IT development, Textiles, Garments and Industrial development by Indian companies. The Ambassador was also accompanied by the Minister, Counsellor from the Ethiopian Embassy in New Delhi Demesev Kebede Tekle who presented the latest reformed business policy of Ethiopia that is very prospective for investors. The Minister for NRI Affairs of Tamilnadu Cingee Mastaan delivered the address and welcomed Ambassador of Ethiopia to Chennai. He read out the commitment of the Chief Minister of Tamilnadu who is pushing foreign relations to a new reformed policy in the state.

During the Event the Ambassador presented the Ethiopian Coffee to the Minister and the MEA official and will explore the option of formally launching the coffee during the visit of the Investment Council of Ethiopia in April 1st week. The Economic Investment Council will be visiting Mumbai and Chennai to cover the opportunities and invite prospective businessmen to invest in Ethiopia in sectors of Pharmaceutical, Garments, Textiles, Agro processing.

The event was attended by the Head of MEA Secretariat Mr. Venkatachalam Murugan IFS who also spoke about accelerating India’s relationship with the African region and welcomed delegates from Tamilnadu state to pledge support for the various other island nations around the African region.

Previously he was heading the East and South Africa (ESA) division in the Ministry of External Affairs, Govt of India. Dr. B. Ramakrishnan(BRK), Director of COMESA spoke about India’s efforts in strengthening relations especially when India is celebrating 75 years of India’s Independence. India has also in the past extended various credit lines to Ethiopia through the Exim Bank a line of credit of USD 75 million (over Rs 500 crore) for financing Industrial parks.

An agreement was signed between Export-Import Bank of India (Exim Bank) in July 2020. Modern diplomatic relations between India and Ethiopia were established at the level of legations in July 1948, after the independence of India.

Some of the major Indian companies in Ethiopia are Cadila Pharmaceuticals PLC, S & P Energy Solution PLC, Tata International Limited, Karuturi Global PLC, Kanoria Africa Textiles PLC, Mohan Group of companies, Anmol Products Ethiopia PLC and many others

During the conference, the letter of Appointment was given to Stephin Kureekal George as the Trade commissioner for the India Africa Trade Council-Ethiopia. He will drive the relationships between the two countries. "Kerala being a hub for many GCC countries can be a great destination for Ethiopia due to its proximity and its past linkages to India, We welcome investments for Ethiopia and will act as a catalyst to connect this country with our state of Kerala" said Mr. Stephin Kureekal George who will be opening the trade office soon.

The ongoing Government of India assistance in developmental projects in Ethiopia continued with sanctioned Lines of Credit worth more than US$1 billion to the Government of Ethiopia for construction of sugar factories and power transmission lines. Ethiopia is one of the largest recipient of long term concessional credit from India in Africa.

The Ambassador also presented the opportunities to the main guests from Tamilnadu and also expressed great interest in supporting the trade relations between the two countries and invited the trade community to explore all the available choices for investors.

India Africa Trade Council (IATC) is working on building bilateral trade relations by assisting Indian companies that are looking at various projects coming up in African region for promoting growth in commerce and trade, especially in Indian Pharma which likely to increase as the Ethiopia market expands. The India Africa Trade Council previously hosted the Additional Secretary of the Africa region, Ministry of External Affairs during which the mechanisms between India and Africa were concluded.

Source: business-standard.com– Mar 21, 2022

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Implementation of New Labour Codes

"Labour" is in the Concurrent List of the Constitution and under 4 Labour Codes, rules are required to be framed by the Central Government as well as by the State Governments. As a step towards implementation of the four Labour Codes, the Central Government has published the draft Rules under 4 labour Codes, inviting suggestions and objections from all stakeholders. Till date, the provisions of Section 142 of the Code on Social Security, 2020 and the provisions related to the Central Advisory Board as specified under Section 42 and 67 of the Code on Wages, 2019 have come into effect.

As per available information, 27, 23, 21 and 18 States/UTs have pre-published draft Rules under the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 respectively.

There have been widespread consultations while finalizing all 4 Labour Codes. The details are as under:-

i. All Codes were placed on the website of the Ministry of Labour and Employment, inviting comments from all stakeholders including general public.

ii. Nine tripartite consultations were undertaken on all the four Codes on 10.03.2015, 13.04.2015, 06.05.2015, 14.07.2015, 06.10.2015, 04.10.2017, 22.11.2018, 27.11.2018 and 05.11.2019 inviting all Central Trade Unions, Employers' Associations and State Governments. The stakeholders had participated in the afore-said tripartite meetings and gave suggestions on various aspects of Labour Codes.

iii. In addition to the above, seven Regional Conferences of State Labour Ministers and Principal Secretaries/Secretaries of State (Labour) were also held during January, 2017 to December, 2019 in which Codes were also discussed.

iv. All the Codes were referred to the Parliamentary Standing Committee on Labour for examination by the Lok Sabha which, while examining the Codes, had invited the views/suggestions from Trade Unions/Organizations/Individuals/Stakeholders including the State Governments. The Committee also took oral evidence of the representatives of Central Trade Unions and various other Associations/Organisations/Stakeholders/some State Governments.

This information was given by Shri Rameswar Teli, Minister of State, Ministry of Labour & Employment in Rajya Sabha today.

Source: pib.gov.in– Mar 21, 2022

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Portal for Unorganised Labourers

As on 13.03.2022, more than 26.66 crore unorganised workers have been registered on eSHRAM portal. An amount of Rs. 280 crore is provided under the Revised Estimate 2021-22 which includes the premium amount towards Pradhan Mantri Suraksha Bima Yojana (PMSBY).

Labour Bureau, has been entrusted with the conducting of All India Migrant Workers Survey and All India Domestic Worker Survey. The details of the survey are as under.

The All India Migrant Workers Survey was launched with the following objectives:

- Estimate the number of domestic/internal migrant workers in the country.
- Collect data on their household characteristics, socio economic conditions and working conditions
- Study the impact of COVID19 on their work.

The All India Domestic Workers Survey (DWS) was launched with the following objectives:

- Estimate the number/proportion of domestic workers at National and State level.
- Percentage distribution of DWS Estimates: Live-in/Live-out; Formal/ Informal Employment; Migrant/ Non-Migrant; their wages and other socio-economic characteristics.
- Household Estimates of Live-in/ Live-out domestic workers.
- Average number of domestic workers engaged by different types of households.

All India Survey on Employment Generated by Professionals and Transport sector have been put on hold on the recommendation of Expenditure Finance Committee for inter-ministerial consultations to explore the possibility as to which Ministry is best suited to carry out these surveys. This information was given by Shri Rameswar Teli, Minister of State, Ministry of Labour & Employment in Rajya Sabha today.

Source: pib.gov.in– Mar 21, 2022

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Steps to Increase Employment Opportunities

Employment generation coupled with improving employability is the priority of the Government. Accordingly, the Government of India has taken various steps for generating employment in the country. The Government of India has announced Aatmanirbhar Bharat package to provide stimulus to business and to mitigate the adverse impact of Covid 19. Under this package, the Government is providing fiscal stimulus of more than Rs. Twenty Seven lakh crore. This package comprises of various long term schemes/ programmes/ policies for making the country self-reliant and to create employment opportunities.

Aatmanirbhar Bharat Rojgar Yojana (ABRY) has been launched with effect from 1st October, 2020 as part of Atmanirbhar Bharat package 3.0 to incentivize employers for creation of new employment along with social security benefits and restoration of loss of employment during Covid-19 pandemic. This scheme being implemented through the Employees' Provident Fund Organisation (EPFO), seeks to reduce the financial burden of the employers and encourages them to hire more workers. The terminal date for registration of beneficiaries has been extended from 30.06.2021 to 31.03.2022. Benefits have been provided to 50.81 lakh beneficiaries through 1.33 lakh establishments till 28.02.2022.

Pradhan Mantri Mudra Yojana (PMMY) is being implemented by the Government for facilitating self-employment. Under PMMY, collateral free loans upto Rs. 10 lakh, are extended to micro/small business enterprises and to individuals to enable them to setup or expand their business activities. Upto 04.03.2022, 33.91 crore loans were sanctioned under the scheme.

Government launched the Garib Kalyan Rojgar Abhiyaan (GKRA) of 125 days on 20th June, 2020 to boost employment and livelihood opportunities for returnee migrant workers and similarly affected persons including youth in rural areas, in 116 selected districts across 6 States of Bihar, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Uttar Pradesh. The Abhiyaan has achieved an employment generation of 50.78 crore person days with a total expenditure of Rs. 39,293 crore.

PM GatiShakti is a transformative approach for economic growth and sustainable development. The approach is driven by seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics

Infrastructure. This approach is powered by Clean Energy and Sabka Prayas leading to huge job and entrepreneurial opportunities for all.

The Government has put emphasis on railways, roads, urban transport, power, telecom, textiles and affordable housing amid continued focus on the National Infrastructure Pipeline. Budget 2021-22 launched Production Linked Incentive (PLI) schemes, with an outlay of Rs. 1.97 lakh crore, for a period of 5 years starting from 2021-22. All these initiatives are expected to collectively generate employment and boost output in the medium to long term through multiplier-effects.

The Government of India is encouraging various projects involving substantial investment and public expenditure on schemes like Prime Minister's Employment Generation Programme (PMEGP) of the Ministry of Micro, Small & Medium Enterprises, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) & Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) of the Ministry of Rural Development, Deen Dayal Antodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) of the Ministry of Housing & Urban Affairs etc. for employment generation.

Besides these initiatives, various flagship programmes of the Government such as Make in India, Digital India, Smart City Mission, Atal Mission for Rejuvenation and Urban Transformation, Housing for All, Infrastructure Development and Industrial Corridors are also oriented towards generating employment opportunities and economic growth.

As per the Annual Periodic Labour Force Survey(PLFS) report for the year 2019-20 released by Ministry of Statistics & Programme Implementation (MOSPI), the year-wise estimated Worker Population Ratio (WPR) and Unemployment Rate (UR) on usual status for age 15 years and above during the last three years are given below.

Click here for more details

Source: pib.gov.in– Mar 21, 2022

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Promotion of Khadi Products

The details of Research and Development (R&D) activities undertaken in the country for the promotion of Khadi by Khadi and Village Industries Commission (KVIC) during last three years are given in Annexure-I.

To revitalize Khadi Sector, KVIC is implementing Khadi Reform and Development Programme (KRDP) in the country from the year 2010 for undertaking reforms in Khadi sector, thereby providing employment opportunities to the artisans associated with Khadi Institutions by providing Direct Reform Assistance (DRA) for procurement of implements and machineries, workshed, bhandar renovation etc.

KVIC is implementing various schemes and programmes for the promotion and development of production, sales and employment in the Khadi Sector. It may be seen from the below table that Khadi production has been showing an increasing trend on year to year basis:

(Rs. in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21*
Khadi Production	961.67	1158.44	1520.83	1626.66	1963.30	2324.24	1904.49

* figures decreased due to Covid-19 pandemic.

As regards export of Khadi, KVIC is not directly involved in export of Khadi and Village Industries (KVI) products. KVI institutions/units, assisted through implementation of various KVI schemes, export their products directly or through Merchants/Agencies.

Ministry of MSME, through KVIC, is implementing the following schemes/sub-schemes/components for promotion of the Khadi sector:

- Under Interest Subsidy Eligibility Certificate (ISEC) scheme, credit at the concessional rate of interest of 4% per annum is given for capital expenditure as well as for working capital as per the requirement of Khadi Institutions.
- Modified Market Development Assistance (MMDA) scheme, aims at market segmentation of Khadi products for effective pricing, strengthening marketing network to participate/ organized domestic/international exhibitions, creation of market demand

quality products, extending incentives to the artisans/karyakartas infrastructure development etc.

- 'Workshed Scheme for Khadi Artisans' scheme aims to provide sufficient space and congenial environment for smooth and fatigue free working to the Khadi artisans in which KVIC is providing an amount of Rs. 60,000 and Rs. 40,000 per artisan for construction of individual and group Worksheds, respectively.
- KVIC is providing funds for the implementation of various projects for technology up gradation under 'S&T programme'.

Initiatives taken/being taken by the KVIC for the promotion of production of Khadi and its exports are at Annexure-II.

Source: pib.gov.in– Mar 21, 2022

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Access to Working Capital for MSMEs

The Government has taken a number of initiatives for providing financial assistance to the Micro, Small and Medium Enterprises (MSMEs) to cope with the financial impact of the COVID-19 pandemic, including access to working capital. These include the following:

Prime Minister's Employment Generation Programme (PMEGP) - maximum project cost is Rs. 25 lakh, which includes capital expenditure and working capital.

- Credit Guarantee Scheme (CGS) - maximum 85% guarantee is extended upto credit facility of Rs. 200 lakh, for both term loan and working capital. As per the Budget Announcement 2022-23, to facilitate an increased flow of credit, Rs. 2 lakh crore additional credit facility will be provided to Micro & Small Enterprises under this scheme.
- Emergency Credit Line Guarantee Scheme (ECLGS) - announced as part of Aatma Nirbhar Bharat Package in May, 2020 to provide Collateral free Automatic Loans for businesses, including MSMEs. Initially, the admissible limit of the guarantee was Rs. 3 lakh crore which was later enhanced to Rs. 4.5 lakh crore. As per the Budget Announcement 2022-23, the ECLGS is being extended up to March 2023 with an expanded guarantee cover of Rs. 5 lakh crore. The additional guarantee cover of Rs. 50,000 crore is earmarked exclusively for the hospitality and related enterprises.

This information was given by the Minister of State for Micro Small and Medium Enterprises, Shri Bhanu Pratap Singh Verma in a written reply to the Rajya Sabha.

Source: pib.gov.in– Mar 21, 2022

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