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INTERNATIONAL NEWS

China's manufacturing PMI down in March to 49.5

The purchasing managers' index (PMI) for China's manufacturing sector was 49.5 in March, down from 50.2 in February, according to data from the National Bureau of Statistics (NBS), whose senior statistician Zhao Qinghe recently said the resurgence of domestic COVID-19 outbreaks and mounting geopolitical uncertainties have weighed on China's factory activities in March.

A PMI reading above 50 indicates expansion, while a reading below reflects contraction.

In March, the sub-index measuring purchase prices of major raw materials rose 6.1 percentage points from February to 66.1. The sub-index for prices at the factory gate was 56.7, up 2.6 percentage points from last month, an official news outlet reported.

The sub-index for production stood at 49.5, down 0.9 percentage points from last month, entering the contraction zone.

The latest data also showed that the PMI for China's non-manufacturing sector came in at 48.4 in March, down from 51.6 in February.

Source: fibre2fashion.com – Mar 31, 2022

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US' Levi's expands to a total of 800 Target stores

American brand, Levi's, has added 300 more stores this spring. It brings it to a total of 800 Target stores to shop for the leading apparel brand. People can shop the expanded Levi's at Target collection at Target stores, the company's website, and via Target's industry-leading same-day services, Order Pickup, Drive Up and Same Day Delivery with Shipt.

The company is set to launch 60+ new styles, including tops, dresses and on-trend jeans for women, and cozy fleece, tees and trucker jackets for men. The assortment will vary by store, with the entire collection available online (where you'll also find extended sizes in many items), the company said in a press release.

"Strategic partnerships like Levi's continue to drive preference for Target, and guests turn to Target for the very best national brands alongside more than 45 incredible owned brands. Since offering our guests Levi's Red Tab label for the first time more than two years ago, paired with our unmatched owned brand offerings, we've established Target as a go-to place for denim.

With more must-have, quality styles available in more stores across the country in 2022, we're thrilled to offer a dose of inspiration and joy through our growing Levi's assortment at an incredible value," Jill Sando, executive vice president and chief merchandising officer, Target, said in a statement.

Source: fibre2fashion.com– Mar 31, 2022

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Turkiye, Uzbekistan target $5 bn in bilateral trade within 12 months

Turkiye and Uzbekistan want to raise their bilateral trade to $5 billion within a year, according to Turkish President Recep Tayyip Erdogan, who recently met his Uzbek counterpart Shavkat Mirziyoyev in Tashkent. "I believe that, through the preferential trade agreement we have signed today, we will reach our targets in a shorter time," he said.

"The relations between Turkey and Uzbekistan, which we have described as a 'strategic partnership based on brotherhood,' are developing in an atmosphere of mutual trust in all areas," Erdogan said in an article published in the ‘New Uzbekistan’ newspaper.

"In the framework of our talks, we will discuss the political, economic, military and social aspects of our bilateral cooperation in many areas, from energy to agriculture, from industry to culture, from youth issues to environmental issues," the president wrote.

He also called on Turkish citizens to visit Uzbekistan ‘in the current period of revival’ and invest in his country and contribute to the development of bilateral ties.

"The projects being implemented in Uzbekistan by our entrepreneurs are a source of pride for us, as well as a driving force for mutual trade," Erdogan said in the article.

Erdogan said Turkish companies' investments in Uzbekistan have reached $1.5 billion and highlighted that contracting companies have successfully completed 241 projects worth $5 billion in Uzbekistan till now, according to Turkish media reports.

Diplomatic ties between the two countries were established on March 4, 1992, months after Uzbekistan declared its independence on August 31, 1991. Tashkent and Ankara marked three decades of diplomatic relations on March 4 this year.

Source: fibre2fashion.com– Mar 31, 2022

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Turning Vietnamese garment industry sustainable essential: VITAS

Turning the domestic garment industry sustainable is essential to fully exploit opportunities arising from free trade agreements and integrate deeply into the global value chain, according to the Vietnam Garment and Apparel Association (VITAS), which recently said the government's commitment at the COP26 to achieve net-zero emission by 2050 would push the industry to go green.

The association's president Vu Duc Giang said that most fashion brands in the United States, Japan and the European Union (EU) are now more demanding on the quality and sustainability of products following the pandemic.

They also expect suppliers to use green and recycled materials to meet global consumer trends, meaning that manufacturers must be transparent in production and ensure product traceability, which was no longer an option but a mandatory requirement, according to a Vietnamese media outlet.

Although greening the garment supply chain is a trend, the investment was mostly in upgrading the production to save water or use solar energy, while little attention was paid to developing new environmentally-friendly materials, according to VITAS.

Giang also feels it is necessary to improve domestic laws on environment to ensure the appropriateness to global requirements and the situation in Vietnam.

The government should also develop industrial zones specialised for garment and textile production, which meet waste water treatment standards, he added.

Source: fibre2fashion.com– Mar 31, 2022

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Taiwanese textile firm seeks help for expansion project in Vietnam

Authorities in the southern Vietnamese province of Binh Duong recently met Yeh Ming Yuh, director general of Taiwanese concern Polytex Far Eastern Vietnam, to discuss how to help the later resolve issues facing its expansion project at the Bau Bang Industrial Park. Yeh sought help in legal formalities for building a workers' dormitory and paperwork for a 10-MW solar power plant.

Vice chairman of the Binh Duong People's Committee Nguyen Van Danh requested concerned departments to help the company promptly deal with the issues and provide it with the best possible conditions to complete required procedures for the project to start, according to a news agency.

In 2015, Far Eastern Group, a multi-industry corporation from Taiwan, invested $274 million to develop a fibre manufacturing and spinning facility at the Bau Bang Industrial Park, which started operation at the end of 2016. The company has been busy preparing for the start of the third phase of the facility's expansion.

Source: fibre2fashion.com– Mar 31, 2022

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PM Hasina seeks more Saudi investment in Bangladesh

Prime Minister Sheikh Hasina sought more investment from Saudi Arabia when the latter's ambassador to Bangladesh Mohammed Essa Yousef Essa Alduhailan mer her recently. Hasina said Saudi investors can choose land in the special economic zones. The envoy said many Saudi firms are keen to invest in Bangladesh's energy sector, particularly renewable energy.

Hasina assured the envoy of Bangladesh's support to Saudi Arabia's candidature for the International Expo-2030, following a request by the latter, according to Bangla media reports.

The prime minister's principal secretary Ahmad Kaikaus was present during the meeting.

Source: fibre2fashion.com– Mar 31, 2022

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Moody's affirms Bangladesh's rating at Ba3; outlook stable

Moody's Investors Service recently affirmed Bangladesh's long-term issuer and senior unsecured ratings at Ba3 and maintained a stable outlook. The short-term issuer ratings stand at 'Not Prime'. The affirmation came following Moody's consideration that the growth rebound following the pandemic will continue to anchor macroeconomic and external stability.

Moody's expects real gross domestic product (GDP) growth to reach 6 per cent in fiscal 2021-22 and 6.5 per cent in fiscal 2022-23, driven by exports and domestic demand.

Nevertheless, the debt burden remains moderate, and Moody's expects it to remain below 40 per cent of GDP over the next few years, anchored by strong growth.

Moreover, continued access to concessional funding (30 per cent of Bangladesh's general government debt and more than 70 per cent of government external debt), even after pandemic-related support expires, is key to mitigating debt financing costs.

The rating affirmation also considers increased vulnerability to future shocks as structural challenges have been exacerbated by the pandemic. The challenges include addressing infrastructure needs and low levels of human capital, both of which constrain greater foreign investment and limit prospects for economic diversification over the medium term.

Bangladesh' local-currency (LC) and foreign-currency (FC) ceilings are unchanged at Baa3 and Ba2, respectively, Moody's said in a note.

As of December 2021, about 25 per cent of loans in the banking system of the country were restructured or rescheduled.

Source: fibre2fashion.com– Mar 31, 2022

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NATIONAL NEWS

Govt to undertake a two-stage review to determine PLI scheme progress

The government will undertake a two-stage review of the production-linked incentive (PLI) scheme, where its progress and implementation across various sectors will be discussed.

This will be followed by utilisation of unused funds and the possibility of reallocation to the government department and ministries, which need more amounts, will be assessed, people in know of the matter said.

An empowered group of secretaries headed by Cabinet Secretary Rajiv Gauba is expected to meet next month to review the progress of the PLI schemes. "Any decision regarding utilisation of savings (from PLI) will also be taken by the empowered group of secretaries," a senior government official told Business Standard.

Apart from that, Amitabh Kant, chief executive officer (CEO) of government's policy think tank NITI Aayog, will also hold a meeting on Friday to review the progress and performance of PLI schemes as of now. The total savings for the government under the PLI scheme has been Rs 11,484 crore, which can be utilised or reallocated to any other government department in need of funds. This provision was made while designing the PLI scheme.

Last year, the ministry of new and renewable energy (MNRE) had sought more fund allocations towards its PLI scheme as the original outlay — Rs 4,500 crore — they believed was not enough to reach India's ambitious renewable energy target. Thereafter, in the Union Budget for 2022-23, an additional of Rs 19,500 crore was made for the PLI scheme for solar manufacturing.

Similarly, in November last year, the department of pharmaceuticals had also urged the top government panel to provide additional funds of around Rs 3,000 crore under the PLI scheme for pharmaceutical drugs to further boost domestic manufacturing of medicines, in-vitro diagnostics (IVD) and their raw materials in India. The official quoted above said a decision on the demand of the pharmaceutical department will be taken once the funds allocated to them are utilised.

Business Standard had earlier reported that the Ministry of Electronics and Information Technology (MeitY), which is in charge for PLI scheme for large scale electronics manufacturing, IT hardware and IoT devices — wearables and hearables — informed the empowered group of secretaries that it would require over Rs 22,900 crore for the all the schemes that it is running. However, the budget available with the ministry is Rs 2,923 crore. The amount, if allocated, will be utilised to offer more incentives to companies and boost exports.

As of now, 14 PLI schemes have been notified and guidelines have been issued by the respective government departments. The first three schemes were notified in 2020 and were for mobile phones and specified electronic components, APIs and medical devices. “They have seen the maximum progress,” the official said.

According to the economic survey 2021-22, in the case of mobile phones and specified electronic components, in the first round, 16 applications worth Rs 36,440 crore were approved and in the second round, 18 applications worth Rs 483 crore were approved.

“In case of APIs/drug intermediates and medical devices, 42 applications worth Rs 4,347 crore and 13 applications with a committed investment of Rs 798 crore have been approved so far by the competent authority, respectively,” according to the survey.

Source: business-standard.com– Mar 30, 2022

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Is Globalisation as we know dead?

Globalisation has been under attack for decades. The global financial crisis in 2008 gave it a big blow and global trade as a percentage of GDP has not recovered ever since. In the last 10 years it has suffered multiple setbacks in the form of Brexit, US-China trade war and the Pandemic.

If these were not enough, Russia-Ukraine war is now sounding its death knell. Today, globalisation as we know it is facing an existential threat and new world order may soon replace it. This change will come at a severe cost to many countries, including India.

Warts and all, globalisation has had its benefits. Opening up of international trade has helped many countries grow much faster than they could have otherwise. Asian Tigers — South Korea, Taiwan, Singapore and Hong Kong, are a few examples. Not to mention China. It has lifted millions out of poverty and gave many a better quality and longer life. It has offered developing countries like India access to capital and technology.

It has led to reduction in cost of goods and services across the world, thanks to the competition and efficiency it ensures. India's GDP has risen from $270 billion in 1991 when it liberalised its economy to $2.66 trillion in 2020. Globalisation has had a big hand in it.

Unequal growth

The anger against free trade, however, is not unwarranted. The accelerated pace of economic growth it has generated has not been equitable. If the number of billionaires has increased sharply, so have those in poverty. Inequality has widened, especially in developing and poor countries. Globalisation promised stability in the world — financial and otherwise.

But it could not prevent the East Asian crisis, economic collapse in Latin America and of course, the Global Financial Crisis in 2008. It assured a new liberal world order but today, 50 per cent of the world is not a democracy.

Wars are being fought as before and human rights violations continue. The unbridled growth it triggered has also been counter-productive for the environment.

Nobel laureate and former Chief Economist at the World Bank, Joseph Stiglitz in his book `Globalisation and its discontents' says that globalisation itself is neither good nor bad. He blames its failures on implementation. He argues that it has done wonders to countries which embraced free trade at their own pace such as East Asian countries including China. But for those that were forced into it like Russia, Romania, Ecuador, Argentina and other Latin American countries, it has been a disaster.

World Bank and IMF, he says, drive globalisation through the lens of ideology (free market) rather than data and without any regard for the unique position of the nation adopting it. Their one-size-fits-all prescription has caused the problems. He also accused the advanced countries of using free trade for their benefit by cleverly eliminating trade barriers of poor nations while selectively keeping theirs. Poor countries, he says, had no say in implementing globalisation. As a result, rich nations got a disproportionate share of the benefits at the cost of poorer ones.

The discontent has led to the rise in nationalism across the world. This, even in advanced world (Brexit in the UK). Right-wing governments have come to power and erected defences against free trade. Donald Trump, as President of the US, started the trade war with China. President Biden has not reversed many of Trump's policies against free trade. In fact, he has said that US will not sign any new free trade agreements (FTAs) till big time investments are made domestically. His $1 trillion infrastructure plan is replete with `buy in America' clauses. Multilateral deals have given way to FTAs and World Trade Organisation is at its weakest since inception.

Russia's invasion of Ukraine appears to be the tipping point. Many countries have banned export of food grains (both Russia and Ukraine are major exporters) fearing disruption in supply and shortages. It has already driven up the prices. Massive co-ordinated sanctions to punish Russia for its uncalled-for aggression has booted the country out of the SWIFT payment system.

The US has banned Russian oil/gas and Europe, which is a lot more dependent on it, is trying to wean itself away by looking at alternative sources of energy. Global brands have exited China. Former RBI Governor Raghuram Rajan refers the sanctions as economic weapons of mass destruction. "..if they (sanctions) are used too widely, they could reverse the process of globalisation.," he said in a recent article.

While these sanctions will, no doubt, cripple the Russian economy, the lessons other nations, run by autocrats and others, will learn is the need to sanction-proof their economy. This will push them towards self-sufficiency and strategic autonomy – which is necessarily a move away from free trade.

‘Protectionist’ India

India, for its part, has been a big beneficiary of globalisation with its economy growing 10x in three decades. It benefited from inflow of capital, technology and exports of merchandise and IT services. To achieve a rapid pace of growth and improve the living standards of a large swathe of its people, India cannot give up on free trade.

But, of late, it is perceived as turning protectionist. In 2019 it pulled out of Regional Comprehensive Economic Partnership. Since 2014, experts say, it has raised tariff in 3,200 items. India’s average import tariff is among the highest in the world. Its Atmanirbhar Bharat economic philosophy is seen as inward looking and protectionist.

Much of India’s action can be explained as an attempt to move away from China dependence. Its productivity-linked incentive scheme aims to ensure that India is not dependent on its adversarial neighbour for raw material that its pharma sector needs, mobile phones, batteries for electric vehicles or semi-conductor chips.

Likewise US is also de-coupling from China as their relationship changes from `co-operating rivals’ to `competing rivals’. Now large part of the world is moving away from its dependence on Russia. Does all this mean we are heading into a cold-war era type of trade blocs? It is unclear as yet but what is certain is that globalisation as we know it is probably dead.

Source: thehindubusinessline.com– Mar 31, 2022

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Export Policy for MSMES

E-Commerce is widely considered as a medium to reduce costs related to penetration and sustainability of exporters in international markets. Indian MSMEs stand to benefit from the enhanced visibility provided by e-commerce platforms. Improved infrastructure, competitive pricing and reduced costs associated with marketing and outreach of products over a digital platform contribute to promoting online sales.

Government of India has taken several measures to enhance the exports by Micro, Small and Medium Enterprises (MSMEs). These include efforts made under Make in India Programme, Promotion of Ease of Doing Business, improved availability of credit through MUDRA, Stand up India. Further, Ministry of MSME has established 52 Export Facilitation Centers (EFCs) across the country with an aim to provide requisite mentoring and handholding support to MSEs in exporting their products and services to the foreign market; and 102 Enterprise Development Centers (EDCs) have been setup with the aim to build a network of entrepreneurial leaders by providing professional mentoring and handholding support services to existing as well as aspiring MSMEs with special focus on rural enterprises on continuous basis.

These EDCs act as "One-stop-shop" and provide services under components including Awareness, Incubation, Enterprise Facilitation etc. In addition to these, Ministry is also implementing International Cooperation Scheme for enhancing the marketability of products and services in the MSME sector by facilitating visit /participation of MSMEs in international exhibitions /trade fairs/buyer-seller meet etc. abroad and also holding International conferences/seminars/workshops in India, for technology infusion, exploring business opportunities, joint ventures etc. Also, Cluster Development Programme is being implemented by Office of Development Commissioner(MSME) for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) to increase demand of domestic products in global markets.

Ministry of Micro, Small & Medium Enterprises (MSME) has taken multiple initiatives for enhancing participation of MSMEs in e-commerce, which include:

- Procurement and Marketing Support (PMS) Scheme: Under this Scheme, the sub-component of "Adoption of e-Commerce by Micro

Enterprises" has been introduced. This new component includes providing financial assistance for selling products or services by Micro Enterprises (up to 10 new products) through e-commerce portals.

- Portal of National Small Industries Corporation (NSIC): NSIC, a PSU under the Ministry of MSME has launched MSME Global Mart Portal (www.msmemart.com) - a B2B e-commerce marketing platform for Micro, Small and Medium Enterprises (MSMEs), which provides Global Trade Leads, Tender Information, Franchise Opportunities, Data on Used Machineries, etc.
- E-commerce portal of Khadi and Village Industries Commission (KVIC): KVIC a statutory body under the Ministry of Micro, Small and Medium Enterprises has also launched a portal ekhadiindia.com for B2C outreach, which enables all businesses to have a global reach with Interactivity, Immediacy and Ease of Adaptation.

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 Lok Sabha.

Source: pib.gov.in– Mar 31, 2022

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Exporters to Russia seek Centre, RBI's help to clear stuck payments

Tea, steel, chemical and pharmaceutical exporters to Russia are seeking intervention by the government and the Reserve Bank of India (RBI) as millions of dollars in payments are stuck because of sanctions imposed by the West that isolated Russian banks from the global financial system, said people with knowledge of the matter.

The disruption to Indian companies' cash flows could have a ripple effect with them delaying payments to workers and suppliers and possibly missing payments to lenders, they said.

Russian entities have been excluded from the global Society for Worldwide Interbank Financial Telecommunication or SWIFT platform as part of the sanctions.

Many tea exporters from south India haven't received payments from Russian buyers.

"The rupee payment has come but the dollar payment has not yet come," said South India Tea Exporters Association chairman Dipak Shah. "We are clueless (about) when the exporters will get their payments."

Queries Sent to Russian Banks

"We are writing to the Reserve Bank of India to intervene so that the estates do not face any operational difficulties," he said.

India is the largest exporter of tea to Russia, amounting to 43-45 million kg annually. Of this, 20-25 million kg is exported from estates in south India.

Companies have sent queries to Russian banks with presence in India which opened letters of credit (LCs), an instrument issued against export consignments, on behalf of Russian importers.

"Those LCs are facing technical difficulties as transfer of consignment documents is stuck, leading to payment uncertainties for exporters," said a banker involved in the process.

Some steel manufacturers are also planning to write to the central bank on payments being stuck.

Pharma companies are also taking up the issue with New Delhi. "They are either checking with importers' lenders or raising the issue of faltering payments with New Delhi," said a banker. Pharma companies generally use airlines to send their export consignments instead of ships to Russia.

In 10 months of FY22, India's exports to Russia totalled $2.85 billion against $7.90 billion of imports, according to Bank of Baroda Economic Research data.

Large Russian banks with a presence in India include VTB, Sberbank and Gazprombank. Russia's state-owned development bank VEB is also engaged in such trades.

VEB and the RBI have likely finalised an alternative transaction platform to facilitate bilateral trade after Western sanctions firewalled Moscow's access to SWIFT, ET reported on March 30.

"It is not only tea which is facing the pain of delayed payments," said Ajay Sahai, director general of the Federation of Indian Export Organisations (FIEO). "Engineering, chemicals, plastics too are suffering as their payments have got stuck."

Russia's invasion of Ukraine has sent freight rates surging again and worsened container shortage.

"We have asked the government to provide some kind of trade subsidy to MSMEs," said Sahai.

The ripple effect of the sanctions will especially hit low-value, high-volume cargo, impacting several Indian exporters, according to FIEO.

Exporters need more working capital and banks should step up to provide this, according to companies. The government could also consider higher interest subvention for all types of exports, said Indian Tea Association secretary Sujit Patra.

Source: economictimes.indiatimes.com– Apr 01, 2022

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Qualified success

India's export performance needs to be sustained through trade facilitation, improved logistics and FTAs

India's merchandise export performance of $400 billion-plus in 2021-22 provides some cause for cheer in an economy that is battling anaemic consumer and investment sentiment. An export growth of close to 30 per cent over a pre-Covid year (2019-20) — and about 46 per cent over 2020-21 when the economy had tanked — is creditable because it has bucked global headwinds, and is broad-based in terms of range of products and destinations. As regards the product-basket, the boost is led by petroleum but is backed up by agri goods, chemicals and engineering.

Petroleum exports (15 per cent of exports by value now) have more than doubled over 2020-21 to about $60 billion from $26 billion, and by 50 per cent over 2019-20. Agri-exports too have done well in 2021-22, as pointed out by the Minister of State for Commerce Anupriya Patel in the Lok Sabha on Wednesday. She said that agri-exports were up 25 per cent in the first 10 months of 2021-22, crossing $40 billion or 10 per cent of India's total exports. The rise, led by wheat, is likely to be a feature of FY23, even as marine products, rice, sugar and spices too have done well.

Engineering goods (26 per cent of the export basket) and chemicals (7 per cent) have performed strongly, with a diverse market base. Pharma exports (6 per cent of all exports) were down from last year when Covid-related exports were of a high order, but still higher than pre-pandemic levels.

That said, commodities as a whole have played a huge role in the export spurt, not least because of the price rise worldwide. Analysts have observed that in the case of petroleum products, aluminium, cotton and sugar, the increase is price-driven rather than quantity-driven.

India's goods have made their presence felt beyond its major markets, namely the US (17 per cent of total exports), China and UAE (6-7 per cent each). Analysts have observed that exports to Turkey, Belgium, Indonesia, Bangladesh, Australia, Netherlands, Italy, Brazil and South Korea, among others, have risen sharply. But the question is whether the export performance will sustain itself.

As Economic Survey 2021-22 observes: "Sharp recovery in key markets; increased consumer spending; pent up savings and disposable income due to announcement of fiscal stimulus by major economies; global commodity price rise and an aggressive export push by the government have bolstered exports in 2021-22." It remains to be seen whether the tightening of fiscal and monetary policy in the US and EU, in the wake of rising inflation, impacts India.

The Centre has taken steps in terms of improving logistics, trade facilitation and performance linked incentives that could help in keeping exports going. India's export thrust must go beyond traditional markets both in geographical and product terms; it is in recognition of this reality that India is pursuing trade pacts worldwide. Its PLI schemes will work well if they are linked to free trade pacts. India can emerge as a global player in EVs and fuel cell vehicles. Agri-tech should be promoted so that phytosanitary issues are kept at bay.

Source: thehindubusinessline.com– Apr 01, 2022

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Grasim Inds unit signs pact with Renewcell for circular fiber production

The company said its unit, Birla Cellulose, has signed a letter of intent with Renewcell, the Swedish textile-to-textile recycling innovator, concerning a long-term commercial collaboration for man-made cellulosic fiber production. The agreement affirms the two companies' intent to work together to supply high quality Liva Reviva textile fibers made using Circulose, Renewcell's 100% recycled textile raw material, to global fashion brands and textile industry in the coming years.

The shared ambition is to use 30,000 tonnes of Circulose per year. The agreement has been facilitated by Ekman Group, Renewcell's exclusive global trading partner. The letter of intent signed between Renewcell, and Grasim Industries provides the framework for an upcoming offtake agreement between the parties. The future offtake agreement will set out commercial terms for the delivery of certain volumes of Circulose dissolving pulp to Birla Cellulose over a number of years.

Birla Cellulose intends to use Circulose as one of the feedstocks in the production of man-made cellulosic fibers under the brand Liva Reviva, to be supplied to textile manufacturers and fashion brands worldwide.

Birla Cellulose, the pulp and fibre business of the Aditya Birla Group, is a leading Man-Made Cellulosic Fibres (MMCF) producer. It operates 12 sites for pulp and fibre manufacturing that apply environmentally efficient closed loop technologies including recycle materials and enhanced conservation of natural resources.

Grasim Industries is a leading global producer of viscose staple fibre (VSF), the largest chlor-alkali, linen and insulators player in India. Through its subsidiaries, UltraTech Cement and Aditya Birla Capital, it is also India's largest cement producer and a leading diversified financial services player.

On a consolidated basis, Grasim Industries reported 26% rise in net profit to Rs 1,746 crore on 16% increase in revenue to Rs 24,402 crore in Q3 FY22 over Q3 FY21.

Source: business-standard.com– Mar 31, 2022

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Covid-hit MSMEs get Rs 6,062-crore boost

The Cabinet has approved a $808-million (Rs 6,062-crore) support to revitalise Covid-hit micro, small and medium enterprises (MSMEs) through a programme backed by the World Bank. Of the total assistance, Rs 3,750 crore ($500 million) will be in the form of a loan from the World Bank and Rs 2,312 crore will be provided by the government. The support for the Raising and Accelerating MSME Performance (RAMP) programme, announced in Budget for FY23, will be extended over five years.

The programme aims at improving access of MSMEs to market and credit while bolstering institutions and governance related to the small businesses at the central and state levels. According to the World Bank's assessment, over 40% MSMEs in India lack access to formal sources of finance.

An official statement after the Cabinet meeting suggests RAMP will address the generic and Covid-related challenges being faced by MSMEs by enhancing the impact of existing schemes for such entities and improving their competitiveness. Further, the programme will bolster the capacity of MSMEs, improve the skill sets of employees, help them upgrade technology and adopt sound marketing strategy, among other things. RAMP is one of the programmes announced in the latest Budget, as the government acknowledged the need for a protracted period of succour to start-ups and small businesses as they grapple with the devastation caused by the pandemic.

The government has also proposed to extend the validity of its flagship guaranteed loan scheme by a year through March 2023 and widened its coverage by Rs 50,000 crore to Rs 5 trillion. To top it up, the Centre will revamp the extant Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) to facilitate an additional credit of as much as Rs 2 trillion.

The additional credit limit of Rs 50,000 crore of the stepped-up Emergency Credit Line Guarantee Scheme (ECLGS), however, has to be used to bolster healthcare infrastructure by lending only to hospitality and related enterprises, finance minister Nirmala Sitharaman had said while presenting the Budget.

The government will also link key portals – Udyam, e-shram, NCS and ASEEM – meant for MSMEs and expand their scope to brighten their business prospects.

Source: financialexpress.com– Mar 31, 2022

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