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INTERNATIONAL NEWS

US manufacturers report strong end to Q1: IHS Markit

US manufacturing growth accelerated in March as robust demand and improving prospects countered the headwinds of soaring cost pressures and the Russia-Ukraine war, according to IHS Markit. The S&P Global US manufacturing purchasing managers' index (PMI) posted 58.8 in March, up from 57.3 in February to signal the strongest improvement since last September.

It was especially encouraging to see business optimism about the year ahead improve further in March, despite the new uncertainties, sanctions and geopolitical risks caused by the Ukraine invasion, with optimism among producers now the brightest since late-2020.

The details of the survey were even more encouraging than the rising headline number, with output and demand growth on improving trends as supply delays eased, jobs growth accelerated and businesses becoming even more optimistic despite the month seeing the escalation of the Russia-Ukraine war, London-based IHS Markit said in a release.

Price pressures also showed tentative signs of having peaked late last year.

A key driver of the higher PMI was faster growth of production, which rose at a rate not seen since last July. The strengthening production index from the PMI is broadly indicative of robust official manufacturing output growth in excess of 1 per cent on a quarter-on-quarter basis.

Inflows of new business also grew at the strongest rate for six months as customers looked to the further reopening of the economy amid signs that the disruptions from the pandemic continue to fade. Both domestic and export order book growth improved, with new export orders notably rising at the joint-fastest pace for almost a year.

The rise in demand meant new order inflows once again ran ahead of production to suggest that output growth could have been even stronger had it not been for ongoing constraints on production, though notably the output shortfall relative to demand was the joint-smallest seen over the past year.

While higher output was encouraged by the upturn in order book growth, it was also facilitated by fewer supply constraints. Separately, even as companies continued to report widespread production constraints due to supply chain bottlenecks, the incidence of such delays is now lower than at any time since January 2021.

Likewise, backlogs of work at manufacturers also grew at a reduced rate comparable to that seen throughout much of 2021, linked to these easing supply constraints as well as jobs growth having improved to an eight-month high as fewer companies reported labor shortages.

Similarly, although price pressures remained elevated, with surging energy costs pushing firms' costs higher at an increased rate in March, rates of inflation of both input costs and average selling prices have fallen from the record highs seen late last year to hint that US consumer price inflation could likewise soon peak.

Source: fibre2fashion.com– Apr 6, 2022

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China's economic growth to slow to 5% in 2022: ADB

China's economic growth will slow in 2022 and 2023 after recovering in 2021 as domestic demand remains lacklusture despite continued export strength and increased fiscal support, says a report by the Asian Development Bank (ADB). The Chinese economy is projected to grow at 5 per cent in 2022 and 4.8 per cent in 2023 as the labour force shrinks and return to investment declines.

"Economic growth is expected to remain moderate in early 2022 before picking up slightly in the middle of the year," said ADB country director for China Yolanda Fernandez Lommen in the Asian Development Outlook (ADO) 2022.

"Reforming fiscal relations between the central government and local governments is key to narrowing the local government fiscal gap and equalizing the delivery of basic public services across regions," he said.

The outlook for 2022 compares with ADB's previous forecast of 5.3 per cent growth issued in December 2021, said an ADB press release.

Following modest food price deflation last year, inflation is projected to pick up in line with higher non-food prices, before easing marginally in 2023. Consumer price inflation is forecast at 2.3 per cent this year, notably higher than the 0.9 per cent inflation rate in 2021.

With commodity price pressures unlikely to subside in 2022, and global energy prices forecast to rise sharply, producer price inflation is expected to stay elevated—which may force producers to pass on higher input prices, ADB said.

Domestic demand is expected to improve gradually this year. The persistence of COVID-19 infections continues to weigh on consumer confidence and dampen growth in household demand. Investment looks set to improve in 2022.

Risks to the outlook are both domestic and external. Domestic risks include the unpredictability of COVID-19 outbreaks and virus mutations, which could endanger the recovery in domestic consumer demand, ADB noted.

Mounting credit risk in the financial system, especially at smaller banks, could trigger a need for policy responses that may induce temporary tensions in the financial market.

External risks include economic spillover effects from the Russian invasion of Ukraine and frictions in global value chains caused by temporary supply shortages or transport bottlenecks, ADB added.

Source: fibre2fashion.com– Apr 7, 2022

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Shanghai's Longer Lockdown Spells 'Serious Disruption'

Measures to stop the spread of Covid-19 in Shanghai have led to a prolonged city-wide lockdown encompassing some 26 million people as logistics firms look to help clients navigate the latest supply chain snarl.

The city last week originally announced a two-phased approach to quarantining residents, with the first running through April 1. The second lockdown was originally set to lift Tuesday, but the entire city now remains in quarantine as government officials await Covid-19 nucleic acid test results.

Supply chain and logistics executives are now scrambling to mitigate impacts across transportation modes.

"The ongoing lockdowns have put severe strains on the local and international supply chains interacting with the greater Shanghai area by air, sea and ground," Ron Greene, vice president of business development at risk management and supply chain software firm Overhaul, told Sourcing Journal. "Trucking and port operations in the area are operating at much lower capacity. Inbound ships are being diverted to other ports as companies are trying to divert outbound freight to alternate ports, local factories are operating at reduced capacity or closed altogether and air freight operations at Shanghai Pudong Airport are essentially shut down due to flight cancellations amid employees being forced to stay at home."

Greene went on to say the company is warning customers of delays and encouraging them to connect with local partner companies for the latest in updates about the status of operations.

"Right now, there is no timetable for normal operations to open back up, but most expect at least another week of lockdowns and a further week of ramp-up as operations begin to resume," Greene said.

Supply chain data company Everstream Analytics is alerting clients the current lockdown is scheduled to last until April 15.

"The de-facto lockdown extension is likely to continue the serious disruption to trucking in, out and within the city, causing a drop in the availability of goods and port output," Everstream said.

The company's data found some shipping companies are seeing a 30 percent decline in efficiency, driven by the truck shortage at the port. Chinese exports are now projected to fall about 30 percent over the next two weeks, according to Everstream. Meanwhile, the analytics firm said Port of Shanghai wait times are between one and two days and ships in queue at the port have increased over the past two weeks by more than five times to more than 300 vessels. Everstream pointed out most of those ships are oil tankers and dry bulk cargo, the latter being raw materials not packed in containers.

Operations at the port have continued throughout the start of the quarantines with 24/7 operations, but a shortage of labor remains the sticking point.

Houston-based Crane Worldwide Logistics aimed to quell ocean freight concerns in a Tuesday update to customers.

"There is a rumor in the market that Shanghai port is severely congested. This is incorrect. Shanghai port is mainly for container vessels. The … 300-plus [queued] vessels are mainly dry and break bulk vessels and oil tankers, the majority of which are destined for Ningbo and Zhoushan port, not Shanghai," Crane said in its advisory. "For now, Shanghai port is still operating 24/7. Though the port is busy, container vessels' average waiting time for berthing is less than 24 hours."

Source: sourcingjournal.com– Apr 6, 2022

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Cambodia's economy to grow by 5.3% in 2022; 6.5% in 2023: ADB

Cambodia's economy is forecast to grow by 5.3 per cent in 2022 and 6.5 per cent in 2023, thanks to strong merchandise exports and foreign direct investment inflows, according to a report by Asian Development Bank (ADB).

Industry output is expected to grow by 8.1 per cent in 2022 and 9.1 per cent in 2023. This growth will also be buoyed by the implementation of the Garments, Footwear, and Travel Goods Development Strategy to raise competitiveness in this segment, according to the Asian Development Outlook (ADO) 2022.

"Cambodia's growth rebounded to an estimated 3 per cent in 2021 after a contraction of 3.1 per cent in 2020. The government has implemented policies to mitigate the negative impact of COVID-19 on businesses and people's incomes and to support economic recovery.

Widespread vaccination against COVID-19 has enabled the country to reopen its borders for trade and tourism, leading to positive economic prospects for this year and 2023," said ADB acting country director Anthony Gill.

Goods and services exports are forecast to grow in 2022 and 2023 on strong external demand for Cambodian products supported by a recovery in tourism services.

Currently, ADB is implementing $2.3 billion of investment projects in Cambodia. In 2021, ADB committed $327.1 million in sovereign loans and grants and catalysed an additional $5 million through co-financing for Cambodia. ADB's lending pipeline for 2022–2025 includes $1.44 billion of concessional lending and $37 million in grants to support the country's economic development and recovery from the COVID-19 pandemic.

Source: fibre2fashion.com– Apr 6, 2022

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Global cotton logistics recovers from pandemic effects: ICAC report

After a long and painful struggle, global cotton logistics is finally recovering from the pandemic-induced slowdown. As per the April 2022 edition of 'Cotton This Month' published by the International Cotton Advisory Committee (ICAC), cotton consumption across the world is expected to remain robust at 26.16 million tons by the end of the 2021/22 season.
Global demand to outstep supply

Production meanwhile is likely to decline slightly to 26.43 million tons. However, it will remain sufficient to accommodate consumption. Global cotton supply of 57.129 million tons is likely to fall short of global demand of 57.133 million tonne. The Secretariat forecasts, current cotton price of the season-average A index for 2021-22 will range between 106 cent and126 cents, with prices stabilizing at 113 cents per pound.

Harbinger of change

Currently the US is in a much better position to effect changes in the global cotton industry. Being the world's largest exporter, the country can serve as an indicator of potential dangers in worldwide cotton shipping and logistics.

Forum for discussion

An association of members of cotton producing, consuming and trading countries, ICAC was formed in 1939, and the secretariat was established in 1946. The secretariat has 10 members originating from seven countries, primarily working from one office in Washington, DC. Its documents are published in English, French and Spanish, monthly summaries are available in Russian, and annual summaries are available in both Arabic and Russian. The association aims to serve the cotton and textile community through promotion, knowledge sharing, innovation, partnerships and providing a forum for discussion of cotton issues of international significance.

ICAC publishes 'Cotton This Month' at the beginning of every month with Cotton Update published mid-month. The report provides updated information on supply/demand estimates and prices in the cotton industry.

Source: fashionatingworld.com– Apr 6, 2022

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Covid two-years on: The future of US apparel imports

Two years ago Covid hit, sending the US apparel industry into chaos with global retail closures and huge supply delays weighing on imports.

The reliance of clothing brands and retailers on China became painfully obvious. With the Chinese government ordering factory shutdowns, many brands and retailers were stuck – either with their finished goods in China, or raw materials destined for other locations from China, severely delayed. Sourcing diversification became the new buzzword – everyone wanted in – or out actually, of China.

Analysing apparel import data from the US Office of Textile and Apparel (OTEXA), we see that in 2021, China's apparel shipments to the US inched up by 0.45% to 11.13bn on pre-Covid levels. Conversely, the likes of Cambodia, Pakistan and India witnessed sharp rises in shipment volumes.

Bar Honduras, El Salvador and Indonesia, analysis of the OTEXA data shows US apparel imports from all of the top ten major sourcing destinations surpassed pre-Covid levels in 2021.

But the beat goes on. Two years post-Covid and the global apparel sector is facing a wealth of other issues from shipping delays, disruption in transport, increased sourcing costs to huge market uncertainties.

The whole sourcing landscape is different now points out Dr Sheng Lu, associate professor at the Department of Fashion and Apparel Studies at the University of Delaware.

He says: "For many companies, their priority shifted from "chase for price" to "chase for products." This explains why US companies' apparel sourcing bases in 2021 overall became even more diversified than before the pandemic," states Lu noting that the total market shares of the top five suppliers to the US dropped to 60.6%, the lowest since 2018."

The race to diversify sourcing

According to the US Office of Textile and Apparel (OTEXA), Pakistan's apparel shipments destined for the US overtook pre-Covid levels in 2021, jumping 49% to 895m SME compared with 599m SME in 2019.

US imports of Pakistani goods surged in 2021. In fact, along with India, Pakistan booked the largest increase in share of the US apparel market during 2021 by 11.4% to a 3.04% share. India's share grew by 11.3% year on year to 4.35%.

Pakistan's holding might be in the lower quarter of the top ten suppliers but it has been steadily increasing since 2018. In fact, its 2021 holding marks its best performance since Just Style started monitoring OTEXA data in 2010.

After China, it was the most competitively priced apparel supplier to the US in 2021 on a price per unit basis, at $2.48 making it attractive to buyers.

There are so many other attractive features of it as a sourcing base. It offers flexible minimum order quantities (MOQ); it is increasingly stable; and the government has worked to solve electric power shortages and allow duty-free access to new machinery.

But it remains eons behind China when it comes to the actual size of its imports. The question is will it ever catch up? The same could be asked of the likes of Bangladesh and India and Cambodia.

Lu warns not to be fooled into thinking the players whose shipments grew significantly have suddenly become more competitive or more suitable sourcing bases.

"Instead, it was more likely that fashion companies struggled to find enough production capacity to fulfil their sourcing orders."

"Mitigating risk", industry consultant Robert Antoshak asserts, is now the primary objective, adding that for years the easy 'source-predominantly-from-China' model worked.

"Once the pandemic hit, it was obvious to everyone in the trade that ease-of-sourcing does not translate into effective risk management. Indeed, the best way to mitigate risk is to diversify sources of supply," highlights Antoshak.

That will remain a theme for the foreseeable, he explains.

He says: "Pakistan, Bangladesh and Cambodia all offer competitively priced alternatives to China. For certain, the industries in these countries are at

different levels of development, but all three have already carved out significant portions of global trade in major apparel categories."

Any match for China?

"As with all sourcing decisions, these countries offer a wide range of products made at different specs at a competitive price. The key to working with Western buyers is presenting a compelling product offering that meets the buyer's needs in terms of quality, price and delivery times. Another important factor is reliability. Suppliers in each of these countries have made great strides regarding reliability in recent years – even when taking the pandemic into account," Antoshak adds.

But the real issue centres around scalability.

"When one considers the sheer size of China's installed supplier base, transferring the equivalent production elsewhere is a tall task. Moreover, it took years for China to build its industry. It will also take years for other suppliers to scale up to meet demand should sourcing from China continue to wane."

Do US post-Covid apparel imports suggest nearshoring is being realised?

Apparel shipments to the US from El Salvador and Honduras were lower in 2021 than they were pre-Covid in 2019, which is interesting considering the Biden Administration's recent push on nearshoring production.

According to analysis of Otexa's apparel import data, in 2021, El Salvador booked apparel shipments to the US of 656m, 12% lower than 2019, while Honduras posted an almost 14% dip in apparel shipments to the US of 872m for the same period.

But when you take a microscopic view of the OTEXA data into just codes 61 and 62 – apparel and clothing accessories; knitted or crocheted and apparel and clothing accessories; not knitted and crocheted – one of the most notable jumps in shipment volume to the US in 2021 came from Mexico at 33.82% in 2021 from 2019. El Salvador and Honduras, however, still remain at the bottom end of the table in this dataset as analysed by GlobalData.

But is this a trend for the foreseeable? Are those two countries so rocked by Covid that their imports to the US won't recover? Lu rejects this, adding there are more factors at play here.

“Several studies suggest the pandemic hurt some countries’ economies (including production and exports) more significantly because of their limited healthcare resources or more serious Covid situation...Understandably, it could also take longer for these countries’ apparel production and exports to fully recover to a pre-Covid level. As an encouraging sign, US apparel sourcing from these two countries enjoyed a 28% and 33% growth in 2021 year-on-year (by quantity), suggesting a sound recovery.”

Antoshak concedes: Any reallocation of sourcing back to the Western Hemisphere will take time. One can't throw a switch and have an industry which has been whittled down over the years come storming back overnight. He adds: “However, the migration issue has caused political problems for the Biden Administration. In turn, their response has been to assist countries like Honduras and El Salvador to attract more investment to rebuild their clothing sectors. The policy, of course, presupposes that new investment will create more jobs and ease the migration of people to the US borders. Time will tell – and that's the point, it will take time to see if this policy is successful or not."

Xinjiang bill could be a big opporunity

Lu points out that 2021 was not a bad year for Chinese textile and apparel exporters targeting the US market.

Except for cotton textiles, 'Made in China' accounted for 15.4% of US cotton apparel imports in 2021 and nearly one-third of non-cotton apparel items. Even when we look at trade volume in quantity, US fashion companies imported 2,662m SME more clothing from China in 2021 than a year ago. Over the same period, US imports from Vietnam increased by only 588m SME (or 22% of China), 715m SME extra from Bangladesh (or 26.9% of China), 264m SME extra from Pakistan (or 9.9% of China) and 116m SME extra from Cambodia (or 4.4% of China).”

But that could all change.

“The newly enacted Uyghur Forced Labor Presentation Act could be a game-changer in 2022,” says Lu. “US fashion companies may find it not operationally viable to source many apparel products from China, depending on the new law’s detailed enforcement strategy to be released by the US Customs and Border Protection (CBP).

“Further, due to the escalating political tensions between the two countries, US fashion brands and retailers could take another look at their China sourcing strategy to avoid potential high-impact disruptions. Although a total decoupling seems not too feasible in the short term, it is a legitimate question for fashion companies: What an unstable China means for their sourcing from the Asia-Pacific region and what the contingency plan will be. The Russia-Ukraine war makes the question even more relevant and urgent.”

Antoshak adds: “When Xinjiang forced labour allegations became front-page news and now with US Customs enforcing new laws in the US prohibiting the importation of goods made in Xinjiang or goods made with raw materials (like cotton) from Xinjiang, western buyers had little choice but to consider other sources of supply.

“Moreover, with importing companies now subject to withhold release orders, there are practical issues at stake. Indeed, the seeming randomness of seizures at US ports not only delays shipments, but adds further uncertainty to supply chains that have not been challenged like they have over the past two years or so. It's an added layer of complexity that only increases an importer's risk.”

Mexico’s apparel associations for one are banking on a bright future with China losing the confidence of international regulators, governments and trading partners over its failures to protect employee rights, banish child labour and illegally produced counterfeit goods.

“This is an opportunity that must be seized by Mexico, especially by keeping up with the demand for raw material and supplies," says Guillermo Romero, executive president of APIMEX (Asociación de Empresas Proveedoras Industriales de México.

If this happens, Mexico exporters can take advantage of the US government’s current budget plans involving US$6trn in spending and more on longer term investments. These, he says, “open great opportunities.”

Antoshak notes for apparel sourcing hubs closely located to the US to benefit, they must position themselves correctly as investment and rebuilding will bring these countries back as major suppliers to the US market.

"When trade expanded rapidly around the globe with the end of the Multifiber Arrangement (the old quota system), and the establishment of the World Trade Organization, which encouraged a rules-based expansion of trade, regions like Central and South America, as well as Mexico were left to fend for themselves in the competition for business from Western buyers.

Prices often won out over anything else. But countries in this region have proximity in their favour. After the supply chain chaos over the last couple of years, many buyers are searching for sources of supply closer to consuming markets, presumably less vulnerable to supply chain shocks. Another factor is environmental: Shorter shipping distances translate into lower carbon emissions, a goal of many western brands as they look to become more environmentally sustainable."

Source: just-style.com– Apr 6, 2022

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Egyptian customs to help garment exporters access foreign markets

Egypt's Readymade Garments Export Council (RMGEC) recently signed a cooperation protocol with the country's customs authority's exporters and producers unit to help garment exporters get access to foreign markets. RMGEC chairperson Mary Lewis said the protocol comes as part of government directives to double Egyptian exports to $100 billion annually.

Lewis lauded the efforts by the unit to facilitate the entry of garment exporters and immediately resolve any problems that exporters might face.

Apart from easing the flow of Egyptian garment exports to foreign markets, the protocol aims to smoothen customs clearance procedures, authority chairman El-Shahhat Ghattori was quoted as saying by Egyptian media reports.

Source: fibre2fashion.com– Apr 6, 2022

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Industrial production flourishes in Vietnam in Q1 2022

Vietnam's index of industrial production (IIP) in the first quarter (Q1) of this year continued to flourish with a year-on-year (YoY) increase of 7.07 per cent, according to the General Statistics Office (GSO), which recently said the rise—much higher than the 6.44 per cent seen in Q1 2021, contributed 2.42 percentage points to the economy's growth in Q1 2022.

The processing and manufacturing industry had a yearly IIP rise of 7.79 per cent. Key industries that recorded high increases in Q1 include clothing (up 24.1 per cent) and machinery and equipment (16.2 per cent).

On the contrary, several industries, such as rubber and plastic products and crude oil and natural gas, witnessed a decline in industrial production.

The GSO also said the consumption index of the processing and manufacturing industry in Q1 rose by 6.6 per cent compared to the corresponding period last year. In March, the index increased by 19.1 per cent month-on-month and 11.2 per cent YoY.

The average inventory rate of the processing and manufacturing industry in the first three months was 79.9 per cent, higher than the 75.1 per cent recorded last year.

The ministry of industry and trade said it was necessary to ensure an adequate supply of raw materials for energy production, business recovery, and socio-economic development in the coming months.

The ministry recommended removing obstacles to important industrial projects and maximum support for factories to maintain production, keep orders, and maintain the supply chain.

Source: fibre2fashion.com– Apr 6, 2022

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Bangladesh to import 9 million bales of cotton this year

The sudden rise in demand for yarn and fabrics is expected to boost Bangladesh's cotton imports to 9 million bales for the first time this year, says Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA). Bangladesh imported 8.5 million bales of cotton in 2021 for over $3 billion. The country is expected to witness an import surge due to a rise in exports of Bangladesh-made garment items as global economies reopened.

From July to December last year, Bangladesh's garment exports grew 28.02 per cent year-on-year to $19.90 billion. Of the total, earnings from knitwear exports surged 30.91 per cent year-on-year to $11.16 billion. Earnings from woven exports surged 24.50 per cent to $8.73 billion.

Garment exports are expected to continue growing till June this year as exporters booked huge volume of work orders, says Faruque Hassan, President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

Exporters expect a rush in cotton imports in March and April this year and a chaos in the port because of container congestion, adds Khokon. Currently local spinners meet 90 per cent demand for the raw materials for the knitwear sector but only 40 per cent of the woven sector. As a result, around 6 billion out of total 10 billion meters of fabrics are imported to meet the demands of the local woven garment sector, adds Khokon.

Source: fashionatingworld.com– Apr 6, 2022

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Pakistan's textile exports soar to $ 1.65B

The value of textile and garment exports from Pakistan has increased up to $ 1.65bn in the first eight months of the fiscal year 2021-22.

According to the Pakistan Bureau of Statistics (PBS), the country has produced $ 12.607 billion from the textile and apparel trade this year, compared to $ 9.999 billion in exports from July to February 2020-21.

Categorically, the knitwear exports increased up to 33.86% year-on-year to $3.302 billion, while the trade of non-knit readymade garments rose by 25.11% to $2.516 billion. Moreover, cotton yarn exports also experienced a major increase of 34.40 %to $815.375 million, against $606.690 million last year.

The trade of cotton fabric was also enhanced by 28.23 % with a value of $1.584 billion this year. Furthermore, an increase of 20.34% in bed wear distribution was also seen during the eight months of 2021-22.

On the other hand, the industry has also invested in its imports of synthetic fiber which rose to 31.65%, and the cost of artificial silk yarn shot up to $ 569.256 million from July- February 2021-22. As a result, the costs of textile machinery in Pakistan have also increased significantly up to $ 577.249 million during the eight-month period.

An economic boost

Besides the increase in imports, Pakistan's textile exports have shown a major recovery since February and established an 8% increase on monthly basis. The industry has majorly supported Pakistan's economic landscape as it has bagged a growth of 5.37% growth in 2022, higher than the previous two years. Despite strict economic restrictions, the textile sector is seen as a significant contributor to the country's economy even at the times of the global pandemic 2019.

Moreover, an effective policy measure by the government has also helped the industry to grow as only sustainable and inclusive economic policies could yield development and prosperity in the country. Similarly, strengthening exports is vital for economic growth and sustainability.

Pakistan's textile industry has the potential of creating an economy of $ 30 billion annually. The policymakers and economic experts of the country should analyze the current economic situation and frame an effective economic strategy to enhance our exports to the textile industry.

Conclusively, the sector has great potential and can help to enhance the country's economic prosperity on a large scale by creating employment opportunities in the country. This would further contribute to the GDP and GNP of the country.

Source: globalvillagespace.com– Apr 6, 2022

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Xihe Textile Technology Bangladesh to set up factory in Mongla

China-owned company Xihe Textile Technology Bangladesh Limited will establish a garment manufacturing industry at Mongla Export Processing Zone (EPZ) with an investment of $12.89 million. Around 3,000 people will get employed at the unit, which will manufacture 5 million pieces of woven garments and 2.3 million pieces of knit garments annually.

An agreement regarding this was signed between the Bangladesh Export Processing Zones Authority (BEPZA) and the company in Dhaka recently, according to Bangladeshi media reports.

BEPZA member (investment promotion) Ali Reza Mazid and company managing director Yang Jilai signed the agreement.

The same group owns another readymade garments factory, Garments Manufacture JINLITE Bangladesh, in Mongla EPZ.

Source: fibre2fashion.com– Apr 06, 2022

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NATIONAL NEWS

India-Australia trade to beat deal target, hit $100 bn by 2030: Piyush Goyal

India and Australia will far exceed initial expectations and raise their bilateral trade of goods and services to $100 billion by 2030 from about $27.5 billion in 2021, taking advantage of the trade deal that was signed last week, commerce and industry minister Piyush Goyal said on Wednesday.

The India Australia Economic Cooperation and Trade Agreement (ECTA) initially targeted to help increase bilateral trade to $50 billion in five years. Goyal was speaking at the University of Melbourne; he was accompanied by his Australian counterpart Dan Tehan.

The ECTA promises preferential access to all Indian goods in five years (from 96.4% immediately after the pact comes into effect) and 85% of Australian products (from 70% to start with) to each other's market. Indian yoga instructors, chefs, students and STEM (Science, Technology, Engineering and Mathematics) graduates will have easier access to Australia while premium wine from that country will make greater inroads into Indian supermarkets once the ECTA comes into force.

Calling on Australian businesses to invest with renewed vigour in India, Goyal, who is on a visit to Australia, said the ECTA provides huge opportunities to both the sides to expand their operations. He also highlighted the complementarities that can benefit both the countries.

He said the signing of the trade deal could have been done much earlier, given the decades-old relations between the two countries, but it's "better late than never".

"Together this marriage can truly have far reaching dimensions for both our economies and, if I dare say, for the rest of the world also where we can collectively engage and have an outreach to other parts of the world," he said.

Addressing Australian business, the minister said: "We offer you transparency. We offer you our trust, rule of law. We are two democratic nations, two people who love sports, both are members of the Commonwealth."

Goyal said there is a huge potential in areas like textiles, pharma, hospitality, gems and jewellery, IT, start-ups, and accountancy, which need to be tapped by both the countries.

Highlighting the decision of both the countries to allow preferential access to most goods and services, Goyal said: "Let's see some more Tasmania lobsters in New Delhi possibly, or wine from South Australia coming down into Indian shelves.

We will probably have a lot more Bangaloreans coming down to Melbourne to serve you in your IT space, we'll have a lot more jewellers from Prime Minister's home state of Gujarat.... I hope this partnership will grow and we will all grow along with this partnership."

Source: financialexpress.com– Apr 07, 2022

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India's economy to grow 7.5% in FY23: ADB

Asian Development Bank has also projected that the country's economy will grow by 8% in the next financial year

Asian Development Bank on Wednesday projected a seven per cent collective growth for South Asian economies in 2022 with the sub-region's largest economy India growing by 7.5 per cent in the current fiscal year before picking up to eight per cent the next year.

Releasing its flagship Asian Development Outlook (ADO) 2022, the Manila-based multi-lateral funding agency said the growth in South Asia is projected to slow to seven per cent in 2022, before picking up to 7.4 per cent in 2023.

The sub-region's growth dynamics are largely driven by India and Pakistan. "South Asian economies are expected to expand collectively by seven per cent in 2022 and 7.4 per cent in 2023, with India — the sub-region's largest economy — expected to grow by 7.5 per cent this fiscal year (FY23) and eight per cent next fiscal year (FY24)," the agency's ADO report said.

Pakistan's growth is forecast to moderate to four per cent in 2022 on weaker domestic demand from monetary tightening and fiscal consolidation before picking up to 4.5 per cent in 2023, it said.

ADB said developing Asia's economies are predicted to grow by 5.2 per cent this year and 5.3 per cent in 2023, thanks to a robust recovery in domestic demand and continued expansion in exports.

"However, uncertainties stemming from the Russian invasion of Ukraine, the continuing coronavirus disease (Covid-19) pandemic, and tightening by the United States Federal Reserve pose risks to the outlook," ADB Outlook said.

Developing Asia comprises 46 member countries of ADB by geographic group: the Caucasus and Central Asia, East Asia, South Asia, Southeast Asia and the Pacific.

South Asia comprises Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

"Economies in developing Asia are starting to find their footing as they slowly emerge from the worst of the Covid-19 pandemic," said ADB Chief Economist Albert Park.

However, geopolitical uncertainty and new Covid-19 outbreaks and virus variants could derail this momentum.

"Governments in the region will need to remain vigilant and prepared to take steps to counter these risks. That includes making sure as many people as possible are fully vaccinated against Covid-19. Monetary authorities should also continue to monitor their inflation situation closely and not fall behind the curve," Park said.

Source: thehindubusinessline.com– Apr 06, 2022

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India-Australia trade pact promises significant economic, strategic gains

The best part about India's Economic Cooperation and Trade Agreement (ECTA) with Australia is that it bundles together both strategic and economic benefits. At the outset, the benefits to India will accrue in the form of access to cheaper coal and minerals such as lithium of which Australia has reserves in abundance.

India's semi-conductor and electric vehicles push could do with reliable supplies of rare minerals. According to industry assessments, Australia accounts for over a third of India's coal imports, on which a duty of 2.5 per cent is levied. This is likely to be reduced to zero, opening up sourcing options for cement and steel producers. India's infrastructure building plans could stabilise in the wake of the ECTA.

On the services side, visa durations have been liberalised for professionals and those seeking higher education. As per the deal, Australia will eliminate tariffs on 96.4 per cent of the value of Indian exports by value, while India will waive tariffs on 40 per cent of its tariff lines or 86.4 per cent of Australia's exports by value. Industry observers expect gains in traditional exports such as apparel, leather, jewellery and some agriculture goods.

Bilateral trade in goods and services is expected to double from $24 billion now (goods trade accounting for $15 billion, with exports from Australia at over $11 billion) to about $45 billion in five years. Refined petroleum accounts for nearly a quarter of about $4 billion exports to Australia, with medicines, gems and jewellery being other major items. Coal accounts for 80 per cent of Australia's exports to India, besides gold and aluminium, while education is another major earner.

The negotiators from both sides deserve appreciation for being pragmatic in leaving the difficult issue of dairy exports from Australia for inclusion at a later date and closing the deal, even if it's an abridged one. The issue has been the bugbear in free trade talks between the two countries holding up an agreement for years now.

The signing of the deal also sends out a strong, positive signal on the larger strategic partnership between the two countries, which did come under a shadow following the attempts to exert pressure on India over its position on Ukraine.

India, too, is trying to create a new manufacturing ecosystem, built on a measure of tariff protection and local sourcing. It is to be hoped that FTAs are now being promoted with a view to complement the ₹1.96 lakh crore production linked incentive schemes for 14 sectors, and not to supplant them.

A trade deal with Australia holds out promise because the two economies have complementary strengths and few overlaps. This is unlike countries such as Bangladesh, China or Vietnam. If Australia is a major mineral and agri exporter, India specialises in refined petroleum, jewellery, chemicals and garments.

However, India will have to concede opening up of government procurement, which amounts to over 20 per cent of GDP or $500 billion, as it has done so with respect to UAE. It should do so on its own terms, keeping the interests of the PLI sectors and the MSMEs in mind.

Source: thehindubusinessline.com– Apr 06, 2022

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RBI's monetary policy conundrum

The April 6-8 meeting of the Monetary Policy Committee (MPC) of the Reserve Bank of India, the first to be held in the current fiscal, has evoked much interest among analysts, businesses and households. Since the last MPC meet in February, the domestic and global macroeconomic environment has arguably turned more complex.

Back then, the MPC had kept the policy repo rate unchanged (at 4 per cent) and persisted with its 'accommodative' stance to facilitate economic revival and growth. Given the challenging macroeconomic environment facing the nation, particularly on the inflation front, the position may no longer be tenable.

The faultlines

A look at the key macroeconomic indicators may be instructive.

First, a March'22 UNCTAD report has downgraded the forecast of India's growth from 6.7 per cent to 4.6 per cent in 2022. The report attributes the downward revision to various factors, including the Russia-Ukraine war, which could not only impact access to and prices of imported energy products but may also have adverse effects on India, given the growing trade sanctions imposed on Russia.

Second, weakening global demand and elevated debt levels leading to financial shockwaves, recession, or insolvency (as already evident in many countries worldwide) may mean strong headwinds for India's output growth in general and net exports growth in particular.

In Q3FY22, the current account deficit (CAD) has already sharply widened to 2.7 per cent of GDP. According to CRISIL, CAD shall remain elevated at 2.4 per cent of GDP in FY23 due to high crude oil and commodity prices.

Third, the rising spectre of inflation, driven primarily by rapidly rising food, fertiliser, and energy prices, threatens to play spoilsport in the revival process. While the RBI Governor has consistently downplayed stagflation concerns, an upward revision in the central bank's own projection of CPI inflation (4.5 per cent in FY23) is inevitable.

As per NSO, retail inflation hit an eight-month high of 6.1 per cent in February, breaching the upper bound of RBI's flexible inflation target band of 4-6 per cent. Nomura projects that headline inflation will continue to be high, averaging 6.3 per cent y-o-y in the current fiscal. India's wholesale price inflation at 13.1 per cent in February 2022 could also pose upside risks to CPI as the pass-through occurs in the next 3-4 months.

Fourth, to add to the woes, India's crude oil basket price, hovering around $118 per barrel (on March 24), has persistently risen — by over 87 per cent since March 2021. India's recent plan to source cheaper oil from Russia may be ineffective to bring down oil prices as imports from Russia currently account for a minuscule 2 per cent of India's total crude oil imports.

Various estimates suggest that a $10/barrel increase in crude oil prices will add 24 bps directly and 26 bps indirectly to CPI, and increase CAD by up to 0.4 per cent of the country's GDP. With wages not indexed to prices for a majority of the employed, persistently high inflation levels may subdue consumer sentiments, erode the purchasing power of households, and dent business confidence — collectively depressing aggregate demand.

Fifth, the rupee, which has fallen 3.5 per cent against the dollar in 2022, is likely to face further pressure due to a rising CAD and the Fed's expected tightening trajectory this year. Despite a comfortable level of forex reserves, estimates suggest that the USD/INR pair may still touch the 79 mark over the next three months. The pass-through effect of a sharply depreciating rupee on domestic inflation can make inflation broad-based, thus accentuating the headache for RBI.

The above factors clearly suggest that the currently precarious growth-inflation trade-off poses a difficult policy conundrum for India's central bank. Nevertheless, despite the concerns of sluggish growth, RBI needs to turn hawkish, albeit in a calibrated manner. Why so?

Growth worries

First, mounting inflationary pressures will surely hurt medium-term real income and growth prospects if not attended to at the earliest. The latest available data suggests that the y-o-y nominal growth of rural wages has flattened to 5.2 per cent for agricultural workers and 4.2 per cent for non-agricultural workers in January 2022. Adjusted for rural retail inflation of over 6 per cent, real wage growth for both groups has already turned negative, with attendant consequences on rural and aggregate demand.

Second, the Federal Reserve has already hiked the US interest rate by 25 basis points in March, and has indicated a series of hikes in the coming quarters. Actions of the central banks in Europe and other emerging market economies suggest a similar tightening cycle. The RBI can ill-afford to play the catch-up game on rate hikes aggressively later, as the economy's bandwidth to absorb sharp and sudden shocks is extremely limited under the current fundamentals.

Third, while fiscal and supply-side measures may be more potent to tackle a supply-shock induced inflation, the prolonged nature of the shock may lead to spiralling out of inflationary expectations. With the headline inflation above the upper tolerance band, it is imperative for the central bank to signal and implement steps to prevent the de-anchoring of expectations.

A monetary policy misstep at this stage will again land on the central bank's door sooner than later in a more complex form. Further, sticking with the status-quoist approach may seriously dent RBI's credibility, particularly if it fails to uphold its stated inflation targeting policy.

It is time for the RBI to recall its primary mandate (that of maintaining price stability) and turn a bit hawkish at this juncture!

Source: thehindubusinessline.com– Apr 06, 2022

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RBI's Monetary Policy Committee starts discussions on next bi-monthly policy

The Reserve Bank of India's rate-setting panel on Wednesday started discussions to firm up the next bi-monthly monetary policy amid expectations that it might retain status quo on interest rate but change its monetary policy stance amid rising inflation on account of geopolitical developments.

The Monetary Policy Committee (MPC), headed by RBI Governor Shaktikanta Das, is holding its first meeting in the current financial year. The meeting will be on from April 6 to 8 and the outcome will be announced on April 8.

In the last 10 meetings, the MPC left interest rate unchanged and also maintained an accommodative monetary policy stance.

The repo rate or the short-term lending rate was last cut on May 22, 2020. Since then, the rate remains at a historic low of 4 per cent.

In a report this week, State Bank of India (SBI) said the central bank may increase its inflation projections for fiscal 2022-23 considerably and also lower growth projections.

It expects the RBI to continue with a pause on short-term lending rate (repo).

“Prolonged growth supportive stance may have created a signal extraction and coordination problem with administered rates being cut even as inflation has continued to tread up,” SBI said in the report.

According to the report, real rates have been negative for a persistent period and “the RBI may like to create a discordant note by emphasising inflation as a threat but at the same time emphasising it is fully seized of it!” Industry body PHD Chamber's President Pradeep Multani on Wednesday said the economy is still in the recovery process from the daunting impact caused by the coronavirus pandemic and that an accommodative policy stance at this juncture would be inevitable to strengthen the economic fundamentals.

"The recent geopolitical developments though stoke inflation, status quo of the policy rates will help the economy to cope up the impact of external shocks," he said.

The ongoing Russia-Ukraine conflict and surging oil prices are pushing the cost of commodities higher, resulting in rising inflationary trends.

The government has mandated the central bank to keep the inflation at 4 per cent, with an upper and lower tolerance level of 2 per cent.

After the February MPC meeting, the RBI had decided to hold its key lending rates steady at record low levels for the 10th straight meeting to support a durable recovery of the economy.

Source: financialexpress.com– Apr 06, 2022

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FTAs

So far, India has signed 13 Free Trade Agreements (FTAs) with its trading partners, including the 3 agreements, namely India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA), India-UAE Comprehensive Partnership Agreement (CEPA) and India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA) signed during the last five years. The list of FTAs signed by India is as under:

SN	Name of the Agreement
1	India-Sri Lanka Free Trade Agreement (FTA)
2	Agreement on South Asian Free Trade Area (SAFTA) (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives and Afghanistan)
3	India-Nepal Treaty of Trade
4	India-Bhutan Agreement on Trade, Commerce and Transit
5	India-Thailand FTA - Early Harvest Scheme (EHS)
6	India-Singapore Comprehensive Economic Cooperation Agreement (CECA)
7	India-ASEAN CECA - Trade in Goods, Services and Investment Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)
8	India-South Korea Comprehensive Economic Partnership Agreement (CEPA)
9	India-Japan CEPA
10	India-Malaysia CECA
11	India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)
12	India-UAE CEPA (*)
13	India-Australia Economic Cooperation and Trade Agreement (ECTA) (*)

(*) Signed, but yet to be implemented.

In addition, India has signed the following 6 limited coverage Preferential Trade Agreements (PTAs):

S.No.	Name of the Agreement
1	Asia Pacific Trade Agreement (APTA)
2	Global System of Trade Preferences (GSTP)
3	SAARC Preferential Trading Agreement (SAPTA)
4	India-Afghanistan PTA
5	India-MERCOSUR PTA
6	India-Chile PTA

The economic impact assessment of FTAs undertaken both in terms of data analysis and stakeholder consultations from time to time, has revealed that there has been growth in both exports and imports with FTA partners.

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

Source: pib.gov.in– Apr 06, 2022

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Trade Discussions

Department of Commerce has bilateral institutional mechanism with several countries including its neighboring countries, except with Pakistan, under which discussions on trade, investment and economic issues are held at mutual convenience.

Various such bilateral meetings have been held in last four years, in which the trade, investment and economic issues of mutual interest such as strengthening of border trade infrastructure, technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures, cooperation in customs, facilitation of trade through railways, land and sea ports, harmonization of standards, etc have been discussed from time to time. Resolution of these issues and implementation of various projects and programs of mutual interests has yielded positive outcomes which is reflected in India's increasing total trade with these countries i.e from USD 112.15 billion in the year 2017-18 to USD 135.77 billion in April 2021- Feb 2022(Provisional).

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

Source: pib.gov.in– Apr 06, 2022

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Sri Lanka crisis sends global demand for Indian textiles and teas soaring

The textile hub of Tirupur in Tamil Nadu and tea estates of southern India and Assam are witnessing a surge in overseas orders as the export demand has diverted to India from Sri Lanka owing to the economic and political crisis in the island nation. Garments and tea are the major exports from Sri Lanka. "It has crippled the manufacturing sector in Sri Lanka, especially apparels," said Raja M Shanmugam, president, Tirupur Exporters' Association. "The Sri Lankan apparel industry even imports buttons. Due to the ongoing crisis, global brands have started diverting some of the orders from Sri Lanka to India's Tirupur textile hub. These orders are being placed for the upcoming fall season."

Global brands such as Zara, Mango and H&M place orders with Asian countries, including India, Sri Lanka, Bangladesh, Cambodia and Vietnam. "Bangladesh, Vietnam and Cambodia have huge orders in their hands. The only option left in this scenario is India. However, high cotton and yarn prices are a major concern for the Indian textile trade," said Shanmugam.

Sri Lanka exports $5.42 billion worth of garments to the global markets annually. While export orders for apparel are being diverted to India, the tea industry in the country, too, has started getting export enquiries from the markets where Sri Lanka used to sell teas. "Almost all tea processing units in Sri Lanka are witnessing power cuts for almost 12-13 hours a day and have not enough fuel to run their generators. This is leading to production disruption and thereby impacting the quality of black tea leaves," said Dipak Shah, chairman, South India Tea Exporters Association, who was in Colombo a few days ago.

Sri Lanka produces orthodox teas that are exported to countries such as Iraq, Iran, the UAE, Libya, Russia and Turkey. India, too, produces orthodox tea, which mostly goes to Iran and Russia. "Some of the orders from the orthodox tea-consuming nations are being diverted to India," said Shah. He said even packet tea players in Sri Lanka are facing problems as they cannot import packaging materials due to the economic crisis.

Source: economictimes.com– Apr 06, 2022

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Will India trade the East for the West?

After pursuing an active regional trade agreement (RTA) policy since 2005, India changed course in November 2019. Having participated in Regional Comprehensive Economic Partnership (RCEP) negotiations since 2013, with the goal of elevating its regional economic integration, India decided not to sign the agreement.

This came after India had joined a number of trade agreements spanning East and Southeast Asia, particularly since 2010–11, for trade and investment promotion. RCEP seemed to align with India's long-term engagement strategy, and its desire to integrate the regional economy with regional value chains. But the decision to withdraw from RCEP negotiations cited potential conflicts with economic interests and national priorities.

India's decision was largely influenced by its trade balances. From 2011 to 2015, India's average trade deficit with RCEP members stood at US$38.75 billion. This increased to US$44.03 billion during 2016–19. Over the same period, India's trade deficit with ASEAN increased from US$4.55 billion to US$5.12 billion. The most crucial driver of the RCEP decision was the widening trade deficit with China, which had increased from US$22.95 billion to US$25.13 billion.

Among other factors, India's modest participation in several manufacturing value chains with RCEP partners, particularly the developed ones, remained a major area of concern. Given the political and economic importance of primary sectors, concerns over a rise in imports from developed countries — such as Australian and New Zealand dairy imports — forced the hand of policymakers.

Growing dependence on Chinese imports, even without an RTA, was also viewed with caution. India's perception that RCEP participation is a threat to their economic interests originates both from existing RTA partners, such as ASEAN, and non-partners like China. Growing imports conflict with the 'Make in India' policy launched in 2014, a key objective of which is to revive the domestic manufacturing sector.

The repeated anti-dumping investigations launched by India against China also raised concerns about unfair trade practices from China. And since the Galwan Valley crisis, mistrust between the two countries has grown, with significant ramifications for economic cooperation. Since 2020 India has

banned many Chinese apps and explored possible options to reduce import dependence. Despite these moves, India's bilateral trade deficit with China increased to US$46.55 billion during the first nine months of 2021 compared to US$29.86 billion in the same period of 2020.

But while India rejected RCEP as a bloc, it can continue embracing individual RCEP members — such as ASEAN, Japan and South Korea — and other partners through existing bilateral relationships. It can also move towards incremental expansion of RTA relationships.

The announcement of India's decision to pull out of RCEP also noted the possibility of entering into RTAs with the European Union and United States. Since 2019, India has tried to revitalise negotiations with the European Union and a free trade agreement with the United Kingdom is under discussion. While the need to initiate RTA negotiations with the United States has been discussed, it is yet to be launched.

The Indo-centric RTAs in the post RCEP pull-out period is indicative. India concluded the India–Mauritius Comprehensive Economic Cooperation and Partnership Agreement in April 2021. Negotiations for the India–United Arab Emirates bilateral trade agreement have also concluded with a comprehensive trade treaty signed in February 2022, with expected benefits for mid-tech manufacturing sectors like garments and jewellery. An interim trade agreement with Australia is expected to be concluded by the end of 2022, which will set the stage for a comprehensive trade agreement. Negotiations with Australia have been prioritised given its importance for India's energy security. Meanwhile India's growing engagement with the Quad (Australia, Japan and the United States) can be viewed as an attempt to improve its supply chain resilience.

Still, India has adopted a cautious approach in its RTA journey with the West, with its 'Look West' strategy largely guided by strategic considerations. Compared to the European Union, United Kingdom or United States, India enjoys a crucial labour cost advantage. While India is anticipating a rise in service exports on one hand and growing inward investment on the other, the imposition of stringent product and process standards may take away some of these cost advantages. The European Union has already initiated a process to strengthen its environmental and labour related policies, with profound business implications for Indian players.

These non-trade concerns can be part of India's agreements with the European Union and United Kingdom. Recently, the United States has been more amenable to the idea of a trade agreement with India, but the two countries must first settle their bilateral tariff and other trade-related issues amicably.

In the post-COVID world, employment and income security are the most crucial policy concerns for India. This explains the threat perceptions from adverse trade balance experience in the East and why the Indian trade agreement strategy since withdrawing from RCEP has intently tried to identify partners with minimal possible disruptions to India's domestic markets.

Preserving the domestic manufacturing sector is a crucial component of India's 'Vocal for Local' policy objective, under the 'Atmanirbhar Bharat Abhiyan' scheme — meaning Self-Reliant India — launched in 2020. Realisation of the manufacturing sector's resilience is also crucial for India's recent development vision, Amritkaal, which is expected to facilitate inclusive growth over the next 25 years. Cold strategic considerations will dominate India's trade agreement enthusiasm for some time.

Source: eastasiaforum.org– Apr 06, 2022

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Promotion Of Startups

Startups and the entire innovation ecosystem are the engines of growth for any country. Recognizing this aspect, Government launched Startup India initiative on 16th January 2016 with an aim to build a stronger ecosystem for nurturing India's startup culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities.

Sustained Government efforts in this direction have resulted in increasing the number of recognized Startups from 726 in FY 2016-17 to 66,810 in FY 2021-22 (as on 28th March 2022).

There is at least one recognized startup from every State and UT and nearly 50% of the recognized startups are from Tier-II and III cities. Recognized startups are spread across over 640 districts and have reported creation of more than 7 lakh jobs.

Furthermore, DPIIT has recognized startups which are spread across 56 diversified sectors. More than 4,500 Startups have been recognized in sectors relating to emerging technologies such as Internet of Things (IoT), robotics, artificial intelligence, analytics, etc. Sector-wise number of startups recognized, is as follows:

Sector wise number of recognized Startups as on 28th March 2022

Sector	Number of Recognized Startups
Advertising	529
Aeronautics Aerospace & Defence	585
Agriculture	3074
AI	1323
Airport Operations	6
Analytics	537
Animation	67
AR VR (Augmented + Virtual Reality)	368
Architecture Interior Design	369
Art & Photography	217
Automotive	1260
Biotechnology	139
Chemicals	519
Computer Vision	200
Construction	2337

Dating Matrimonial	54
Design	510
Education	4457
Enterprise Software	1329
Events	278
Fashion	801
Finance Technology	2094
Food & Beverages	3055
Green Technology	1582
Healthcare & Lifesciences	6191
House-Hold Services	451
Human Resources	1268
Indic Language Startups	166
Internet of Things	1229
IT Services	8374
Logistics	211
Marketing	1390
Media & Entertainment	1069
Nanotechnology	114
Non- Renewable Energy	1324
Not Specified	1297
Other Specialty Retailers	468
Others	1373
Passenger Experience	5
Pets & Animals	164
Professional & Commercial Services	3331
Real Estate	533
Renewable Energy	1775
Retail	1611
Robotics	390
Safety	209
Security Solutions	696
Social Impact	446
Social Network	536
Sports	326
Technology Hardware	2070
Telecommunication & Networking	649
Textiles & Apparel	875
Toys and Games	103
Transportation & Storage	1127

Travel & Tourism	1051
Waste Management	298
Grand Total	**66810**

The Government has also operationalized 26 Centres of Excellence (CoEs) in diverse areas of national interest for driving self- sufficiency and creating capabilities to capture new and emerging technology areas.

These domain specific CoEs are being established pan India with the participation of the Central Government, Software Technology Parks of India (STPI), State Government(s), industry partnership and venture capital firms. These CoEs act as important enablers to promote innovation in emerging technologies.

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

Source: pib.gov.in– Apr 06, 2022

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Make In India

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

'Make in India' initiative has significant achievements and presently focuses on 27 sectors under Make in India 2.0. Department for Promotion of Industry and Internal Trade (DPIIT) coordinates action plans for 15 manufacturing sectors, while Department of Commerce coordinates 12 service sector plans.

Investment outreach activities are done through Ministries, State Governments and Indian Missions abroad for enhancing International co-operation and promoting both domestic and foreign investment in the country.

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

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

Keeping in view India's vision of becoming 'Atmanirbhar' and to enhance India's Manufacturing capabilities and Exports, an outlay of INR 1.97 lakh crore (over US$ 26 billion) has been announced in Union Budget 2021-22

for PLI schemes for 14 key sectors of manufacturing, starting from fiscal year (FY) 2021-22. With the announcement of PLI Schemes, significant creation of production, employment, economic growth and exports is expected over the next five years and more.

The reforms taken by Government have resulted in increased Foreign Direct Investment (FDI) inflows in the country. FDI policy provisions have been progressively liberalized and simplified across various sectors in the recent past to make India an attractive investment destination. FDI inflows in India stood at US $ 45.15 billion in 2014-2015 and have continuously increased since then. India registered its highest ever annual FDI inflow of US$ 81.97 billion (provisional figures) in the financial year 2020-21. These trends in India's FDI are an endorsement of its status as a preferred investment destination amongst global investors.

In the last seven financial years (2014-21), India has received FDI inflow worth US$ 440.27 billion which is nearly 58 percent of the FDI reported in the last 21 years (US$ 763.83 billion).

As per Economic Survey 2021-22, inspite of Covid related disruptions there is trend of positive overall growth of Gross Value Addition (GVA) in manufacturing sector. The total employment in this sector has increased from 57 million in the year 2017-18 to 62.4 million in the year 2019-20.

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

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

Source: pib.gov.in– Apr 06, 2022

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Powerloom sector contributes nearly 58.4% to total cloth production and more than 60% of fabric meant for export in the country

In order to revive, develop and renovate powerloom sector, Government had been implementing PowerTex scheme during 01.04.2017 to 31.03.2021 for powerloom sector. Further, Government has approved Textile Cluster Development Scheme which inter-alia has the components pertaining to Group Work shed Scheme, PM Credit Scheme for powerloom weavers and in-situ upgradation for powerloom.

The powerloom sector contributes nearly 58.4 % to total cloth production in the country. More than 60% of fabric meant for export is also sourced from powerloom sector. The readymade garments and home textile sectors are heavily dependent on the powerloom sector to meet their fabric requirement.

As per the information available, the details of various units/mills in the country State and UT-Wise are at Annexure-I. The estimated production of various yarns and fabrics year-wise is at Annexure-II.

- The Government has taken following major initiatives/ measures in textile sector to boost exports on pan-India basis and to make textile sector globally competitive:

- PM Mega Integrated Textiles Region and Apparel Parks (PM MITRA):The Government has approved setting up of Seven PM MITRA Parks in Greenfield/Brownfield sites with an outlay of Rs. 4,445 crore for a period of seven years upto 2027-28. The Scheme would lead to creation of a modern, integrated large scale, world class industrial infrastructure including plug and play facilities. These parks will enable the textile industry to become globally competitive, attract large investment and boost employment generation.

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

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

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

- Government under Market Access Initiative (MAI) scheme provides financial support to various Export Promotion Councils (EPCs) and Trade Bodies engaged in promotion of textiles and garments exports, for organizing and participating in trade fairs, exhibitions, buyer-seller meets etc. in foreign markets.

Click here for more details

Source: pib.gov.in– Apr 06, 2022

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8 mega handloom clusters given financial assistance for different projects in the country

Ministry of Textiles has been providing need based financial assistance across the country since, 2015-16 to 2021-22 to 508 handloom clusters, based on the proposals received from State/UT Governments. State/UT-wise number of handloom clusters provided financial assistance in the country is Annexed.

8 mega handloom clusters have been provided financial assistance for different projects in the country, namely Varanasi (Uttar Pradesh), Sivasagar (Assam), Virudhunagar (Tamil Nadu), Murshidabad (West Bengal), Prakasam& Guntur districts (Andhra Pradesh), Godda & neighbouring districts (Jharkhand) Bhagalpur (Bihar) and Trichy (Tamil Nadu). Besides, one mega handloom cluster at Imphal (East) in Manipur State has been approved in current year 2021-22.

Annexure

State-wise number of handloom clusters provided financial assistance during 2015-16 to 2021-22 (till February 2022)		
S. No.	States	No. of handloom clusters provided financial assistance
1	Andhra Pradesh	66
2	Arunachal Pradesh	11
3	Assam	59
4	Bihar	17
5	Chhattisgarh	12
6	Gujarat	5
7	Himachal Pradesh	10
8	Jammu & Kashmir	15
9	Jharkhand	30
10	Karnataka	9
11	Kerala	11
12	Ladakh	1
13	Madhya Pradesh	9
14	Maharashtra	6
15	Manipur	20
16	Meghalaya	3
17	Mizoram	15
18	Nagaland	13
19	Odisha	30

20	Rajasthan	2
21	Sikkim	1
22	Tamil Nadu	58
23	Telangana	15
24	Tripura	9
25	Uttar Pradesh	52
26	Uttarakhand	3
27	West Bengal	26
	Total	**508**

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

Source: pib.gov.in– Apr 06, 2022

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