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IBTEX No. 64 of 2022 April 05, 2022

US 75.44| EUR 82.76| GBP 99.07| JPY 0.62

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INTERNATIONAL NEWS

Shanghai port running normally with no congestion: Port authority

Shanghai port in China has no congestion and is operating normally amid a resurgence of COVID-19 in the country, the Shanghai International Port Group Co Ltd said on Sunday. The port has been operating in an orderly fashion and has not seen a congestion of container ships since February. Close to 52 ships are currently waiting for handling at the port.

These 52 ships include 9 container ships, 4 of which are waiting for berthing, Chinese media reports said quoting the Shanghai International Port Group's statement.

Amid rising cases of COVID-19, the port has adopted various measures to ensure safety, normal operations and stability of the supply chain in the Yangtze River Delta, the statement further said.

Source: fibre2fashion.com– Apr 4, 2022

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China's BCI-Snubbing Cotton Sustainability Standard Goes Into Effect

China's homegrown cotton sustainability standard, which took effect Friday, might have a long road ahead before it gains the confidence of the international community, experts say.

"On the heels of the Uyghur Act in the United States, widespread fraud and allegations of greenwashing in cotton and other fibers, a 'labels without substance' approach to sustainable fashion is a thing of the past," Crispin Argento, managing director of The Sourcery, which helps brands and retailers source sustainable cotton, told Sourcing Journal.

Argento pointed to the example of Uzbekistan, whose systemic and state-sanctioned employment of child and forced labor in its cotton fields led to a global freeze-out for more than a decade. The shunning was so successful that demand for Uzbek cotton fell from 50 percent of the country's exports to less than 1 percent, costing the Central Asian nation billions of dollars in revenue.

"Only recently has Uzbekistan begun to regain this trust as it has emerged after years of market isolation. This required new government leadership, intervention and open communication," Argento said. "Still, the future will continue to be an uphill battle to change hearts and minds as Uzbekistan works diligently to revive its cotton and textile industry through radical transparency."

The China Cotton Association (CCA) developed its standard, part of its broader Cotton China Sustainable Development Program, as a direct repudiation of the Better Cotton Initiative (BCI), which it accused last year of casting unfounded aspersions on human-rights conditions in the Xinjiang Uyghur Autonomous Region.

BCI had suspended licensing and assurance activities in Xinjiang, which contributes 85 percent of China's cotton, in March 2020 following reports of mass internment camps that strongarmed inmates into forced labor. By October, it had eliminated all field-level activities in the region. Bristling under what it derided as "Swiss standards," the trade group decided to enact its own. The CCA's 3,200 members make up two-thirds of the country's market share, it said.

The standard focuses on "core issues" of sustainable agricultural development, the CCA said, including the management and use of agricultural chemicals, ecological and environmental protection, fiber quality and occupational health and safety during planting and harvesting. Workers must receive no less than the local minimum wage and medical checkups must be provided at least once a year at no cost.

"The publication and implementation of this standard will help guide cotton producers to adopt sustainable production and operation, meet the demand for high-quality and sustainable cotton products, solve the problem of unbalanced industry development, promote ecological civilization, increase cotton farmers' income and improve the level of rural economic development," an official told Xinhua, China's official state news agency.

The CCA will pilot the standard with six partners, all of them "large cotton enterprises," with a total annual cotton turnover of more than 1.6 million tons, though it did not specify their names. China is a "globally significant cotton producer, consumer, and textile and garment exporter," it said, adding that the standard will help cotton growers adopt sustainable production and operation methods, meet the demands for high-quality cotton products and boost their incomes. BCI declined to comment on the new certification.

Bennett Freeman, a member of the steering committee of the End Uyghur Forced Labor coalition and co-founder of the Cotton Campaign labor-rights initiative, previously told Sourcing Journal that the certification may play well "internally" but may have trouble gaining a foothold "externally." While China has a sovereign right to create its own standard, there are international standards it must still observe, including a "whole series" of International Labour Organization conventions that promote freedom of association and bar coerced labor.

"China has become very assertive—which is its right, of course—and not just countering what it perceives to be biased Western standards but in developing its own alternative standards," Freeman said. "I don't want to pooh-pooh the environmental sustainability dimensions of this, but while the new standard may work well on the labor side with China, it's dead on arrival, at least with Western companies."

Source: sourcingjournal.com– Apr 4, 2022

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China's textile sector's operating revenue up 13.5% YoY in Jan-Feb

The collective operating revenue of China's textile companies with an annual operating revenue of 20 million yuan (about $3.15 million) or above increased by 13.5 per cent to reach 706.9 billion yuan, compared to the previous year, according to the Ministry of Industry and Information Technology (MIIT). The industry's added value recorded a 6.7 per cent year-on- year (YoY) growth in the same period.

However, the collective profits of the industry reduced 1.8 per cent YoY to reach 24.8 billion yuan in January-February 2022.

The country's total textile exports in the two months increased by 11.9 per cent YoY to touch $24.7 billion, MIIT data showed.

Source: fibre2fashion.com– Apr 4, 2022

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Euro area annual inflation expected to be 7.5% in March: Eurostat

Euro area annual inflation is expected to be 7.5 per cent in March this year, up from 5.9 per cent in February, according to a flash estimate from Eurostat, the statistical office of the European Union.

Looking at the main components, energy is expected to have the highest annual rate in March—44.7 per cent, compared with 32 per cent in February.

That is followed by food, alcohol and tobacco (5 per cent compared with 4.2 per cent in February), non-energy industrial goods (3.4 per cent compared with 3.1 per cent in February) and services (2.7 per cent compared with 2.5 per cent in February).

Source: fibre2fashion.com– Apr 4, 2022

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Chinese trade body urges US to do away with all additional tariffs

The China Council for the Promotion of International Trade (CCPIT) recently urged the US government to remove all additional tariffs on Chinese goods to benefit both Chinese and US consumers and enterprises in the wake of the latter's renewed tariff waivers for 352 Chinese items. It called for a more favourable environment for trade between businesses of both sides.

China-US economic and trade relations are essentially about reciprocity and mutual benefits, and there are no winners in a trade war, CCPIT spokesperson Yu Yi told a news conference. Since 2018, Chinese and US businesses have taken a hit from a continued escalation of frictions in bilateral trade, according to the CCPIT spokesperson.

China's industrial and commercial community welcomed the US decision to reinstate product exclusions, as well as many US entrepreneurs who considered the move as propitious to revive normal trade between the two economies and convey a positive signal of normalizing bilateral trade ties, Yu said.

It cannot be ruled out that a small number of companies in individual countries might benefit from abnormal trade relations, "decoupling" and even geopolitical conflicts in the short term, but cooperation and development are the mainstream views of the global business community, most enterprises, employees and consumers in the world, the trade body said.

Chinese and US trade teams are maintaining normal communications, Shu Jueting, spokesperson of the ministry of commerce, was quoted as saying by state-controlled media.

As a World Trade Organisation member, the United States should align its trade policies and practices with the organization's rules, rather than pushing for unilateralism and protectionism under the guise of new trade policies and actions, Shu stated.

Source: fibre2fashion.com– Apr 4, 2022

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Egypt cotton exports record high revenues despite Russia-Ukraine war

Despite the Russian war on Ukraine and its negative repercussions on global trade, Egypt succeeded in exporting 50,000 tons of cotton by the end of February, i.e., up to 75% of its production this season, estimated at 62,000 tons. The exports amounted to 5 billion Egyptian pounds ($274 million), an increase of 1.3 billion pounds ($71.2 million) compared to the same period last year, which witnessed exports worth 3.7 billion pounds ($203 million), according to data from the Cotton Arbitration and Testing General Organization.

The cotton production season in Egypt begins in April and extends until August; the export season extends from October until March.

It seems that Egypt benefited from the increase in global energy prices and the lack of global cotton production as a result of Russia's war on Ukraine, making the demand for Egyptian cotton high. This has contributed to an increase in Egypt's agricultural export revenues and thus supporting its national economy.

On Feb. 24, Russian President Vladimir Putin announced the launch of a military operation to invade Ukraine, which had a severe impact on global trade and caused a significant rise in energy and oil prices. This was largely reflected in the fuel price hike.

According to the Central Agency for Public Mobilization and Statistics (CAPMAS), Egypt's cotton export contracts for the year 2021-22 recorded until the first half of March about 2,918 tons, bringing the value of export contracts since the beginning of the export season to 52,700 tons, which is equivalent to 1.054 million kantars (official Egyptian weight unit for measuring cotton).

The contracts' value stood at 5.2 billion pounds ($285 million), with China and India being the main importing countries of Egyptian cotton in the world markets, according to CAPMAS. In a statement in December 2021, the Egyptian government's media center said that Egypt attaches great importance to developing the spinning and weaving sector of cotton to compete on international markets, which would contribute to supporting the national economy, meeting the local needs and increasing exports.

Egypt’s efforts, the statement continued, reflect in the ongoing endeavors to establish integrated entities for this strategic industry, and to double production capacity through restructuring companies and developing cotton gins.

According to experts and observers contacted by Al-Monitor, Egyptian cotton exports benefited greatly from the war in Ukraine and the conflict’s impact on prices, resulting in higher revenues for Egypt. Cairo also benefited from the lack of cotton production in the world, a development that could play into Egypt’s hands, according to experts, and restore its 1980s golden age of cotton production.

Mufreh el-Beltagy, former head of the Alexandria Cotton Exporters Association and current head of Misr El Amreya for Spinning and Weaving in Alexandria, told Al-Monitor over the phone, “This year witnessed a significant shortage in the production of cotton crops worldwide, especially American cotton that competes with Cairo.”

“This is not to mention the Russia-Ukraine war, which led to a hike in prices of commodities. This resulted in an increased demand for Egyptian cotton in foreign markets, which contributed to achieving high revenues for Egypt this year,” he said. Beltagy criticized the absence of a stable agricultural policy in the country, notably for cotton crop production in accordance with the requirements of global and local markets.

“In order to maximize the added value of Egyptian cotton and the industry, several mechanisms are in place, mainly developing the spinning and textile industry in a bid to increase Egyptian exports and create more job opportunities to reduce unemployment and increase Egypt's national income,” he noted.

However, he does not believe that the cotton crop cultivation in the country will be expanded significantly in the coming years.

“We have only 200,000 acres of land that is cultivated with cotton, given the limited agricultural areas in the country. Vertical expansion, however, could be the solution by planting high-productivity crops in the same area. There is also a need to raise awareness among farmers about modern agricultural methods and pest treatment, which could have positive impacts on growing production, increasing exports and benefiting from the local textile industry,” Beltagy said.

Adel Amer, head of the Egyptian Center for Economic and Social Studies, told Al-Monitor, “The increase in Egyptian cotton export revenues over the last year is a promising and encouraging matter for the state to proceed vigorously with the development of this product to make a breakthrough in global markets and achieve record revenues every year to support the national economy, and restore Egypt’s golden age in this field.”

He said, “Cotton exports generated high revenues this year and were not negatively affected by the war between Moscow and Kyiv. On the contrary, Egypt was able to take advantage of rising prices worldwide, and lack of supply of competing American products, which led to an increase in demand for Egyptian cotton.”

Amer added, “A part of the cotton exports were contracted before the outbreak of the Russian war on Ukraine, which did not affect the demand for the Egyptian product. This reflects the extent of international confidence in Egyptian cotton, its high quality and its ability to compensate for the shortage in the global market.”

Hussein Abu Saddam, head of the Farmers Syndicate, expressed his optimism about the high revenues of cotton exports this year.

“I believe this is the first step toward restoring the golden age of Egyptian cotton of the 1980s. Back then, production exceeded 8 million kantars. This might be possible today, especially in light of the great interest that the Egyptian government has shown in this sector after two decades of neglect,” he told Al-Monitor.

He added, “The state must encourage farmers by providing high-production seeds, offering an appropriate price to buy the product and paying attention to marketing it locally and globally through a clear vision and a good study of the global and local markets in order to increase production and exports abroad, as was the case during the 1980s."

Abu Saddam pointed out that the shortage of cotton crops worldwide “played into Egypt’s hands." He concluded, "The Russian war did not affect the country’s cotton production. On the contrary, high revenues were achieved compared to last year.”

Source: al-monitor.com– Apr 4, 2022

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Pakistan: Stuck in the same old rut

Pakistan's merchandise exports have grown by an 'impressive' 25 per cent in the first three quarters of ongoing fiscal to March over the value reported a year ago, according to data released by the commerce ministry on Friday. The export proceeds reached $23.33 billion during the period from $18.69bn in the corresponding period last year.

The government has projected the annual merchandise export target at $31.20bn and services at $7.5bn for the current financial year through June. The nation's export shipments had fetched $25.29bn in FY21, or up by 18 per cent from $21.39 billion during the preceding year. The growth in the country's exports is attributed mainly to the massive depreciation of the rupee along with several policy measures announced by the government over the last couple of years.

In December, the government has approved the revised Strategic Trade Policy Framework (STPF) 2020-25 with a string of policy measures to boost exports to $57bn by the end of 2024-25 and has allocated Rs44.72bn for its implementation in the form of subsidies and other support to non-textile sectors. In February, it also approved the Textile and Apparel Policy, which envisages the diversification of markets and products as part of its effort to boost exports.

Along with exports, the country's imports have also risen, and that too at a relatively much faster rate, leading to a burgeoning negative balance of trade. Though the import numbers for March are yet to be compiled and published by the Pakistan Bureau of Statistics (PBS), the data for the period between July and February shows that imports had spiked by a hefty 55.1pc to $52.50bn in the first eight months of the current fiscal from the previous year. Consequently, the trade imbalance has deteriorated by over 82pc to $31.95bn from $17.53bn.

With the ballooning trade deficit feeding into the external sector, the current deficit for the first eight months of the present financial year is reported by the State Bank of Pakistan (SBP) to have expanded to $12.90bn from a surplus of $994 million a year before.

The foreign exchange reserves held by the central bank were reported to have dropped to $12.05bn or down by $2.91bn on March 25 from $14.96bn a week before on external debt payments. The volatility in the exchange rate over decreasing reserves coupled with an uncertain political scene following the combined opposition's salvo to remove the ruling PTI from power through a vote of no-confidence against the prime minister has resulted in a substantial devaluation of the home currency to a record high of above 184 to a dollar.

The deteriorating balance of payments position and falling rupee are likely to remain the most fundamental challenge for the government irrespective of the results of the opposition political parties' assault on the ruling PTI for a very long period given the delay in the seventh review of the International Monetary Fund programme, Islamabad's tensions with the US and other western capitals, drying foreign direct investment and, more importantly, burgeoning trade deficit due to slower-than-required increase in exports.

Many fear that the emerging balance of payment crisis may force the government (in the post no-confidence vote period) to resort to import compression in the short to medium term to protect foreign exchange reserves, and the home currency. In the recent past, we have seen such policies create a false sense of complacency as governments compress domestic demand to bridge the trade gap, driving the current account deficit, at the expense of growth and jobs.

Past experience shows that such policies work but only for a limited period; at the end of the day, these have to be reversed. It is vital that policymakers focus on more rapid export growth for sustainably slashing the trade deficit, which has been feeding into the repeated balance of payment crises.

Indeed, the present administration has done a lot to bring the focus back on exports. Yet it is not enough. The exports have been on the upward trajectory for the last couple of years, but remain far short of their potential. With exports standing at 7.4pc of the nation's GDP, one of the lowest values in the world, it is crucial to push productivity, as well as diversify the markets beyond the US and Europe, which account for half of the outbound shipments from the country, and products other than textiles and clothing, which form almost two-third of total proceeds.

The average export to GDP ratio stands at 17.2pc for South Asia and 26.7pc for East Asia. The export-to-GDP ratio for countries like Malaysia and Thailand is more than 50pc and for Vietnam 100pc. India recently celebrated the achievement of the 'highest ever' exports of more than $400 billion during the period between April and March. Bangladesh too has left us far behind by becoming part of the global value chain of the textile and clothing industry.

If Pakistan is to graduate from its frequent boom and bust cycles, it will have to develop a viable export strategy that thinks beyond unproductive subsidies, and seeks to improve the international competitiveness of exporters as well as encourages value-addition, product and market diversification, and innovation in addition to taking steps to ensure the country's participation in the global value chains. That will not be easy but is doable.

Source: dawn.com– Apr 4, 2022

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Bangladesh: Sewing thread: a new avenue of growth in textile

Hundreds of sewing thread manufacturing units have sprung up in Bangladesh in recent years, allowing the country to nearly attain self-sufficiency in the major garment accessory.

As a result, apparel manufacturers have been able to cut their over-reliance on the imported raw materials and maintain strict lead time.

Sewing thread is mainly used in stitching garment items. And 10 years ago, local garment manufacturers and exporters were fully dependent on imported sewing thread.

But now some of the major producers are even exporting the accessory after meeting local demand.

Currently, 20 local and multinational sewing thread mills produce more than 100 tonnes of the item a day.

Although the contribution of the sewing thread is less than 1 per cent to the total garment export of $36 billion, it is vital for manufacturing a finished garment item.

In the past decade, the sewing thread sector witnessed an investment worth Tk 1,000 crore, according to industry people.
Sanzi Textile Mills, located in Kalurghat of Chattogram, invested Tk 100 crore in 1995 to make sewing thread. Today, it produces 30 tonnes of thread per day.

"We are meeting the rising demand in the domestic and international markets," said Syed Nurul Islam, chairman of Well Group, the owning company of the textile company.

Islam plans to invest in another factory to produce leather sewing thread since the leather and leather goods industry is also growing in Bangladesh. Currently, almost all of the required leather sewing thread is imported.

"Leather sewing thread has a very bright future in Bangladesh because leather and leather goods industries are performing strongly," he said.

Sanzi Textile Mills' market share in the sewing thread segment is 30 per cent, raking in $20 million annually. It also ships more than $6 million worth of the accessory a year.

Islam puts the local sewing thread market at $150 million.

Previously, garment manufacturers relied on China and Hong Kong for sewing thread. Now, local manufacturers can supply 95 per cent of the accessory, while the rest is imported owing to the special requirement from international retailers and brands.

DBL Group, a garment exporter, invested Tk 200 crore in 2016 to set up Eco Threads & Yarns to make quality sewing thread. It produces 10 tonnes of sewing thread a day at its Kashimpur factory in Gazipur.

Of the produce, the company consumes 20 per cent and the rest 80 per cent is sold to other garment manufacturers, said MA Jabbar, managing director of the group.

DBL Group is eyeing expansion in the segment.

"I have a plan to set up a unit to produce sewing thread in Vietnam within two to three years as buyers are nominating our thread for their products due to its higher quality," Jabbar said.

Eco Threads & Yarns sells sewing thread worth $25 million annually at present and plans to double the sales by 2025.
"Even a few years ago, local garment manufacturers were mainly dependent on multinational companies to procure sewing thread, but now local companies are capable of producing internationally standard sewing thread," Jabbar said.

Although the country has become self-reliant on sewing thread, the associated raw materials need to be imported, according to Abdul Kader Khan, managing director of Khan Accessories and Packaging Ltd.

He invested Tk 7 crore to establish a sewing thread unit in Tongi a few years ago to produce 70 tonnes of thread a month.

Nearly 200 manufacturers are engaged in producing sewing thread for export-oriented garment factories, but few of them dominate the market, said Abul Quasem Haider, president of the Bangladesh Sewing Thread Manufacturers and Exporters Association.

Local manufacturers can supply more than 90 per cent of cotton-made sewing thread. But in the case of the synthetic-made thread, they can cater 70 per cent of the demand, and the remaining 30 per cent comes from imports, mainly from China.

More than 100 small and medium-sized mills serve the local sewing thread market.

Source: thedailystar.net– Apr 04, 2022

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NATIONAL NEWS

India-Aussie FTA: Goyal to lead export delegation to Australia to scout for new opportunities

Exporters from sectors such as apparel, gems & jewellery, cotton textiles, leather and oilseeds are travelling to Australia this week, as part of a business delegation led by Commerce & Industry Minister Piyush Goyal to consolidate gains from the new opportunities opened up by the India-Australia Economic Cooperation and Trade Agreement (ECTA) signed earlier this month.

The delegation will have meetings with businesses at Melbourne, Sydney and Perth from April 5-8, according to exporters' body FIEO, which is coordinating with various export promotion councils on the matter. Representatives of the services sector, too, will be part of the delegation.

"All sectors of exports are likely to benefit from the pact, especially apparel & textiles, leather, engineering, gems & jewellery, and more particularly services wherein India has moved aggressively from a positive list to negative list," said FIEO President A Sakthivel.

Service professionals are likely to be major beneficiaries of the agreement, including Indian chefs and yoga teachers, besides students who will get post study visas ranging from one and a half years to four years, a statement issued by FIEO pointed out.

Focus areas

With both Australia and India agreeing to start work on expanding the agreement into a full-fledged Comprehensive Economic Cooperation Agreement within the next 75 days, negotiations for liberalising newer areas such as digital trade and government procurement will begin.

"New opportunities will be available in government procurement and digital economy for Indian entrepreneurs and exporters," the statement said.

While the two countries hope to nearly double bilateral trade to $45-50 billion, from the existing $27 billion, over the next five years, FIEO is hopeful that the target may be crossed much before that.

Under the ECTA, Australia has agreed to provide zero-duty market access for 96.4 per cent value of Indian exports (98 per cent of tariff lines) on the first day of implementation of the agreement. Tariffs on the remaining 113 tariff lines, amounting to 3.6 per cent of India's exports, will be phased out in five years.

India, on the other hand, will eliminate tariffs on more than 85 per cent of the Australian goods exports immediately, rising to almost 91 per cent in over 10 years.

Source: thehindubusinessline.com– Apr 04, 2022

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INDIA'S MERCHANDISE TRADE: Preliminary Data March 2022

India achieved an all-time high annual merchandise exports of USD 417.81 billion in FY 2021-22, an increase of 43.18% over USD 291.81 billion in FY2020-21 and an increase of 33.33% over USD 313.36 billion in FY2019-20.

For the first time, India's monthly merchandise exports exceeded USD 40 Billion, reaching USD 40.38 billion in March 2022, an increase of 14.53% over USD 35.26 billion in March 2021 and an increase of 87.89% over USD 21.49 billion in March 2020.

India's merchandise import in March 2022 was USD 59.07 billion, an increase of 20.79% over USD 48.90 billion in March 2021 and an increase of 87.68% over USD 31.47 billion in March 2020.

India's merchandise import in April 2021-March 2022 was USD 610.22 billion, an increase of 54.71% over USD 394.44 billion in April 2020-March 2021 and an increase of 28.55% over USD 474.71 billion in April 2019-March 2020.

The trade deficit in March 2022 was USD 18.69 billion, while it was USD 192.41 billion during April 2021-March 2022.

Value of non-petroleum exports in March 2022 was 33.00 USD billion, registering a positive growth of 4.28% over non-petroleum exports of USD 31.65 billion in March 2021 and a positive growth of 73.94% over non-petroleum exports of USD 18.97 billion in March 2020.

Value of non-petroleum imports was USD 40.66 billion in March 2022 with a positive growth of 5.26% over non-petroleum imports of USD 38.63 billion in March 2021 and a positive growth of 89.79% over non-petroleum imports of USD 21.42 billion in March 2020.

The cumulative value of non-petroleum exports in April 2021-March 2022 was USD 352.76 billion, an increase of 32.62% over USD 266.00 billion in April 2020-March 2021 and an increase of 29.66% over USD 272.07 billion in April 2019-March 2020.

The cumulative value of non-petroleum imports in April 2021-March 2022 was USD 449.54 billion, showing an increase of 44.2% compared to non-oil imports of USD 311.75 billion in April 2020-March 2021 and an increase of 30.62% compared to non-oil imports of USD 344.16 billion in April 2019-March 2020.

Value of non-petroleum and non-gems and jewellery exports in March 2022 was USD 29.38 billion, registering a positive growth of 4.79% over non-petroleum and non-gems and jewellery exports of USD 28.03 billion in March 2021 and a positive growth of 73.28% over non-petroleum and non-gems and jewellery exports of USD 16.95 billion in March 2020.

Value of non-oil, non-GJ (gold, silver & Precious metals) imports was USD 36.18 billion in March 2022 with a positive growth of 31.21% over non-oil and non-GJ imports of USD 27.58 billion in March 2021 and a positive growth of 93.52% over non-oil and non-GJ imports of USD 18.70 billion in March 2020.

The cumulative value of non-petroleum and non-gems and jewellery exports in April 2021-March 2022 was USD 313.82 billion, an increase of 30.77% over cumulative value of non-petroleum and non-gems and jewellery exports of USD 239.98 billion in April 2020-March 2021 and an increase of 32.88% over cumulative value of non-petroleum and non-gems and jewellery exports of USD 236.17 billion in April 2019-March 2020.

Non-oil, non-GJ (Gold, Silver & Precious Metals) imports was USD 369.19 billion in April 2021-March 2022, recording a positive growth of 43.39%, as compared to non-oil and non-GJ imports of USD 257.47 billion in April 2020-March 2021 and a positive growth of 26.98% over USD 290.74 billion in April 2019-March 2020.

Click here for more details

Source: pib.gov.in– Apr 04, 2022

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Indian industry appeals to govt to allow duty-free import of cotton

An Indian industry delegation comprising members of the National Committee on Textiles and Clothing (NCTC) recently met minister of textiles Piyush Goyal and submitted a joint memorandum to allow duty-free import of cotton not only to tide over the present crisis but also to achieve the desired target set for the domestic textile and clothing industry for fiscal 2022-23.

Goyal also holds the portfolio of commerce and industry, consumer affairs and food and public distribution.

The delegation apprised the minister about the shortage of quality cotton that the industry is facing now on the backdrop of declining domestic cotton production during the current cotton season (around 340 lakh bales of 170 kgs each as against 360-370 lakh bales production in the previous years) and the increased demand for cotton (360 lakh bales as against 300 to 320 lakh bales in the previous years).

Levying 11 per cent import duty on cotton is affecting global competitiveness of the Indian textile and clothing industry as cotton traders are adopting an import parity pricing policy, it said.

From January this year, Indian cotton's price is at ₹15 to ₹20 per kg higher than the international price. Therefore, the industry is compelled to import high quality extra-long-staple cotton, sustainable cotton, and contamination free cotton by paying 11 per cent duty to meet export commitments, whereas competing countries enjoy the advantage of duty-free import of cotton, the delegation said.

These developments have resulted in the cancellation of export orders and diversion of the same to Bangladesh, Vietnam, China and Pakistan by importers in the European Union, the United States and Japan, according to a press release from NCTC.

India's share in US bedlinen exports has declined from an average of 55 per cent during 2021 to 44.85 per cent in January 2022. While Pakistan's share has increased to 25.71 per cent from 20 per cent and China's share has increased to 19.37 per cent from 12 per cent during the same period.

Micro, small and medium enterprises, including handloom, power loom, independent knitting, weaving, processing, and made-up segments that account for over 80 per cent of the exports, have no access to advance authorisation scheme and duty-free import of cotton. These are the worst affected segments and their capacity utilisation has already dwindled down to below 70 per cent, resulting in huge job losses and a declining trend in the goods and services tax (GST) revenue, the delegation noted.

The delegation feels duty-free imports may not exceed 40 lakh bales during this season. Moreover, it will take three to four months for the imported cotton to reach Indian textile mills. As the cotton farmers have already sold their cotton crop of present season and are preparing for sowing for the next season, allowing duty-free import of cotton will not at all affect the Indian cotton farmers, the delegation added.

The delegation consisted of T Rajkumar, Chairman of the Confederation of Indian Textile Industry (CITI); Narendra Goenka, Chairman of the Apparel Export Promotion Council (AEPC); Manoj Patodia, Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL); Ravi Sam, Chairman of the Southern India Mills' Association (SIMA); and Raja M Shanmugham, President of the Tirupur Exporters Association (TEA).

The total textiles and clothing export is estimated to have increased from $29.454 billion to $39.734 billion and recorded a growth of 67 per cent in fiscal 2021-22 in comparison to the previous year. Similarly, India's cotton textile export is also estimated to have witnessed a growth of 56 per cent by reaching $15.056 billion.

Source: fibre2fashion.com– Apr 05, 2022

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All about India-Australia Economic Co-operation and Trade Agreement

According to government estimates, trade in goods is likely to almost double to $50 billion in five years

How significant is the India-Australia FTA for bilateral trade?

The India-Australia FTA, officially called the Australia-India Economic Cooperation and Trade Agreement, is the first trade agreement signed by India with a developed economy after more than a decade. The pact is expected to give a big push to bilateral trade as it will not only eliminate or lower tariffs on a large number of goods but also address the non-tariff barriers such as technical barriers to trade, apart from sanitary and phytosanitary restrictions.

According to government estimates, trade in goods is likely to almost double to $50 billion in five years from about $27 billion at present. As India is not part of any significant regional trading bloc and most major economies the world over are forging bilateral or regional trade pacts with other countries, it is important for India, too, to sign similar agreements, so that it does not lose out on preferential market share and weaken its export competitiveness.

India is hopeful that the FTA with Australia will give a positive signal to other developed countries such as the UK, Canada and the EU, who are already on the negotiating table for similar pacts with New Delhi. This would show that India means business and is ready to conclude such agreements fast if a balanced deal could be struck.

Is the tariff reduction substantial for both sides?

The India-Australia FTA is an ambitious pact with significant commitments to tariff cuts. Australia will provide zero-duty market access for 96.4 per cent value of Indian exports (98 per cent of tariff lines) on the first day of implementation of the agreement.

Exports of several labour-intensive sectors, currently facing import duty of 4-5 per cent in Australia, will gain from the immediate duty-free access. These include most textiles and apparel, a few agricultural and fish products, leather, footwear, furniture and sports goods, jewellery, engineering goods, and selected pharmaceuticals and medical devices. Tariffs on the remaining 113 tariff lines, amounting to 3.6 per cent of India's exports, will be phased out in five years.

Australia, too, will gain considerable market access in India with tariffs being eliminated on more than 85 per cent of the Australian goods exports immediately, rising to almost 91 per cent in over 10 years.

While tariffs on items such as wool, sheep meat, coal, alumina, metallic ores, and critical minerals will be immediately reduced to zero, on other products such as avocados, onions, cherries, shelled pistachios, macadamias, cashews in-shell, blueberries, raspberries, blackberries and currants, tariffs will be eliminated over the next few years. Import duties will also be slashed on Australian wines, though not eliminated.

Has India's sensitivities with respect to agriculture and dairy sectors been addressed?

India has managed to completely shield its dairy sector from any tariff reduction under the FTA while excluding most sensitive agriculture items such as chickpeas, walnut, pistachio nut, wheat, rice, bajra, apple, sunflowers seed oil and sugar. Other items in the exclusion list, where no concessions have been extended, include silver, platinum, jewellery, iron ore, and most medical devices.

What are the provisions for services?

Both countries have decided to facilitate the recognition of professional qualifications, licensing, and registration procedures between professional services bodies. In a boost to Science, Technology, Engineering or Mathematics (STEM), and information and communications technology (ICT) sectors, the length of stay for an Indian student with a bachelor's degree with first-class honours in the areas will be extended from two to three years. Australia will also provide new access for young Indians to participate in working holidays in the country.

How long was the FTA in the making?

The India-Australia FTA negotiations first began in 2011 but they were suspended in 2015 as the talks were stuck over issues such as market access for dairy products in India and visa liberalisation for Indian professionals. The negotiations were resumed in September 2021, and this time around things got done in a record time and the pact was signed in just over six months.

Is there a plan to deepen this agreement in the future?

Yes. Both sides want to deepen the engagement and work towards a Comprehensive Economic Cooperation Agreement (CECA). It has been agreed that within 75 days of the signing of the pact, a negotiating subcommittee will start negotiations on issues including other areas for market access for goods and services, a digital trade chapter, and a government procurement chapter to transform the FTA into a CECA.

Source: thehindubusinessline.com– Apr 04, 2022

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India continues to remain highest receiver of FDI: FM Nirmala Sitharaman

India continues to remain the highest receiver of the FDI, finance minister Nirmala Sitaraman told Lok Sabha on Monday while replying to a question by Congress member Shashi Tharoor.

"The FIIs and FPIs would come and go. But, today the Indian retail investors have proven that even if they come and go any shock that may come in is now taken care of because of the shock absorbing capacity that the Indian retailers have brought into the Indian market," she said during Question Hour.

"We in the House should stand up and appreciate the Indian retailer who has invested a lot of confidence in the markets today in India," she added.

Source: business-standard.com– Apr 05, 2022

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India’s trade deficit rises 88% in FY22: Govt data

India’s trade deficit rose 87.5 per cent to USD 192.41 billion in 2021-22 as against USD 102.63 billion in the previous year, the government data showed on Monday.

While total exports during last fiscal year increased to a record high of USD 417.81 billion, imports too soared to USD 610.22 billion, leaving a trade gap of USD 192.41 billion.

“India’s merchandise import in April 2021-March 2022 was USD 610.22 billion, an increase of 54.71 per cent over USD 394.44 billion in April 2020-March 2021 and an increase of 28.55 per cent over USD 474.71 billion in April 2019-March 2020,” said a release by Ministry of Commerce and Industry. The trade deficit in March 2022 was USD 18.69 billion, while it was USD 192.41 billion during entire 2021-22.

For the first time, India’s monthly merchandise exports exceeded USD 40 billion, reaching USD 40.38 billion in March 2022, an increase of 14.53 per cent over USD 35.26 billion in the year-ago month, the release said.

It was up by 87.89 per cent over USD 21.49 billion in March 2020. The ministry said the country’s merchandise import last month stood at USD 59.07 billion, an increase of 20.79 per cent over USD 48.90 billion in the year-ago period. It was up 87.68 per cent over USD 31.47 billion in March 2020.

During March 2022, the value of non-petroleum exports stood at USD 33 billion, registering a growth of 4.28 per cent over USD 31.65 billion in the same month a year ago.

Non-petroleum exports grew by 74 per cent from USD 18.97 billion in March 2020.

Non-petroleum import stood at USD 40.66 billion during March 2022, showing a rise of 5.26 per cent over USD 38.63 billion in the year-ago month. It was up by 89.79 per cent from USD 21.42 billion in March 2020, showed the data from the ministry.

Source: financialexpress.com– Apr 04, 2022

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A new era of exports takes off: Breaking the $30 billion a month "psychological barrier"

The $30 billion a month mark has historically been the "psychological barrier" for Indian exports. When in March 2021, the goods exports crossed the mark comfortably, the lazy analysis in the opinion pieces was a regurgitation of usual ideas—commodity prices are up, there is a shipping cost inflation, it's just a blip and so on.

The analysis—and the failure to spot an emerging trend—could not have been more wrong. From March 2021-February 2022, every month has clocked more than $30 billion in goods exports. The trend will quite likely continue for March 2022 as well. For the first time in Indian trade history, the annual goods exports have touched $400 billion and the final number for the year maybe close to $410 billion.

Once the services exports data is added, the total exports will end up close to $650 billion mark. This will place India close to top ten exporting nations in the world, if not within the top ten itself. With a strong 13 months of goods and services export, it is fair to call this hugely positive change a trend rather than a blip.

There are three significant aspects which characterize India's emerging increased trade competitiveness and global integration. First, the $400 billion goods export and $650 billion total export number is an outcome of meticulous planning and the focus on Aatmanirbhar Bharat. Prime Minister Narendra Modi had talked about the need for rejuvenating the industrial economy, where India leverages its large market and human capital talent base.

Following that, the industry and various government bodies have come together with a renewed emphasis to develop capabilities for great value addition in India. On its part, the Centre assessed trade potential with different countries analysing past trends.

About 200 countries or territories were analysed closely to understand how Indian strengths can match market demands for each entity. Indian missions, territorial divisions in ministries, industry bodies and export promotion bodies coordinated to make sure that every potential opportunity was pursued. PM Modi led this, speaking to all Indian missions in August 2021, and stressing the potential of Indian industry in the exports markets.

Second, a large part of the $400 billion goods export involves domestic value addition.

A historical quip about Indian exports has been that we ship out a lot of raw material or low value-added products. However, in the FY 22, top product categories paint a different and a very optimistic picture. Till March 21, the day India hit the $400billion exports mark, the top category of exports has been engineering goods, clocking nearly $108 billion. Processed petroleum products were next at $59.6 billion, followed by gems and jewellery at $37.7 billion, organic and inorganic chemicals at $28.2 billion, and drugs and pharmaceutical at $23.7 billion.

This export basket clearly indicates that the upswing is driven by real manufacturing capabilities. There is always room for improvement and increasing the India-based value add. But the numbers clearly speak for themselves—this is a manufacturing driven export revival. For reference, exports of pure raw materials like mica, coal and other ores and minerals were at $5 billion, ranking only thirteenth as a category.

Iron ore exports amounted to $3.1 billion, the eighteenth most valuable category. This is a testament to the success of a broader industrial policy driven by domestic capability enhancement and upskilling. The Indian consumer is getting access to even better products and the world is turning to India to fulfil more of its goods demand.

Third, several breakthrough categories have stood out for the first time. India’s electronic goods exports were at $15 billion, already the seventh-biggest export category. Of these, $5.5 billion will just be mobile phone exports, a category where India had very little manufacturing presence just five years back. Same is the case for defence equipment. India would earn about $1.5 billion in export revenue this year, up nearly six times in the last eight years.

This trend is best visible in agriculture items. From Banganapalli and Suvarnarekha mangoes of Andhra Pradesh going to South Korea; Palghar’s sapota, Uttar Pradesh’s jamuns, and Bihar’s litchis going to the UK; and Jalgaon’s bananas, Sangli’s dragon fruit, Assam’s Burmese grapes and Madurai’s flowers reaching the UAE, a lot of new ground has been broken. This is important because the benefits of trade in such products accrue to market participants with a relatively smaller economic size. These breakthrough categories may individually look small, but at the margin, they can make a huge positive difference to the participants involved.

India recently signed a Comprehensive Economic Partnership Agreement with the UAE. Trade deals in various formats are also being discussed with the UK, Australia, and Canada. This is significant because all these countries have significant bilateral trade potential, with the UAE and the UK being part of India's top ten export destinations.

With the Pradhan Mantri Gati Shakti plan working on reducing logistics costs and friction and creating signature infrastructure assets, products and services from currently untapped Indian destinations will also likely find new markets. A great new era of global trade led growth is unfolding in front of us—a milieu in which India is now a strong and confident player.

Source: financialexpress.com– Apr 05, 2022

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No extension of GST aid to states, says Centre

In the last two years, the Centre had to resort to aggregate borrowings of Rs 2.69 trillion in order to make good the shortfall in the GST compensation pool.

The cesses on a few demerit and high-value goods meant for raising the proceeds to compensate the state governments for any shortfall in their goods and services tax (GST) revenues from protected levels for the five years to June 2022 will have to stay till FY26, the government said in Parliament on Monday.

In the last two years, the Centre had to resort to aggregate borrowings of Rs 2.69 trillion in order to make good the shortfall in the GST compensation pool. To finance these loans, the cesses will have to be continued till FY26.

The Centre has made it clear that the five-year GST compensation to states can't be extended beyond June 30, 2022. In the latest Budget, it announced a Rs 1 trillion 50-year capex loan to states.

The Centre will compensate for the shortfall in GST receipts of the states as per statutory requirement for the initial five years after the indirect tax regime was launched in July 2017, Union minister of state for finance Pankaj Chaudhury reiterated in the Parliament.

"The Centre is committed to release full GST Compensation to the States/UTs as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of Compensation cess beyond 5 years to meet the GST revenue shortfall as well as servicing the loan borrowed through special window scheme," Chaudhury told Lok Sabha in a written reply. Under the GST compensation mechanism, state governments are assured 14% annual revenue growth for the first five years after the tax's July 2017 launch.

Many states, including Tamil Nadu, West Bengal and Chhattisgarh, have written to the Centre demanding that the compensation period be extended by two-five years to bolster state's finances.

Source: financialexpress.com– Apr 05, 2022

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Labour Codes: Industry awaits clarity, ball in States' courts

It is expected that the new Labour Codes will come into force by the middle of this year

With the start of the new fiscal year, industry is awaiting more clarity on implementation of the new labour codes the implementation of which now lies in the States' domain.

"It is not possible for the Centre to give a definite date for their implementation as it will depend on States," said a top government source. "Labour is a concurrent subject and State governments are working on their own rules under the Codes at present. A lot is dependent on the States as they have to finalise the rules," he added.

It is expected that the Codes will come into force by the middle of this year. In response to a query in the Rajya Sabha, Rameswar Teli, Minister of State, Ministry of Labour and Employment on March 21 informed the upper house that the Centre has published the draft rules under four labour codes, inviting suggestions and objections from all stakeholders as a step towards their implementation.

"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," Teli had said.

As many as 27 States have pre-published draft rules under the Code on Wages, 2019, while 23 States have pre-published draft rules under the Industrial Relations Code, 2020.

Teli had said that 21 States and UTs have pre-published draft rules under the Code on Social Security, 2020 and 18 States have done so under the Occupational Safety, Health and Working Conditions Code, 2020.

Due to their far reaching impact, industry is hopeful that it will be given sufficient time to implement the new rules.

"It appears clear that April 1, 2022 will no longer be the date of implementation and that it has been deferred. The industry hopes that sufficient advance notice will be given by the government on the implementation date," said a recent report by Nishith Desai Associates.

Experts' take

The report authored by Vivek Ilawat, Sayantani Saha and Vikram Shroff said employers should continue to assess the changes to the current legal framework and brace themselves for what will be the largest and most impactful shift in the Indian labour law paradigm.

Rituparna Chakraborty, cofounder, TeamLease Services, said the codes must be implemented soon as it would unlock huge formal job creation within States leading to higher financial gains for them.

"It has to be done; it is essential. There has to be some amount of consensus across States as it will not benefit the industry if different States have different rules. Now that the economy is beginning to revive, these Codes will become more important as there is potential for job creation," she said.

The government had codified a plethora of national level labour laws into the four labour codes that would, amongst many measures, rework the wages and provident fund calculations through restructuring of salaries. It would also improve ease of doing business by permitting firms with up to 300 workers to decide on lay-offs, retrenchment and closure without government permission.

The Parliament had passed the Code on Wages in 2019 and the other three Codes in 2020. They were initially expected to be implemented from April 1, 2021.

Source: thehindubusinessline.com– Apr 04, 2022

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Factory activity expanded at a slower pace, manufacturing PMI falls to 54 in March from 54.9 in February

India's factory activity expanded at a slower pace in March as rising prices meant new orders and output grew at their weakest rate since September, according to a survey released on Monday that also showed optimism at a two-year low.

The survey provides the latest evidence the recovery in Asia's third-largest economy is slowing. Hikes in oil prices, primarily driven by uncertainties around the Russia-Ukraine war, have already taken a toll on consumer spending - the biggest contributor to GDP growth.

Compiled by S&P Global, the Manufacturing Purchasing Managers' Index declined to 54.0 in March from 54.9 in February. However, it has remained above the 50-level separating growth from contraction for nine straight months.

Despite that decline, the sector had its best annual fiscal year performance since FY 2011/12.

"Manufacturing sector growth in India weakened at the end of fiscal year 2021/22, with companies reporting softer expansions in new orders and production," noted Pollyanna De Lima, economics associate director at S&P Global.

"The slowdown was accompanied by an intensification of inflationary pressures, although the rate of increase in input costs remained below those seen towards the end of 2021."

Sub-indexes tracking new orders and output were at six-month lows and foreign demand contracted for the first time since June 2021, highlighting a weakening global economic recovery and a slowdown in China.

But factories increased headcount for the first time in four months.

Still, rising cost pressures remained one of the main concerns as firms faced a faster increase in input prices last month, forcing them to transfer some of that burden to consumers. Output prices rose at the quickest rate in five months.

"For now, demand has been sufficiently strong to withstand price hikes, but should inflation continue to gather pace we may see a more significant slowdown, if not an outright contraction in sales," added De Lima. "Companies themselves appeared very concerned about price pressures, which was a key factor dragging down business confidence to a two-year low."

Like other major economies, India is experiencing a persistent surge in inflation due to elevated supply disruptions and a jump in oil prices - the biggest component of the country's imports.

Source: economictimes.com– Apr 04, 2022

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Atmanirbhar in MSMEs Sector

The Government has taken a number of initiatives under the Aatma Nirbhar Bharat Abhiyan to mitigate the negative impact of Covid-19 on small businesses, including MSMEs, in the country. Some of them are:

- Rs. 20,000 crore Subordinate Debt for stressed MSMEs.
- Rs.3 lakh crores Emergency Credit Line Guarantee Scheme (ECLGS) for Businesses, including MSMEs (which has subsequently been increased to Rs. 5 lakh crore, as announced in Budget 2022-23).
- Rs. 50,000 crore equity infusion through Self Reliant India Fund.
- New revised criteria of classification of MSMEs.
- New registration of MSMEs through 'Udyam Registration' for Ease of Doing Business.
- No global tenders for procurement up to Rs. 200 crores.

Promotion and development of MSMEs is a continuous process. The Government of India, interacts regularly with Stakeholders, Industry Associations, Individual Enterprises, State Government through Seminars, Video Conferencing, Meeting etc., to assess the problems and challenges faced by the MSMEs. The Ministry of MSME implements various schemes and programmes for the promotion and development of MSMEs.

These schemes and programmes inter alia include Prime Minister's Employment Generation programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises Cluster Development Programme (MSE-CDP), etc.

The Ministry of MSME, in order to help the MSMEs to grow technologically and to enhance their competitiveness, has established new Technology Centres (TCs) and Extension Centres (ECs) across the Country.

These TCs/ECs provide various services like technology support, skilling, incubation and consultancy to MSMEs and skill seekers, leading to enhancement in employability of the skill seekers, competitiveness of MSMEs and creation of new MSMEs in the country.

In addition to it, the Government of India, through its 18 technology centres, conducts various skill development training programmes based on the provision of well structured modular, hands on practically oriented, training for the educated youth and technicians of industries. All courses are regularly updated to keep abreast with global technological advancements.

Accordingly, 76 courses are compliant with National Skill Qualification Frame work (NSQF), Ministry of Skill Development & Entrepreneurship.

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

Source: pib.gov.in– Apr 04, 2022

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Cotton crop fetches double the MSP in Punjab

The "white gold" has been selling at record Rs 12,300 per quintal in this cotton belt these days, nearly double the minimum support price (MSP) of Rs 6,025 fixed by the Union government. The cotton crop was sold at Rs 12,300 per quintal at Fazilka a few days ago, while it fetched a handsome Rs 11,700 in Mansa today.

Mandi board cotton state coordinator Rajneesh Goyal said although the crop in the Malwa region was damaged due to the pink bollworm attack, farmers who survived the attack were reaping a rich harvest. "Cotton rates have touched Rs 12,300 per quintal for the first time. In 2011, the maximum rate of cotton was Rs 7,000, while it touched Rs 6,725 in 2014," said Goyal.

He said the average rate of cotton in the state had witnessed a 26% increase from the last season, while the yield had dipped by 47% this season. The quantity purchased at record Rs 12,300 per quintal could, however, not be confirmed.

With an increased demand for cotton in the domestic and international markets, private traders are competing against each other to buy the crop, jacking up the prices, say experts

A commission agent here said: "There has been a good demand in the international market, even as the yield has been poor this time. Private traders are competing among themselves to purchase cotton, forcing them to offer higher prices to producers."

Experts claim the price of cotton has been on the rise due to shortage in supply. The companies are getting good rates internationally, as a result of which they are buying whatever stock they can get their hands on at whatever price. It has been a windfall for many farmers who withheld their produce earlier, when the prices were around Rs 8,000 per quintal, in the hope of the prices to increase.

The two major cotton-producing districts of Bathinda and Mansa have witnessed decline of 61% and 50% in yield, respectively, this season.

Source: tribuneindia.com– Apr 05, 2022

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Higher raw material cost to dampen textile demand: India Ratings

Higher raw material cost is likely to impact textile demand during Q1FY23 on a quarter-on-quarter basis. As per India Ratings and Research (Ind-Ra), sustained rub-off impact from high man-made fibre (MMF) prices amid new arrivals will keep domestic cotton prices to remain at the current high levels during Q1FY23.

“Rising cotton and MMF prices are likely to moderate demand for textile fabrics, made ups and garments as the downstream prices will also rise in tandem with the raw materials,” said Shradha Saraogi, Senior Analyst, India Ratings and Research.

It generally may also lead to downtrading.

“Besides, Ind-Ra expects inventory levels to decline by the end of the current cotton season due to a lower opening stock and slightly higher consumption. Similarly, the domestic stock-to-use ratio could decline in the new cotton season,” the ratings agency said.

Furthermore, Ind-Ra expects cotton yarn and spun yarn prices to continue to rise due to higher demand from downstream players as well as export markets.

“Cotton yarn prices increased 3 per cent, MoM, in February 2022 due to the rise in cotton prices as well as a reduction in the production amid the high export and domestic demand.”

“The spreads increased up to Rs 60.14 per kg in February 2022.”

According to the ratings agency, MMF products witnessed a drastic rise in prices in February 2022 due to an increase in crude oil prices.

“Ind-Ra expects the prices to increase further owing to the US ban on Russian oil and US tie-ups in Europe, along with a rise in raw material prices, led by the ongoing geopolitical issues and increased cotton prices.”

Source: smefutures.com– Apr 04, 2022

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Skilled Labour in Manufacturing Industry

Ministry of Skill Development and Entrepreneurship (MSDE) through National Skill Development Corporation (NSDC) had engaged a consulting firm to conduct a study on sector-wise incremental requirement, including manufacturing sector, of skilled manpower in 2016. The study covered 24 sectors and analyzed the sector-wise human resource requirements with 2013 as a baseline. The estimated manpower requirement was projected as 614.28 million for 2022 including manufacturing sector.

In order to address the incremental manpower requirement covering manufacturing sector and to empower youth including rural youth with adequate skills, Skill India Mission was launched in 2015. Under Skill India Mission, the Government through 20 Central Ministries/Departments is implementing various skill development schemes across the country.

Major skill development training schemes/ programmes covering manufacturing sector, being implemented by Ministry of Skill Development and Entrepreneurship, are Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Jan Shikshan Sansthan (JSS), National Apprenticeship Promotion Scheme (NAPS) and Craftsmen Training Scheme (CTS). Under PMKVY, JSS, NAPS and CTS, as on 31.12.2021, around 2.35 crore candidates have been trained/enrolled. Details are given below:

Scheme	Candidate enrolled / trained (In lakh)
Pradhan Mantri Kaushal Vikas Yojana (PMKVY) since 2015	134.29
Jan Shikshan Sansthan (JSS) since 2018	11.94
National Apprenticeship Promotion Scheme (NAPS) since 2016	13.39
Craftsmen Training Scheme (CTS) since 2015	75.39
Total	**235.01**

This information was given by the Minister of State for Skill Development and Entrepreneurship, Shri Rajeev Chandrasekhar in a written reply in the Lok Sabha today.

Source: pib.gov.in – Apr 4, 2022

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Red chilli, cotton prices at record high in Telangana's Warangal

Prices of red chilli and cotton have touched record levels at the Enumamula agriculture market yard in Warangal. The price of desi variety of chilli hit an all-time high on Monday fetching a record Rs 55,551 per quintal at the market. The price of cotton recorded the highest of Rs 12,110 per quintal at the market.

The demand for the red chilli and cotton has risen to a phenomenal level, as a result of which both farmers and traders are making beelines to the market. The soaring prices are attracting farmers to sell their produce as early as possible and get remunerative income.

Enumamula agriculture market secretary BV Rahul said that the red chilli varieties including Single Patti (SP), Teja, Wonder Hurt and US 341 are arriving in less quantity and the record price is because traders are procuring the produce to export it to Maharashtra, Madhya Pradesh and countries including Abu Dhabi, UAE and Europe.

Source: newindianexpress.com– Apr 5, 2022

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