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INTERNATIONAL NEWS

Ukraine crisis: WTO slashes world trade growth forecast to 3%

The Russia-Ukraine conflict could substantially weigh down global trade growth to 3% in 2022 from 4.7% projected in October 2021, the World Trade Organization (WTO) said late on Tuesday. Trade growth could rise to 3.4% in 2023 but will still remain way below the 9.8% recorded in 2021, it added. Any such slowdown could also weigh on demand for Indian merchandise at a time when New Delhi is planning to scale up its goods exports from a record $418 billion in FY22.

Similarly, the Ukraine war will likely weigh down global economic growth by 0.7-1.3 percentage points from the earlier forecasts, bringing growth to somewhere between 3.1% and 3.7% in 2022, the global body said. The projections are based on a global economic simulation model and are part of a report, titled The Crisis in Ukraine: Implications of the War for Global Trade and Development.

In the longer term, the WTO said the conflict could even trigger a disintegration of the global economy into separate blocs. India's real GDP, in such a scenario, would falter by 9% (deviation from a baseline projection), China's by 7% and Russia's by as much as 10%, it added.

"In case of a longer-term disintegration of the global economy into two economic blocs ('decoupling'), global GDP would suffer by about 5% in the long run, with larger losses being incurred by emerging economies," the WTO said.

Sanctions on Russia, meanwhile, could cause major economies to move towards "decoupling" based on geopolitical considerations, with the aim of achieving greater self-sufficiency in trade and production, the report said. Even if no formal blocs emerge, private players may decide to minimise risk by reorientating supply chains. Of course, the WTO said the simulations "should not be interpreted as forecasts but rather as an attempt to understand the impact the crisis in Ukraine has through different mechanisms".

Although the share of Russia and Ukraine in total global trade and output are relatively small, these countries are important suppliers of essential products, especially food and energy items.

Both the countries made up 2.5% of world merchandise trade and 1.9% of world GDP in 2021. Yet, they supplied around a quarter of wheat, 15% of barley and 45% of sunflower products exports in 2019, according to the report. The WTO said that some regions like Europe, given its dependence on Russia for energy supply, would be more strongly affected by the war than others.

Source: financialexpress.com– Apr 13, 2022

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China's climate goals: Beijing aims to recycle 25 per cent of all textile waste, increase recycled fibre output by 2025

China aims to recycle 25 per cent of all its textile waste and churn out 2 million tonnes of recycled fibre by 2025 as part of its push to peak its carbon emissions by 2030 and become carbon-neutral by 2060.

It hopes to greatly increase its recycling capability and have a waste textile recycling system "initially established" by 2025, according to a document jointly released by the National Development and Reform Commission (NDRC), the ministry of industry and information technology and the ministry of Commerce on Monday.

According to the document "Implementation Opinions on Accelerating the Recycling of Waste Textiles", the government hopes to have in place by 2030 a relatively complete system achieving a recycling rate of 30 per cent for waste textiles and producing 3 million tonnes of recycled fibre.

"With the continuous improvement in people's living standards, more and more used clothing [is being put to waste], and the problem of recycling textile waste has become increasingly prominent," Zhao Kai, vice-chairman of the China Association of Circular Economy, said in a statement on the NDRC's website.

In 2020, China produced around 22 million tonnes of textile waste, and had a recycling rate of around 20 per cent, according to the NDRC. Around 1.5 million tonnes of recycled fibre was produced from textile waste that year.

Monday's document will help to promote the development of a resource and waste material recycling industry and holds "great significance" in helping China achieve its goals of carbon peaking and carbon neutrality, Zhao said. Measures outlined in the document include promoting green and low-carbon production in the textile industry; improving China's recycling network; and promoting the comprehensive use of textile waste. Awareness among producers and consumers of the importance of recycling was also expected to be significantly raised by 2030, according to the document.

Beijing's guidelines show that it did not simply want to recycle old garments, but also plans to focus on raising public awareness and acceptance of upcycled fibres, said Ronna Chao, chairwoman of Novetex Textiles and creator of the Billie System, which turns textile waste into usable yarn.

“Recycling garments into low-quality scraps in huge quantities is not what the world is looking for today. Promoting and supporting the production and consumption of upcycled products that also satisfy our needs in terms of style, functionality, comfort and pricing will contribute significantly to a circular economy,” Chao said.

The textile supply chain was the source of multifaceted environmental degradation, and recycling was key to improving the sustainability of textile production. About 2,700 litres of water are required to produce a single cotton T-shirt, enough to sustain one person for 900 days, according to calculations made by the World Wide Fund for Nature.

Every tonne of recycled cotton yarn saves half a hectare (1.2 acres) of agricultural land, cuts 6.6 tonnes of carbon dioxide emissions and conserves 2,783 cubic metres of irrigation water, according to a paper by researchers at the Hefei University of Technology, published in 2020 in the International Journal of Life Cycle Assessment.

Source: scmp.com– Apr 13, 2022

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China's garment industry posts revenue growth in Jan-Feb

China's garment industry witnessed a revenue growth in the first two months of this year, according to official data. In January-February, the country's 13,042 major apparel companies raked in a total of 203.7 billion yuan ($32 billion), up by 12.2 per cent year on year, according to statistics from the ministry of industry and information technology.

The total profits of these companies rose by 5 per cent year on year to 8.8 billion yuan, with the combined output expanding by 1.4 per cent year on year to 4.14 billion pieces.

In the January-February period, the country's exports of garments and accessories increased by 6.1 per cent to $25.5 billion, a state-controlled news agency reported.

Source: fibre2fashion.com– Apr 12, 2022

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Ukraine-Russia war leads a sharp freight rate rise impacting textiles and apparels

UNCTAD's analysis suggested that the cut in commodity supplies from the Russia and Ukraine pointed to a massive drop in supply.

The soaring fuel prices and longer rerouting efforts will add worry to the already stressed container freight carrying capacity. This much is obvious from the current supply chain crisis and a likely shift from land to maritime transport (between Asia and Europe).

This swelling of crude oil and food prices will severely impact the textile and apparel industry – as it will lead to an increase in raw material and labor cost in the industry besides increased freight charges.

While limiting measures on airspace, contractor uncertainty and security concerns are muddying all trade routes going through Russia and Ukraine. As the two countries are a crucial geographic element of the Eurasian Land-Bridge.

While Russian airspace is shut to 36 countries and vice versa, some freight forwarders presently mention not booking overland shipments between Asia and Europe. The war will have an undesirable impact on global air freight capacity and raise air cargo prices as carriers are enforced to take longer routes and spend more on fuel.

At the same time, the already costly and overstrained maritime trade will find it tough to substitute these suddenly unrealistic land and air routes.

The major effect on sea freight from the war possibly has come from interruptions to flows to and from Russia. As some main shipping companies have stopped taking orders to and from Russia, which can upset total international trade to a certain extent.

Meaning the new increase poses a further test to the global economy as it fights to mend from the vilest global crisis since the Great Depression.

Nevertheless, so far, international container freight charges seem to have not increased, but rather sustained their most recent somewhat downward trend from earlier record highs.

The UNCTAD rapid assessment showed that the supply chain interruption has already been felt across smaller tankers, which are key for the Black Sea and Baltic Sea regional oil trade. For instance, two leading tanker companies' earnings increased from about $10,000 per day on 18 February 2022, to over $170,000 per day on 25 February 2022. The primary freight costs enlarged by about 400 percent. And by mid-March 2022, tanker charges in the region remained stable, with some spillover into some but not all tanker sections.

These surges in freight rates can have substantial impacts on the economy. UNCTAD simulated that the container freight rate increase during the pandemic increased global consumer prices by 1.5 percent – with particularly oversized effects in vulnerable economies, such as small island developing States, landlocked developing countries and least developed countries (Figure 2).

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Rate hikes alongside financial disorder would be a double blow for developing economies, of 'taper-tantrum like' effects through interest rate rises and greater volatility in commodity futures and bond markets, leading to increased risk premiums on top of exchange rate pressures.

Click here for more details

Source: textiletoday.com.bd– Apr 12, 2022

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Economic Crisis Threatens Sri Lanka's Apparel Exports

Sri Lanka's garment exporters are urging lawmakers to rally to resolve the ongoing financial crisis—the worst the South Asian country has seen in decades—as power blackouts, sky-rocketing prices and severe shortages of everything from fuel to medicine continue to rain down misery on millions of people.

"Today we survived somehow, but I don't know about tomorrow," Ranjith Koralage, owner of Kolonna Manufacturing, which makes knitted garments for Levi Strauss and Victoria's Secret, told BBC News of his struggles to find enough diesel to operate his company's machines and steam rollers on Friday. "If [the] government doesn't provide fuel we have to stop production; that affects customers' deliveries. Our clients are already asking us daily if we will be able to complete the orders in time or not."

The Joint Apparel Association Forum (JAAF), the apex body of Sri Lanka's apparel industry, said Thursday that the government's inability to find a "constructive solution" to the crisis could enact a heavy long-term cost by jeopardizing the country's access to global markets.

"The current crisis has been brewing for several months, and the government's procrastination has created considerable hardship for ordinary people," a JAAF spokesperson said in a statement. "Power and fuel outages have already led to the shutdown of many small establishments and escalated the cost of production for others."

Garments are the island nation's single-largest foreign income earner, contributing 6 percent to the country's overall gross domestic product while providing 350,000 people with direct employment. The sector was just seeing a pandemic bounce-back, with export earnings jumping by 23 percent year over year to $487.6 million in January.

"Before the situation gets worse, we require immediate, decisive action to implement workable short and medium-term solutions to critical challenges," the spokesperson added. "Given the magnitude of the crisis, all stakeholders in the country's welfare and the people's well-being should work together in the larger interest of the people and the nation."

The JAAF is calling for negotiations with the International Monetary Fund to seek bridging financing for essential imports to address the massive protests raging across Sri Lanka. The organization said it also supports the immediate appointment of financial and legal advisors to begin discussions with the nation's creditors, allowing debt servicing obligations to be paused and "relieving the pressure on the system." The World Bank, too, could offer additional assistance by reallocating unused funds from existing projects towards emergency relief programs, providing an "immediate safety net" to those hit worst by the national emergency, it added.

The crisis is hurting Sri Lanka's international reputation as a reliable sourcing destination and exporter, the JAAF said, and buyers of the country's merchandise exports, investors and business partners are starting to fret as extended power cuts have disrupted production planning and manufacturing. The central bank's demand that exporters repatriate foreign exchange earnings within 180 days of transactions—a move designed to boost Sri Lanka's flagging foreign exchange reserves—is also complicating raw material imports, it said.

"It will be a steep, uphill battle to retain buyer relationships, which have been built with great effort over decades," the JAAF spokesperson said. "We simply cannot afford to lose even a single one of these relationships. The negative impact on the industry and the economy and the export sector will be almost catastrophic, lead to loss of livelihoods and employment, limit the country's ability to fund essential imports and badly damage its access to long-term external finances."

Sri Lankan Prime Minister Mahinda Rajapaksa on Monday appealed for an end to the public eruption of anger demanding his resignation, saying his government has a plan to extricate the country from its predicament. He blamed the crisis on Covid-19 restrictions and the loss of tourism income.

"We are embarking on an enormous program to overcome the crisis we face today. Every second spent by the president and this government is used up exhausting avenues to rebuild our country," he said. "Friends, every second you protest on the streets, our country loses opportunities to receive potential dollars."

While the political parties that recently exited the nation's ruling coalition have proposed forming an interim government with a new prime minister, Rajapaksa has refused to step down. Last week, Sri Lanka's largest opposition party rejected an invitation by President Gotabaya Rajapaksa, the prime minister's brother, to form a unity government. Shortly after, all 26 cabinet ministers handed in their resignations, reshuffling the deck but leaving many key positions unfilled.

"We invited all political parties represented in parliament to join us and uplift the country. But they did not join us," Prime Minister Rajapaksa said. "As the party in power, we took up that responsibility."

The president of the Tiruppur Exporters Association in India said that Sri Lanka's woes might benefit it in "a small way" if Sri Lankan manufacturers with Indian facilities start moving orders there but that any potential gains are offset by the present cotton price surge.

"There may not be a major inflow of orders for units in Tiruppur owing to high cotton and yarn prices," Raja A. Shanmugham told the Indo-Asian News Service. "The international brands may shift their sourcing to countries like Bangladesh and Vietnam."

Yohan Lawrence, secretary-general of the JAAF, said he was hopeful that Sri Lanka will be able to emerge from the morass, but only if those in power seize the rapidly shrinking window of opportunity.

"Our urgent call is to all stakeholders that they put aside their political differences and work together in the interests of the country to form a new cabinet and give utmost priority to stabilizing the economy," he told Sourcing Journal. "Sri Lanka has a history of resilience and of coming together as a nation to recover in the face of immense challenges. We believe this resilience will work now to ensure that there is a firm action taken to put the country back on track."

Source: sourcingjournal.com– Apr 12, 2022

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Morocco requires certificate of conformity for clothing fabrics

Morocco's ministry of industry and trade established a verification of conformity programme in 2020 to certify that industrial products imported comply with regulations for quality and safety. Now, new measures have been announced with a revised list, subject to control abroad. It includes addition of clothing fabrics to the list, subject to control at origin.

Depending on the products, verification shall take place either at the country of export, before shipment or at their destination, on arrival of the cargo. The list of products requiring a certificate of conformity (CoC) for importation to Morocco has been revised. The regulation is already in force but importers of clothing fabrics can still bring goods into the country without a CoC until May 7 (date of arrival of the goods in Morocco), 2022, but the requirements must be fully met afterwards, SGS said in a press release.

Clothing fabrics must comply with the technical regulation standards (NM 09.0.000:2018) of Morocco and obtain a CoC before entering the Moroccan market. The certificate must be presented upon the goods' arrival and is required before the goods can clear customs.

Regarding industrial products controlled in Morocco, the conformity assessment of products found to be non-compliant following the first control by sampling may be subject to a second analysis at the request of the importer.

The ministry specifies that this measure will be granted on the condition that it consists of two samples taken from which the test results must be compliant. Moreover, if at least one of the two results proves to be non-compliant, the goods will not be authorized to access the market.

Source: fibre2fashion.com– Apr 12, 2022

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UK GDP grows by 0.1% in Feb after 0.8% growth in Jan

Monthly real gross domestic product (GDP) of the UK is estimated to have grown by 0.1 per cent in February 2022, following 0.8 per cent growth in January, and is now 1.5 per cent above its pre-coronavirus level (February 2020).

The main contributor to the recovery from February 2020 to February 2022 was human health and social work activities followed by professional, scientific and technical activities and information and communication.

GDP grew by 1 per cent in the three months to February 2022, the Office for National Statistics said in a press release.

Output in consumer-facing services, that includes retail trade, grew by 0.7 per cent in February 2022, following 2 per cent growth in January (revised up from 1.7 per cent). Consumer-facing services are now 5.2 per cent below their pre-coronavirus levels, while all other services are 4 per cent above.

Services grew by 0.2 per cent and was the main contributor to February's growth in GDP; this was partially offset by production, which fell by 0.6 per cent.

Source: fibre2fashion.com– Apr 12, 2022

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Bangladesh Denim Expo planned in Dhaka from May 10-11, 2022

After a two-year break, Bangladesh Denim Expo will once again open its doors in the international Convention City, Bashundhara (ICCB) in Dhaka on May 10-11, 2022. The event will focus on the theme 'Beyond Business.'

Bangladesh Denim Expo addresses the new opportunities for successful and sustainable business, in a world that now demands that industry leaders to go "Beyond Business."

Around 79 Exhibitors are expected to attend the event, consisting of both local and international participants. They will display fabrics, garments, threads, machinery, finishing equipment and accessories, positioning the show as a true representation of Bangladesh's denim industry.

Through a series of product displays, seminar sessions and panel discussions, the Expo will encourage robust debate and interaction among exhibitors and visitors.

Industry experts will gather to discuss how the denim industry can improve, not only from a business perspective, but also considering social and environmental impacts and goals.

Mostafiz Uddin, Show Organizer, says, the show will act as a lightening rod on current industry ssues, bringing together some of the most progressive, forward thinking denim manufacturers in the world to showcase new thinking and the latest technical innovations which are driving our industry forward.

Source: fashionatingworld.com– Apr 12, 2022

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Bangladesh's apparel exports to Russia sustain on alternate shipment and payment routes

Despite the Russia-Ukraine war and a ban on some banks on the use of global payments messaging network SWIFT, apparel shipment from Bangladesh to Russia has largely remained unscathed because of the use of alternative routes and payment channels, exporters say.

Garrment exports from Bangladesh has not faced any major disruption since shipments are being made via alternative routes such as China and Hong Kong and the suppliers are receiving payments from China in the renminbi, the Chinese currency.

Russian importers are also placing a higher number of orders with Bangladesh to fill up the vacuum created after some large American and European retailers and brands pulled out of the market. Russian buyers are making advance payments to Bangladeshi garment exporters as well as the demand for apparel items has increased in the market.

Only seven Russian banks have been brought under the purview of the SWIFT ban and the country's buyers are making payments to Bangladeshi sellers through other lenders. Besides, most of the liaison offices of major retailers and brands in Russia are making payments from their offices in Hong Kong, China, and Turkey.

Shahidul Islam, Managing Director, Rupa Group, has received a payment of $30,000 recently and is waiting to get another $1.5 lakh from a Russian buyer by April 15.

Nearly 150 suppliers export garment items to Russia. Apparel shipment fetched $600 million last fiscal year, up 36 per cent. The export value may go up to $1 billion in the current fiscal year ending in June.

Export receipts from garment shipments to the country registered 35.30 per cent year-on-year growth at $481.23 million during the July-February period, the latest for which data from the Export Promotion Bureau is available.

Source: fashionatingworld.com– Apr 12, 2022

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Stable growth for Vietnam apparel sector

Despite the devastating impact of the Covid-19 pandemic, Vietnam's textile and garment industry has seen stable growth, recording an export turnover of $8.84 billion in the first quarter of 2022 with an increase of 22.5 per cent against the same period last year.

In many industries, especially labour-intensive ones like the textile and garment industry, labour shortages during the Covid-19 pandemic have directly impacted apparel manufacturers' production and business activities.

Tran Tuong Anh, deputy director-general of Hoa Tho Textile and Garment JSC, said that early last month, 1,719 employees at her company were tested positive for Covid-19, accounting for 15 per cent of the firm's total staff.

With a large number of employees taking off from work, the company encountered many difficulties in arranging its production plans. In addition, after returning to work, their health remained poor, and they could not keep up with daily work, leading to low labour productivity. Therefore, the company was forced to negotiate with customers to reschedule delivery times, rearrange production plans, and prioritise urgent orders first.

Employees who previously worked indirectly now have been directly involved in production. The company has also arranged different workplaces and canteen for those who tested positive for Covid-19 to work once health authorities approved it, said Tuong Anh.

Garment 10 Corp has affiliates in many provinces and cities. During the pandemic, the company still maintained its production as many workers tested positive for Covid-19, said Bach Thang Long, the corporation's deputy director.

Meanwhile, 8-3 Textile Co Ltd struggled with labour shortages worsened by the crush of new Covid cases forcing many into isolation. However, the company's board of directors were flexible in changing shifts and rotating workers to ensure production and business activities.

Over the past two years, particularly in the fourth wave of the pandemic, apparel companies have always faced difficulties due to disruption of the global supply chain, leading to a temporary closure of many companies.

Hoang Van Linh, chairman of Aligro JSC, said fabrics were based on the seasons. Therefore, his company prioritised garment orders and had enough raw materials.

To cope with uncertainty during the pandemic, the company determined to ensure social and welfare interests for employees to make them feel secure at work, said Linh.

A representative of Hoa Tho Textile and Garment JSC said workers were required immediately to leave work for treatment if they were infected with Covid-19.

After recovering from illness and returning to work, employees were supported with finance and meals for two weeks.

To deal with labour shortages due to isolation, the company has also been flexible in changing shifts and rotating work to ensure stable production.

Vietnam has changed its strategy from a Zero Covid policy to safe and flexible adaption and effective control of the Covid-19 pandemic while recovering and developing the economy.

Textile and garment manufacturers under the Vietnam National Textile and Garment Group have received orders until the end of the third quarter and the whole year, thanks to their flexible responses during a pandemic and the robust responses of relevant bodies.

The industry is expected to thrive and earn $43 billion in exports this year.

Manufacturers should seize opportunities and work with partners to tap into the growth potential of the world's textile and garment market.

Source: phnompenhpost.com– Apr 12, 2022

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NATIONAL NEWS

Trade Agreements signed with Australia and UAE will open infinite opportunities for Indian Textiles - Shri Piyush Goyal

The Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said that new Economic Cooperation and Trade Agreements with Australia and UAE would open infinite opportunities for Textiles, Handloom, Footwear etc. He said that Indian textile exports to to Australia and UAE would now face zero duty and expressed confidence that soon Europe, Canada, UK and GCC countries would also welcome Indian textile exports at zero duty.

Shri Goyal was delivering the Keynote address at the Golden Jubilee Celebrations of the 'Confederation of Indian Textile Industry- Cotton Development and Research Association' (CITI- CDRA) in New Delhi today. The Vice President of India, Shri. M. Venkaiah Naidu was the chief guest at the celebration.

The Minister mentioned that Trade Agreements would help in increasing exports from labor intensive industries. He added that India must also be open to receiving new technology, rare minerals, raw materials which are in short supply in India etc. from the world at reasonable costs. This will only increase our production, productivity and quality, which in turn will increase demand for our products all over the world, he said.

Shri Goyal also said that Indian textile Industry has the potential to achieve USD 100 billion dollars in exports by 2030.

Referring to the theme of the event,'Kapas ki Adhik Upaj,Shudh Upaj', Shri Goyal said that the theme perfectly converged with the Prime Minister Shri Narendra Modi’s bid to boost farm production, productivity and raise farm incomes.

He applauded CITI-CDRA for working towards developing a robust cotton ecosystem by directly engaging about 90,000 cotton farmers.

The Minister observed that more than just a fiber, Cotton has been an integral part of Indian culture, lifestyle and tradition.

Reminiscing the monopoly enjoyed by India on manufacturing of various cotton textiles for about 3,000 years, the Minister said that the entire world sang praises of the superiority of Indian fabrics. By mid-17th century, Indian Calico and Chintz were superhits in Europe, he added.

The Minister also spoke of the Khadi 'Charkha' (spinning wheel) of Gandhiji which became a symbol of Swadeshi and resistance against British.

Speaking of the need to achieve atmanirbharta in the textiles sector, Shri Goyal said that our textiles must become a symbol of Quality, Reliability and Innovation.

Pointing out that the world today was looking for alternative manufacturing sourcing hubs owing to geopolitical reasons, the Minister said that Indian Textile Industry is in a very sweet spot to grab this opportunity and hit 'Mauke pe Chauka'.

It may be noted that Indian Textile sector accounts for about 10% (approximately USD 43 billion) of India’s total merchandise exports. India is the largest producer of Cotton with 23% of global production, sustaining 65 lakh people directly and indirectly, the Minister said.

Shri Goyal called upon Indian cultivators to adopt new technologies and global best farm practices. He spoke of the AI technology that is enabling farmers in Australia to control spraying operations, as cotton crop is sensitive to spraying through data-driven decision making.

The Minister commented that modern Australian cotton growers were not just farmers but drone pilots, data analysts and agri-scientists. He said that we must augment the capacity of Indian farmers who are already very talented and capable, to make them experts in allied areas as well.

Listing the various interventions made by government for enhancing the productivity of cotton such as High-Density Planting System (HDPS), Drip Irrigation, rainwater harvesting, inter-cropping etc, the Minister said that we must place greater focus on special varieties of cotton such as the Kasturi cotton.

Shri Goyal asked textiles and apparel industry to focus on sustainability and farmers to focus on natural methods of farming. He said that we must encourage innovation, Research and Development and asked farmers to work in collaboration with ICAR, Agri-Universities, IARI and Cotton

Research Institutes. He also asked research institutions of eminence working in the field of cotton farming and textiles to work with each other to maximize production and productivity.

He called upon the nation to work together to achieve the 5F vision of Hon'ble PM for textiles - Farm to Fiber to Factory to Fashion to Foreign. The Minister also said that we must aim for global dominance in organic cotton. He urged the nation to be Vocal for Vocal and take Local to Global.

Quoting Mahatma Gandhi, who said "I see God in every thread that I draw on the spinning wheel. The spinning wheel represents the hope of the masses", Shri Goyal assured that the Government would extend its full-fledged support to the Textile and Apparel Industry to bring back the same old dominance of Indian Textiles in the global cotton industry.

He expressed confidence that with a holistic vision and hard work, India would be at the forefront of global textile industry and atmanirbhar in every sphere of cotton Industry.

Source: pib.gov.in– Apr 12, 2022

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Vice President calls for improving cotton yield and productivity, stresses priority of farmer incomes

The Vice President, Shri M. Venkaiah Naidu today called upon all stakeholders to make concerted efforts to improve cotton yield and productivity in India to enhance farmers' incomes. Expressing his concern over the low yield of Indian cotton compared to other major cotton growers in the world, Shri Naidu said that steps must be taken to guide the farmers through better research and by adopting best practices.

Shri Naidu called for increasing the global competitiveness of Indian cotton textiles and "capitalize on our traditional strengths, shift to modern agronomic practices and consolidate our position as a global leader in the cotton industry".

Noting the importance of the textiles sector as the second-largest employer in the country after agriculture, Shri Naidu emphasized on improving farm productivity, increasing mechanization, upskilling textile workers, and hand-holding small firms to give a boost to the sector. Shri Naidu also suggested diversifying into specialty cottons such as the extra-long staple (ELS) cotton and organic cotton.

The Vice President was inaugurating the CITI-CDRA Golden Jubilee Celebrations from Vigyan Bhawan, New Delhi today. Confederation of Indian Textile Industry (CITI) is a leading industry chamber of the textile sector in India and the Cotton Development and Research Association (CDRA) is the extension arm of CITI, undertaking various seed development and extension activities in the cotton sector.

Referring to the importance of cotton to the Indian economy, the Vice President said that cotton also has a "great symbolic value to our civilizational heritage". He recalled that cotton played a crucial role in our freedom struggle, starting with the 'Swadeshi Movement'. He said that by connecting all sections of society, "cotton was one of the most important binding factors for people to fight against the British Raj".

Shri Naidu expressed his concern over that despite being the largest cotton producer (23%) in the world and having the highest area under cotton cultivation (39% of world area), the yield per hectare in India remained at a low of 460 kg lint per hectare when compared to the world average of 800 kg lint per hectare. To address this, he called for improving the planting density, taking up mechanization of cotton harvest and giving a thrust to agronomy research.

Recalling the benefits of the first Technology Mission on Cotton, the Vice President said there is every need to renew the Mission in an upgraded format. “We need to improve our seed technology, increase yield, adopt global best practices, produce clean and high-quality cotton and brand it better to improve the farmers' income”, Shri Naidu observed.

The Vice President noted that while India has a strong global footprint in cotton yarn, it has to improve its competitiveness in fabrics and apparel. He called for hand-holding small firms and upskilling textile workers to give a fillip to the sector. He said government schemes such as the Amended - Technology Up-gradation Fund Scheme (A-TUFS) and SAMARTH (Scheme for Capacity Building in the Textile Sector) are aimed at achieving these objectives.

While noting India’s improvement in export competitiveness of traditional textiles, Shri Naidu said “we cannot ignore sunrise sectors such as technical textiles, which are seeing a rapid rise in demand across the world”.

On this occasion, Shri Naidu conferred awards to excelling cotton scientists and farmers in CITI-CDRA Project Areas. He also released a Coffee Table Book – ‘Millennial Shades of Cotton’ at the event.

Shri Piyush Goyal, Hon’ble Union Minister of Textiles, Commerce & Industry, Consumer Affairs and Food & Public Distribution, Shri T. Rajkumar, Chairman, CITI, Shri P. D. Patodia, Chairman, Standing Committee on Cotton of CITI-CDRA, Shri Rakesh Mehra, Deputy Chairman, CITI, Shri Upendra Prasad Singh, Secretary, Ministry of Textiles, Shri Prem Malik, Co-Chairman, Standing Committee on Cotton of CITI CDRA and other dignitaries were present during the event.

Click here for the full text of the speech:

Source: pib.gov.in– Apr 12, 2022

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Quick Estimates of Index of Industrial Production and Use-Based Index for the Month of February, 2022 (Base 2011-12=100)

The Quick Estimates of Index of Industrial Production (IIP) are released on 12th of every month (or previous working day if 12th is a holiday) with a six weeks lag and compiled with data received from source agencies, which in turn receive the data from the producing factories/ establishments.

2. For the month of February 2022, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 132.1. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of February 2022 stand at 123.2, 130.8 and 160.8 respectively. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP.

3. As per Use-based classification, the indices stand at 130.8 for Primary Goods, 94.3 for Capital Goods, 144.0 for Intermediate Goods and 153.0 for Infrastructure/ Construction Goods for the month of February 2022. Further, the indices for Consumer durables and Consumer non-durables stand at 114.7 and 139.5 respectively for the month February 2022.

4. Details of Quick Estimates of the Index of Industrial Production for the month of February 2022 at Sectoral, 2-digit level of National Industrial Classification (NIC-2008) and by Use-based classification are given at Statements I, II and III respectively. Also, for users to appreciate the changes in the industrial sector, Statement IV provides month-wise indices for the last 12 months, by industry groups (as per 2-digit level of NIC-2008) and sectors.

5. Along with the Quick Estimates of IIP for the month of February 2022, the indices for January 2022 have undergone the first revision and those for November 2021 have undergone final revision in the light of the updated data received from the source agencies. The Quick Estimates for February 2022, the first revision for January 2022 and the final revision for November 2021 have been compiled at weighted response rates of 88 percent, 91 percent and 94 percent respectively.

6. Release of the Index for March 2022 will be on Thursday, 12th May 2022.

Note: -

This Press release information is also available at the Website of the Ministry - http://www.mospi.gov.in

Press release in Hindi follows and shall be available at: https://www.mospi.gov.in/hi/web/mospi/home

Click here for more details

Source: pib.gov.in– Apr 12, 2022

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We should take textiles exports to $100 billion by 2030: Goyal

Union Minister Piyush Goyal on Tuesday pitched for taking the textiles exports of the country to USD 100 billion by 2030 as the sector is recording a healthy growth.

The textiles minister also said the exports would get a boost as the sector would get zero duty access in the UAE and Australia.

India has signed a trade pact with both these countries.

India is also trying to get zero duty access in the markets of the European Union, Canada, the UK and member countries of the Gulf Cooperation Council (GCC), he said here at a function.

India is negotiating free trade pacts with these countries.

The textiles exports last fiscal year stood at USD 43 billion as against USD 33 billion in the previous year.

"The sector is growing at a fast pace and we should take exports to USD 100 billion by 2030. We will leave no stone unturned to achieve this aggressive growth and substantial target," Goyal said.

He added that the current geopolitical situation is changing and it provides huge opportunities for the industry to boost exports.

The minister further emphasised on the need to promote cotton production in the country as the current figure of about 500 kilogram per hectare is half of the world's average.

The price of cotton is high today and the government is keeping constant control over that, he said adding there is a need to maintain the right balance so that farmers and the industry both get cotton at right prices.

Source: business-standard.com– Apr 12, 2022

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Finance Minister Nirmala Sitharaman meets EU delegation to discuss FTA, other issues

Finance Minister Nirmala Sitharaman on Tuesday met an EU delegation led by Member of the European Parliament (MEP) Bernd Lange and discussed issues of mutual interests, including the India-EU trade pact. As two of the largest open market economies and pluralistic societies, India and the EU can work towards a partnership that promotes international rule-based order in the post-pandemic period, the finance ministry said in a tweet.

"Finance Minister Smt @nsitharaman and Mr @berndlange agreed that there is keenness to move ahead on India-EU negotiations with Bilateral Investment Treaty, Free Trade Agreement and Geographical Indications Agreement," the ministry said in another tweet.

Both sides underlined that synergised cooperation between India and the EU can harness opportunities to deliver on strong global value chains with transparent, viable, inclusive and rules-based inter-linkages, it said.

There has not been much forward movement on the FTA with the EU.

The Bilateral Trade and Investment Agreement (BTIA) has been held up since May 2013 as both sides are yet to bridge substantial gaps on crucial issues.

Launched in June 2007, the negotiations for the proposed BTIA have witnessed many hurdles, with both sides having major differences on key issues like intellectual property rights, duty cut in automobiles and spirits, and a liberal visa regime.

The two sides have to iron out differences related to the movement of professionals.

Source: economictimes.indiatimes.com– Apr 12, 2022

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Shri Piyush Goyal takes comprehensive review on the progress of the National Industrial Corridor Development Program NICDC

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal took a comprehensive review on the progress of the National Industrial Corridor Development Program.

The meeting was attended by senior officials of Department for Promotion of Industry and Internal Trade (DPIIT) and NICDC. The Minister was briefed about the substantial progress of the Industrial Corridor Program. The Government has over the past few years further enhanced the National Corridor Network to 11 integrated industrial and economic corridors with 32 Projects to be developed in four phases, thus enabling connectivity to all key economic nodes in the country.

He was further apprised that the National Industrial Corridor projects are getting developed on the overall framework of PM GatiShakti - National Master Plan to provide a systematic, multi modal connectivity to various economic zones for a seamless movement of people, goods and services resulting in efficient conduct of logistics and economic activities.

He was informed that world class ‘Plug n Play’ infrastructure at plot level has been developed in the 4 cities of Dholera (Gujarat), Shendra Bidkin (Maharashtra), Vikram Udyogpuri (M.P.), Integrated Industrial Township (Greater Noida, U.P.) where land allotment is currently underway.

A total of 173 Plots (851 Acre) have been allotted in these 4 cities attracting investments from companies of South Korea, Russia, China, UK, Japan as well as from India including MSME`s with an investment mobilization to the tune of approximately Rs. 16,760 Cr. generating approx. 21,000 employment opportunities.

With the availability of additional developed land of approx. 5000 Acre, the Minister directed the officials to expedite the land allotment to industrial, commercial and residential sectors in these developed cities through rigorous marketing activities including road shows and attractive and conducive land allotment policies.

The Minister further directed that regular interactions be made with the plot allottees so as to handhold them in resolving issues that they must be facing in starting the construction of their factories or commercial production. He further directed to expedite activities with respect to other projects where land can be made available to industries.

The Minister instructed that in order to bring complete transparency in the land allotment system, e-land management system (e-LMS) should be implemented across all the projects and continuous monitoring should be done through an integrated dashboard.

The Minister expressed that “the National Industrial Corridor Program is a pan India initiative and development of plug and play infrastructure will boost manufacturing ecosystem in the country and shall have a domino effect on the development of the Nation as a whole and has full potential of realizing the vision of Hon’ble Prime Minister for AtmaNirbhar Bharat”.

“NICDC should work in close coordination with the respective state governments to expedite the project development activities for developing a world-class manufacturing and investment infrastructure to boost competitiveness and job creation.” the Minister added.

Source: pib.gov.in– Apr 12, 2022

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Mumbai, Tiruppur witness stable cotton yarn trend amid weak demand

Cotton yarn prices steadied in south Indian markets of Mumbai and Tiruppur on Tuesday amid slower trading activities due to weak demand. According to trade sources, higher yarn prices are discouraging handlooms and weaving industry at large because of limited buying from garment industry.

Traders said that Mumbai market noted stable trend in cotton yarn trade. Buyers remained silent for fresh buying. Current yarn rates are not comfortable for buyers because fabrics prices did not increase enough. Powerlooms and weaving industry are facing squeeze on profit margins. Sources said that Maharashtra's textile hubs like Ichalkaranji, Malegaon, and Bhiwandi are also facing labour shortage as several of them have gone on leave due to the month of Ramadan.

A broker said that cotton yarn prices have increased by 20-25 per cent in last four months, but fabrics prices rose only by 15-20 per cent. The fabric which was earlier priced at ₹75-80 per metre could rise only to ₹90 per metre.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded flat at ₹2,130-2,180 and ₹1,975-2,025 per 5 kg (GST extra) respectively. Carded cotton yarn (44/46 count) of warp variety was traded at ₹2,020-2,060 per 5 kg. 80 count carded cotton yarn of weft variety was sold steady at ₹2,250-2,300 per 4.5 kg. 40 count carded cotton yarn (warp) was sold at ₹375-380 per kg. 40 count combed yarn (warp) was priced at ₹425-440 per kg.

Tiruppur market also witnessed stable trend today. The traders said that buyers were buying yarn just for immediate need. Powerlooms and weaving industry are just trying to keep their production continue at partial capacity. However, spinning mills are not reducing yarn prices so that they can protect margins. Traders believed that cotton yarn prices may remain range bound. 30 count combed cotton yarn was traded at ₹385-405 per kg, 34 count combed at ₹405-415 per kg and 40 count combed at ₹425-435 per kg (GST extra). Cotton yarn of 30 count carded was sold at ₹360-370 per kg, 34 count carded at ₹370-375 per kg and 40 count carded at ₹380-390 per kg, according to Fibre2Fashion's market insight tool TexPro.

In the global market, ZCE cotton yarn May 2022 futures traded down by CNY 325 to CNY 27,310 per ton and September 2022 traded higher by CNY 40 at CNY 27,715 per MT today. ZCE cotton May gained CNY 115 to CNY 21,015 per MT and September contract traded up by CNY 70 to CNY 21,220 per MT.

ICE cotton futures posted triple digit gain on Monday, with the old crop rising strongly and the new crop setting another contract highs. Cotton contract for May 2022 closed at 135.29 cents, up 288 points; July 2022 closed at 133.45 cents, up 239 points; while December 2022 closed at 117.62 cents, up 214 points. The delivery period for old crop cotton, notably the May contract, is approaching. To avoid the delivery process, traders, funds, and growers are forcibly rolling out of spot May into July of the new crop months.

In Gujarat, cotton prices held steady for the fourth straight session on Tuesday amid limited buying by mills, while daily arrivals were also stable. A grade cotton was sold at ₹91,000 to 92,000 per candy of 356 kg, B grade cotton at ₹90,000 to 91,000 per candy, and the average grade at ₹89,000 to 90,000 per candy. The mills in South India traded at ₹92,000 to 92,500 per candy. V797 variety was quoted at ₹47,000 to 48,000 per candy.

Source: fibre2fashion.com– Apr 12, 2022

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Where India should now put its focus amid a changing export scenario

India's stellar export performance in 2021-22, with merchandise exports totalling over $400 billion, compared to a pre-pandemic five-year average of $300 billion, has drawn its fair share of both cheerleaders and sceptics. The former sees this not just as a surge driven by a US-led global economic recovery, but also find elements of a structural shift. This shift could fulfil India's 'China+1' aspiration, in which global companies shift away from China to source inputs and rely more on India instead.

Sceptics, however, see the boom as largely driven by global commodity inflation. That is, India is selling the same or even lower of volumes of a commodity, but higher international prices are fetching exporters much larger dollar amounts.

For something as heterogeneous as goods exports, broad generalisations are misleading. The assessment has to be granular. The drivers of each category of goods sold abroad need to be analysed objectively, untarnished by the agenda or proving a point or picking a side. For one thing, export growth in 2021-22 has been broad-based. About 89% of the export basket has already crossed the pre-pandemic levels.

However, going by HDFC Bank estimates, perhaps most importantly, the share of India in global exports has risen to over 1.8% in 2021-22, about 15 basis points (bps) higher than pre-pandemic levels. A bps is one-hundredth of a percentage point, and while 15 seems a small number, given the sheer magnitude of global trade, it is not to be sneezed at.

A couple of trends are worth noticing. There was a noticeable shift in the composition of exports in the pre-pandemic years that has sustained through the pandemic.

The decline in the share of gems and jewellery (G&J), traditionally an export heavyweight, in the overall basket is a good example. Much of this category comprises diamond-cutting and polishing, where rough stones are imported and polished stones re-exported. The economy's net gain from these exports is simply the value addition in processing 'roughs'.

The fall in its share has been the gain of more 'genuine' exports such as engineering goods and electronics. In 2016-17, the share of G&J was 15% of total exports. In 2021-22, it was 9.5%. Over this period, the share of engineering goods went up by 23-26%, and that of electronics from roughly 2% to 3.5%.

Export Mettle

Second, the rise in commodity-related exports has not been on the back of price alone. Take 'base metals and its products', a key component of engineering goods. While higher metals prices have certainly helped export value, volume growth has been in double digits for 2020-21 and 2021-22. Textiles is the one category where both anecdotal evidence and data support the 'China+1' theory. Manufacturers point to a noticeable shift in demand from Western producers from China to India.

Between 2020 and 2022, the share of China in US apparel exports declined by 8 percentage points. India, along with Malaysia, has been the big gainer from this shift with India's market share up 1.7 percentage points. Yarn and cotton exports have both significantly exceeded pre-pandemic levels and Indian manufacturers are looking to set up fresh capacity.

However, this is not to deny the fact that the surge in global commodity inflation has played a key role in boosting export value. Petroleum products, for instance, contribute a hefty $65 billion to the $418 billion total. The 73% increase in average oil prices between 2021 and 2022 has certainly played a role. The same holds for metal products.

Commodity inflation, alas, affects imports as well. Thus, while exports have hit a record, so have imports, resulting in a massive trade deficit of $192 billion. However, it is important to emphasise that as percentage of GDP (the correct metric to make comparisons), the deficit remained at 6.2%, roughly the same as the couple of years before the pandemic. It may be interesting here to think of the counterfactual - what would have happened to India's external balances and the rupee if exports had not boomed?

The problem with the current discussion on India's exports is the fixation with both the record figure of $418 billion for 2021-22 and the assertion that $500 billion for the next year is a done deal. If, indeed, global trade shrinks along with the world economy this year, export value could be lower. Exports, both in terms of value and volumes, are cyclical. That's just the nature of the beast.

The focus should, instead, be on the gains made over the last few years in terms of diversification towards higher value items and gains in market share. How can this be driven forward? Here fundamental questions of policy need to be re-examined. For instance, is the protectionist stance implicit in the increase in import tariffs of a number of items in sync with our export ambitions?

Got the Import?

How quickly can logistics and other infrastructure be ramped up? Will this effort work best through export enclaves such as the special economic zones (SEZs)? Do they need to be scaled up further? Should our somewhat unsavoury experience with free trade agreements (FTAs) keep us reticent from signing more deals? Instead, should the recently signed comprehensive trade deal with Australia be the new playbook?

There is much to still ponder over and changes to implement when it comes to India's export model. One just hopes that 2021-22's high score does not bring about a sense of complacency.

Source: economictimes.com– Apr 12, 2022

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UK's Winvesta offers Indian exporters alternative payment gateway

UK-headquartered Winvesta, a neobank building cross-border banking and wealth management solutions, has launched a foreign payment collections system for Indian exporters. The company said that the service announced last week comes as an extension of the existing multi-currency banking facility and will help reduce export costs by up to 8 per cent. Merchants get local account details in the US, UK, and Europe, which means the buyers only have to do a local transfer to the exporter's account.

"We are extremely excited to launch foreign collection accounts for businesses," said Swastik Nigam, Founder and CEO of Winvesta. "Many Indian businesses get a raw deal. The collections are expensive, delayed and opaque. Much of that money never made it to Indian shores. With this launch, we change that," he said.

According to the finance expert, India's cross-border flows are over USD 800 billion annually and his company wants to make it easier for micro, small and medium enterprises (MSMEs) to bring home more of what they earn overseas.

Under the system, businesses receive virtual accounts in over 30 currencies, including USD, GBP, and EUR. The accounts serve as collection accounts for service exporters to receive payments, which are then converted to INR and deposited into their Indian bank accounts the same day. Winvesta says it supports payment collections from over 180 countries.

According to the neobank, small and medium enterprise (SME) exporters' share in overall exports from India has been rapidly growing and is now close to 50 per cent of total exports.

This includes both service and goods exports. Improving logistics and easy e-commerce platforms have helped Indian businesses expand globally rapidly. At the same time, borderless marketing tools and collaborative platforms have led to a boom in digital exports from the service industry, the company said.

"Cross-border collections, unfortunately, lagged the rapid boom in exports from the SME segment," said Prateek Jain, President of Winvesta.

"Winvesta's mission is to simplify cross-border finances for everyone, whether individuals looking to invest overseas or an exporter looking to get paid by a foreign buyer. With India crossing the USD 400 billion mark in exports for the first time in a fiscal year, it not only marked a key milestone but also helped us realise the potential for such an offering at this point in time," he said.

Winvesta said its collection accounts have a one-time refundable setup fee of Rs 499, with no monthly fees. There are also no fees to collect money in the accounts or to withdraw funds to an Indian bank. Foreign funds are converted to INR at a "very low spread" of 1.50 per cent from interbank rates and with significant volumes, these rates could fall further. Founded by former Deutsche Bank veterans Swastik Nigam and Prateek Jain, Winvesta was created as a platform offering global financial products for Indian residents and businesses.

Source: financialexpress.com– Apr 12, 2022

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