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INTERNATIONAL NEWS

15 US manufacturing industries grow in May; apparel-leather top

Economic activity in the US manufacturing sector grew in May, with the overall economy achieving a 24th consecutive month of growth, the nation's supply executives said in in the latest Manufacturing ISM Report on Business. Fifteen manufacturing industries reported growth in May, with apparel, leather and allied products topping the list.

The May manufacturing purchasing managers' index (PMI) registered 56.1 per cent, a rise of 0.7 percentage point from 55.4 per cent in April.

"This figure indicates expansion in the overall economy for the 24th month in a row after a contraction in April and May 2020. This is the second-lowest manufacturing PMI reading since September 2020, when it registered 55.4 per cent, said Timothy R Fiore, chair of the Institute for Supply Management (ISM) manufacturing business survey committee, in a statement.

The only industry reporting a decrease in May compared to April was furniture and related products.

The new orders index reading of 55.1 per cent is 1.6 percentage points higher than the 53.5 per cent recorded in April. The production index reading of 54.2 per cent is a 0.6-percentage point increase compared to April's 53.6 per cent.

The prices index registered 82.2 per cent, down 2.4 percentage points compared to April's 84.6 per cent. The backlog of orders index registered 58.7 per cent, 2.7 percentage points higher than the April reading of 56 per cent.

The supplier deliveries index reading of 65.7 per cent is 1.5 percentage points lower than April's 67.2 per cent. The inventories index registered 55.9 per cent, 4.3 percentage points higher than April's 51.6 per cent.

The new export orders index reading of 52.9 per cent is up 0.2 percentage point compared to April's 52.7 per cent. The imports index fell into contraction territory, decreasing by 2.7 percentage points to 48.7 per cent from 51.4 per cent in April.

"The US manufacturing sector remains in a demand-driven, supply chain-constrained environment….May was a second straight month of slight easing of prices expansion, but instability in global energy markets continues," Fiore said.

"All of the six biggest manufacturing industries—machinery; computer and electronic products; food, beverage and tobacco products; transportation equipment; petroleum and coal products; and chemical products—registered moderate-to-strong growth in May," he added.

Source: fibre2fashion.com– Jun 05, 2022

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China takes concrete steps to stabilise foreign trade, investment

After economic activity cooled sharply amid pressures from weakening external demand and a COVID-19 resurgence, officials and analysts said China is taking concrete steps to stabilise foreign trade and investment. The commerce ministry will ramp up efforts to resolve difficulties and problems faced by foreign firms related to investments and operations.

The ministry will also try to optimise a business environment that is market-oriented, rules-based and internationalized, ministry spokesman Gao Feng told a recent news conference.

Commenting on foreign enterprises' needs like promoting the resumption of work and production and ensuring smooth logistics, he said the ministry will work with other relevant departments to study and resolve the difficulties, according to official Chinese media.

The growth of foreign trade and investment in China was stable at the beginning of the year. In terms of renminbi, the nation's imports and exports surged by 7.9 per cent year on year from January to April, data from the National Bureau of Statistics showed.

Over those four months, China's actual use of foreign capital increased by 20.5 per cent year on year, according to the ministry.

However, recent COVID-19 outbreaks this spring in areas such as Beijing and Shanghai have created challenges for the nation's economy.

Sheng Qiuping, vice minister of commerce, said told a recent news conference that China has the confidence and determination to stabilise foreign trade and investment despite mounting challenges.

Sheng said the ministry will make a big push to further implement existing policies, introduce more supportive measures and boost the expectations of foreign traders and companies.

More efforts will also be made to increase support for small and medium-sized foreign traders, attract foreign investment to manufacturing and research centers, ensure smooth logistics and resolve problems faced by foreign companies.

Sang Baichuan, dean of the Institute of International Economy at the University of International Business and Economics, said China is determined to continue expanding its high-level opening-up efforts, including by making continuous revisions to its negative list for foreign investment and building a unified national market, offering new business opportunities for global stakeholders.

Looking ahead, he said he expected to see more efforts to further open up the services sector, adding that the country will take a more proactive approach to better align with international economic and trade rules.

Source: fibre2fashion.com– Jun 05, 2022

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UN Global Compact launches China strategy to drive sustainability

The UN Global Compact has launched its China strategy aiming to accelerate and scale the collective impact of business in China to drive progress towards the Sustainable Development Goals (SDGs). China is home to the largest number of Fortune 500 companies and more than 44 million small and medium sized enterprises (SMEs).

Greater engagement with Chinese companies and stakeholders supports the UN Global Compact Global Strategy 2021–2023 which aims to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change. It also represents the next step in the UN Global Compact's ambition to enhance its reach and collaboration with the global South, UN China said in a media release.

Recognising Chinese companies as important contributors to advance the 2030 Agenda for Sustainable Development and working with national partners through its Liaison Office in China, the UN Global Compact aims to increase its impact by engaging key stakeholders in China to maximize their collective impact to achieve the SDGs both in China and globally through thought leadership, policy dialogues, capacity building activities, action-oriented projects, and innovative partnerships.

It also aims to mobilise Chinese companies' collective action and impact in supporting China's development priorities as reflected in China's 14th Five-Year Plan (FYP 2021–2025) and the United Nations Sustainable Development Cooperation Framework 2021–2025 for China.

Specifically, the China strategy identifies seven key areas, covering all Ten Principles of the Global Compact through which the UN Global Compact will maximise its impact: combat climate change; reduce inequalities; advance decent work; take collective action against corruption; engage the private sector through the Belt and Road Initiative to advance 2030 Agenda; strengthen South-South cooperation through China-Africa business collaboration on the SDGs and foster business innovation and SDG partnerships through the Global Development Initiative.

Launching the China strategy at the UN Global Compact Leaders Summit, Sanda Ojiambo, assistant secretary-general and CEO of the UN Global Compact said: “The Sustainable Development Goals cannot be achieved without China and the engagement of Chinese companies. As the fastest-growing market for the UN Global Compact in the Asia Pacific region, we have seen a rapidly growing number of companies from China stepping up to address regional and global challenges. We know that China’s development path is closely linked with other countries.

“With this strategy we have committed to maximising our impact in China through long-term investment and constructive collaboration with the private sector and key stakeholders. At the UN Global Compact, we stand ready to collaborate and support the Global Development Initiative, helping the private sector to fully align with recognised international norms and standards embedded in the Ten Principles of the UN Global Compact.”

Ambassador Zhang Jun, permanent representative of the People's Republic of China to the United Nations said: "China stands ready to strengthen exchanges and cooperation with the UN Global Compact. We look forward to enhanced ambition and actions by its members for the 2030 Agenda. Let’s jointly take actions to make greater contributions to global recovery and sustainable development."

Source: fibre2fashion.com– Jun 06, 2022

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Turkiye's inflation rises to 24-year high of 73.5% in May

Turkiye 's annual inflation rate increased at a lower-than-expected pace in May, but still rose to a 24-year high, according to Turkish Statistical Institute (TurkStat) data, which showed consumer price index (CPI) rose by 73.5 per cent in the 12 months to May, up from nearly 70 per cent in April, fuelled by the impact of war, rising energy prices and a lira decline.

Russia's invasion of Ukraine has compounded the situation in import-dependent Turkiye.

The latest figure surpassed the 73.2 per cent touched in 2002 and is the highest since October 1998, when annual inflation was 76.6 per cent.

The increase, however, was smaller than in previous months.

The sharpest increase in annual prices was in the transportation sector, at 107.6 per cent.

Month over month, consumer prices rose by nearly 3 per cent, TurkStat said, compared to a market forecast of 4.8 per cent. Annually, consumer price inflation was forecast to be 76.55 per cent.

Source: fibre2fashion.com– Jun 05, 2022

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Decrease in crop size leads to cotton consumption outpace production in 2021-22: ICAC

This latest edition of Cotton This Month shows, a decrease in the size of cotton crop in top cotton producing countries like India, Argentina and South Africa that has resulted in consumption outpacing production in the 2021-22 season.

Consumption to exceed production by 265,000 tons

Yield of smaller-than-expected crops will lead to consumption exceeding production by about 265,000 tons. Production during the year is projected to reach 26.13 million tons while consumption is projected to reach 26.09 million tons. Total area under cotton cultivation will decrease 1 per cent during the year to 32.78 million hectare

To assess the impact of rising consumption, the secretariat uses stocks-to-use ratio that measures available cotton stocks as a share of cotton mill use to quantify the relationship between cotton supply and demand. Cotton price rise when the stock-to-use ratio declines due to tighter supply. In contrast, the ratio rises when supply exceeds demand, pulling cotton prices downwards. The total area under cotton cultivation also impacts prices.

Cotton forecasts to resume in August

The Secretariat plans to suspend publication of price projections and resume in August after re-evaluating the price situation.

The current volatile market makes it difficult to predict accurate figures. Earlier too, it had suspended price forecasting in 2010-11 season of unprecedented high price and volatility.

Cotton This Month is published by the International Cotton Advisory Committee at the beginning of a month with Cotton Update published mid-month. The mid-month 'Cotton Update' contains updated information on supply/demand estimates and prices.

Transparent information on cotton production

An association of cotton producing, consuming and trading countries, the International Cotton Advisory Committee (ICAC) was formed in 1939. ICAC helps member strengthen global economy by providing transparent technical information on cotton production.

The Association also acts as a forum for discussing issues covering the cotton supply chain from farm to textile manufacturing. It will provide a free access to its cutting-edge technologies like the voice-based app and virtual technology cotton training program.

The intergovernmental commodity body covering cotton, ICAC is recognized by the United Nations.

Source: fashionatingworld.com– Jun 05, 2022

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Saudi ministry refers 200 e-stores to E-Commerce Violations Committee

The Saudi commerce ministry has referred 200 online stores to the E-Commerce Violations Committee to impose legal penalties for violating compliance standards for e-commerce reliability. The monitoring covered several e-stores, including large, medium and small ones that sell different products like e-devices, cosmetics and furniture, the ministry said.

The E-Commerce Council has announced the obligation of e-stores to implement 13 standards that they must provide for the reliability in e-commerce, according to media reports from Saudi Arabia.

These are contact phone number, e-mail, instant chat, a reliable e-payment feature through an approved banking channel, complaint-filing feature on the store's website, enabling consumers to file a complaint through social media, disclosure of the exact time to respond to consumer complaints, disclosure of the exact time for processing the submitted complaint, disclosure of the exact delivery time before completing the purchase process, providing Arabic language in the complaint mechanism, usage of Arabic in instant chats, Arabic product labels and provision of a clear, written policy for exchanges and returns.

Source: fibre2fashion.com– Jun 06, 2022

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Jordan-US trade balance registers JD105m surplus in Q1 of 2022

The Kingdom's trade balance with the US recorded a surplus amounting to about JD105 million in the first quarter of 2022, the Jordan News Agency, Petra, reported.

Foreign trade data issued by the Department of Statistics indicated that the value of national exports to the US during the first quarter of 2022 increased by six per cent, reaching about JD365 million, compared with the same period in 2021, which amounted to JD344 million.

Similarly, the value of US imports to the Kingdom also increased in the first quarter of 2022, reaching about JD260 million, compared with JD245 million in the same period in 2021.

Among the most prominent Jordanian exports to the US market are clothing, textiles, engineering industries, foodstuffs, Dead Sea cosmetics, in addition to jewellery.

The balance of trade, considered one of the important economic indicators, represents the difference between the value of imports and exports.

Source: jordantimes.com– Jun 05, 2022

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Iran-Tajikistan annual trade rises 463%

According to Ruhollah Latifi, the weight of commodities traded between the two countries also increased by 489 percent compared to the year 1399 (ended on March 20, 2021), IRNA reported.

Latifi said despite great historical and cultural relations between the two countries, trade between the two sides is far from desirable.

Iran exported 124,737 tons of goods valued at $91.6 million to Tajikistan in the previous year which was 535 percent more than the preceding year in terms of weight and 459 percent more in terms of value.

Imports from Tajikistan were 14,512 tons worth $39.437 million, indicating a 263 percent rise in weight and a 439 percent increase in value.

Agricultural products, nuts, construction materials, petrochemical products, sweets and chocolates, industrial products, electronics, home appliances, shoes and clothing, kitchen appliances, chemical products, industrial machinery, textiles, leather, stationery, agricultural machinery, and packaging were among the major Iranian goods exported to Tajikistan in 1400, Latifi said.

The total trade between Iran with Tajikistan in the last 15 years amounted to $2.583 billion, the official said, adding that the share of Iranian exports to Tajikistan was $2.2 billion and imports from Tajikistan were $376.365 million.

President of the Republic of Tajikistan Emomali Rahmon paid an official visit to Tehran on May 30. After a presidential meeting, the two sides signed 17 cooperation agreements to cement ties in various fields.

Source: tehrantimes.com– Jun 05, 2022

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US urges Dhaka to take further steps on global labour rights standards

The United States recently urged Bangladesh to take further steps to adhere to global labour rights standards, including those developed by Bangladesh for its International Labour Organisation road map. Both sides decided to coordinate more on implementing existing commercial policies and consistent enforcement of intellectual property rights in Bangladesh.

On June 2, US under secretary of state for economic growth, energy and environment Jose W Fernandez and Bangladesh's adviser for private industry and investment to prime minister Salman F Rahman convened and co-chaired the second US-Bangladesh High-Level Economic Consultation in Washington, DC.

Bangladesh encouraged US companies to invest in clean energy to help Bangladesh advance on its nationally-determined Conference of the Parties (COP) contribution targets for climate.

Bangladesh also sought US technical assistance to sustainably explore its ocean resources and further develop its blue economy in pursuit of environmental protection and economic prosperity, according to a joint statement issued by both sides.

Bangladesh was briefed on additional information on the supply chain resilience and decarbonisation pillars of the Indo-Pacific Economic Framework (IPEF).

Source: fibre2fashion.com– Jun 06, 2022

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Pakistan: Cotton yarn valuing $1.006b exported in 10 months

Exports of cotton yarn from the country during 10 months of current financial year grew by 22.11% as compared to exports of the corresponding period of last year.

During the period from July-April, 2021-22, about 284,670 metric tons of cotton yarn valuing $1.006 billion was exported as against the exports of 327,519 metric tons worth $832.952 million of same period last year, according the data of Pakistan Bureau of Statistics.

Meanwhile, cotton cloth valuing $2.00 billion was also exported in last 10 months of current financial year as compared to exports of $1.581 billion of same period of last year, it added.

During the period under review, exports of yarn other than cotton yarn also witnessed 100% increase as 17,533 metric tons of yarn other than cotton valuing $54.016 million was exported as compared to exports of 11,797 metric tons worth $26.997 million of same period last year.

In last 10 month of current financial year, country earned $4.218 billion by exporting about 135,968 thousand dozens of knitwear as against the exports of $3.212b and 502,093 thousand dozens of same period last year.

It is worth mentioning here that textile group exports from the country during last 10 months of current financial year grew by 25.96% and reached $15.981 billion as against $12.688 billion of same period last year.

On month on month basis, textile exports recorded about 30.50% growth as they stood at $1.739 billion in April, 2022 as against $1.332 billion of same month of last year.

Source: nation.com.pk– Jun 05, 2022

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NATIONAL NEWS

Free Trade Agreement: India, EU to resume FTA talks from June 27

After a gap of about nine years, India and the EU will likely resume the much-awaited negotiations for a proposed free trade agreement (FTA) from June 27, as both the sides eye a deal by next fiscal, sources told FE.

Before the negotiations begin, commerce and industry minister Piyush Goyal may visit Brussels later this month — either ahead of the next ministerial of the World Trade Organization starting June 12, or after that — to set the stage for the talks, one of the sources said. "The EU team will visit India after that to formally resume the negotiations," he added.

Sources last week said both the sides would first take stock of the progress made so far and discuss how to proceed further. "It makes sense to focus on points of convergence first before moving on to the contentious matters," one of the sources had said.

Formal negotiations between the two sides for the FTA were stuck over stark differences after 16 rounds of talks between 2007 and 2013. The EU insisted that India scrap or slash hefty import duties on sensitive products such as automobiles, alcoholic beverages and dairy products, and open up legal services.

Similarly, India's demand included greater access to the EU market for its skilled professionals, among others. However, both the sides have now decided to take the negotiations to their logical conclusion.

The EU, even after the Brexit, continued to be India's largest export destination (as a bloc) in FY22, although it has lost some appeal. The country's outbound shipments to the EU jumped 57% on-year in FY22 to $65 billion, albeit on a contracted base. Similarly, its imports from the EU jumped 29.4% last fiscal to $51.4 billion.

In April, the EU and India decided to set up a trade and technology council to boost bilateral ties, as the bloc's president Ursula von der Leyen met Prime Minister Narendra Modi here. This move underscored growing co-operation between New Delhi and Brussels, as the US is the only other country that has a technical agreement with the EU, along the lines of the one signed with India now. The council is aimed at providing political-level oversight of the entire spectrum of the India-EU ties and to ensure closer coordination.

India signed an FTA with the UAE in February, New Delhi's first such pact with any economy in a decade, and sealed another trade deal with Australia in April. Currently, it is also negotiating FTAs with the UK and Canada. The Gulf Cooperation Council, too, has evinced to sign an FTA with India.

The negotiations are a part of India's broader strategy to forge "fair and balanced" trade agreements with key economies and revamp existing pacts to boost trade. The move gained traction after India pulled out of the China-dominated RCEP talks in November 2019.

Source: financialexpress.com– Jun 06, 2022

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'Districts as Export Hubs initiative by govt will give Indian MSMEs ammunition to beat China'

Trade, import and exports for MSMEs: With the intent to fructify an ambitious export target for FY23, The Directorate General of Foreign Trade (DGFT) has sought Rs 6,000 crores in funding for the 'Districts as Export Hubs' initiative. All eyes are already on India as it ups its ante to produce and export more in the wake of global supply chain disruption.

Moreover, labor shortage, lack of raw materials, etc. due to covid-19 impact have severely dented China's potential to continue its global exports momentum, with many countries opting for the China +1 strategy being the icing on the cake for India. With all these factors at play, industry experts view the proposal as a step in the right direction, and the timing couldn't have been more appropriate.

In the project's first phase, work will begin on the 200 out of the 700-odd districts in India. The aim is to boost production in the remotest of towns and connect businesses to foreign buyers. This will be a shot in the arm for India's medium, small and micro enterprises (MSMEs), who are the backbone of the country's economy.

Tapping the Untapped Potential

Among the most robust calls to action in making districts as export hubs, were made by Prime Minister Narendra Modi in his 2019 Independence Day speech. He lauded that each district's potential equals that of an entire country, given its diverse identity and potential for the global market.

The top six states in India- Maharashtra, Gujarat, Karnataka, Tamil Nadu, Telangana, and Harayana contribute 75 per cent of India's overall exports. This shows how exports are concentrated in only certain regions of the nation.

Besides this, perhaps even more focus on promoting region-specific identified products to reach potential buyers outside India is an untapped area with incredible growth potential. For instance, consolidating the exports of gems and jewellery, garments, furniture, toys, and blue pottery from Jaipur, Rajasthan.

And also, doing the same in Palghar (Maharashtra) for products related to chemicals, pharmaceuticals, engineering, plastics related, fisheries, and marine food processing may multiply the exportability of the whole country instead of focusing exports mainly from large export hubs.

Making Aatmanirbhar Bharat a Reality

If the district export hub scheme gets the Finance Ministry's approval, it will form a part of the new Foreign Trade Policy, set to be announced in September.

Self-sufficiency and self-reliance will be the first by-products of this move. Specific actions to support local exporters and manufacturers may be a boon in addressing challenges obstructing improved supply chains, market accessibility, and handholding for increasing exports. Among the four potential wins or benefits will include:-

- Heavy investments in the district will boost manufacturing and exports and provide the ecosystem for innovation and use of technology at the district level to make exports competitive.
- Reduction of transaction costs for the MSMEs at various stages of the export cycle and generating employment in the district.
- Providing platforms for the district's broad and global reach of products and services through e-commerce and digital marketing.
- Diversification of exports which is important to improve the stability of export earnings.

Working towards a Flourishing Rural Economy

The focus on far-fledged areas of the country would fuel economic activity in the rural hinterland/small towns and prepare businesses for export, not to mention aid in employment generation at the grass-root level. Besides supporting MSMEs and local artisans, logistics and agricultural sectors will also see development, a critical factor that would help India meet global expectations of delivery and quality.

Additionally, Niti Aayog believes improving the export competitiveness of states could further increase their wealth and standard of living, which in turn is expected to minimize the regional disparity across states.

According to Niti Aayog's Export Preparedness Index 2021 Report, India hasn't completely leveraged the Lewis curve for low-skill manufacturing vis-a-vis more skill-intensive exports. Moreover, the report said India lags in tapping existing market potential compared to Vietnam, Bangladesh, and China, which continue to lead exports in this category. Since the nation has a comparative advantage in low-skilled exports, it must boost its manufacturing capacity to exploit this opportunity further. The focus on district hubs for export will likely address this gap.

Conclusion

With foreign trade constituting 45 per cent of India's GDP and 2021-22 being a bumper year for India's exports, marking a record-high of $419 billion, heightened emphasis on economy-building via districts as export hubs will prove pivotal in organizing the unorganized MSME sector. Moreover, an Aatmanirbhar Bharat focused on growing all that has been ignored for decades will set the ball rolling for India to supersede global peers in exports and have a decades-long impact.

Source: financialexpress.com– Jun 05, 2022

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VP Naidu Hopeful Of 'significant' Growth As India-Senegal Bilateral Ties Touch $1.65 Bn

India's bilateral trade with Senegal has touched a record USD 1.65 billion in 2021-22 despite the coronavirus pandemic, Vice President M Venkaiah Naidu has said, expressing hope that the figure grow significantly in the coming years.

Naidu, who is here on the second leg of his three-nation tour to Gabon, Senegal and Qatar, on Friday addressed an India-Senegal business event.

"The Vice President noted that despite the pandemic, there was a welcome growth in economic and trade ties between the two countries and bilateral trade has crossed a record high of USD 1.65 billion in 2021-22," his office tweeted.

He hoped that the trade would grow significantly in the coming years, it said.

As to the bilateral trade basket, major items of export from India include textiles, food items, automobiles and pharmaceuticals. The main items of import from Senegal are phosphoric acid and raw cashew.

Naidu earlier on Friday termed Senegal as India's natural development partner, and appreciated the African nation for its democratic ethos, as he held delegation-level talks with the President of the National Assembly of Senegal Moustapha Niasse.

Naidu, who is also the Chairman of the Rajya Sabha, emphasised the important role of the legislature in the life of a nation and said that a strong, effective & responsive parliament lies at the core of good governance.

He also appreciated Senegal's democratic ethos, making it India's natural development partner, his office tweeted. India and Senegal are celebrating the 60th anniversary of the establishment of diplomatic relations this year.

Source: republicworld.com– June 05, 2022

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Cotton price rally could lift Indian planting to record high

Cotton planting in India, the world's biggest producer of the fibre, could jump as much as 15% in 2022 to an all-time high, as strong prices prompt farmers to switch away from other crops, an industry association said.

Higher output could help cool the rally in global and local cotton prices, which is hurting Asian apparel makers.

Area planted to cotton in India could rise as much as 15% from last year because the crop is providing far better returns than alternatives, said Atul Ganatra, president of the Cotton Association of India.

Local prices have more than doubled over the past year, because heavy rainfall during harvesting slashed 2021's crop to the lowest level in a decade.

A 15% rise in India's cotton crop area would lift it to around 13.8 million hectares in 2022 from 12 million hectares last year.
The association expects the largest expansions in cotton area to be in the western states of Gujarat and Maharashtra, which together account for nearly half of the country's production.

"Last year I grew cotton on 21 acres land, and groundnut on my remaining 10 acres. Since cotton prices are high, I will plant only cotton this year on all my land," said Jagdish Magan, a farmer from Morbi, Gujarat.

Most Indian farmers begin planting cotton at the onset of monsoon rains in June, although some with irrigated fields start as early as May.

Oilseeds and pulses compete with the fibre in key cotton-producing states, such as Maharashtra, Gujarat, Telangana and Rajasthan.

Pulses have given farmers relatively poor returns over the past few years, and this could encourage growers to shift towards cotton, said a Mumbai-based dealer with a global trading firm.

"Ideally, with higher area, production should go up. But cotton is a rain-fed crop in many regions, so monsoon rainfall distribution will determine the crop size," he said.

The dealer also expected a rise of up to 15% in area planted to cotton.

India is likely to receive average monsoon rainfall in 2022, while cotton-producing western states could get above-average rains, the weather department said this week.

Source: economictimes.com– June 05, 2022

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Govt likely to hike MSP by 5-20% for summer crops

The government may announce higher-than-usual increases in minimum support prices (MSP) for the summer-sown crops in 2022-23 year soon, taking into consideration a sharp rise in costs of farming inputs.

The MSP increases this year could roughly be in the range of 5-20%, the highest since 2018-19 when a new policy of 50% profits over computed cost of production led to MSP hikes for kharif crops in the range of 4.1-28.1%.

In the last three years, MSP increases were roughly in the 1-5% range.

According to sources, the sharpest MSP hikes this year have been recommended by the Commission of Agriculture Costs and Prices for oilseeds like soyabean and groundnut. Among pulses, tur and moong may also see steep hikes in support prices, as the imports of these items rose last year amid a domestic supply crunch. The government also reckons that higher domestic production of other oilseeds will help reduce palm oil imports.

While elevated MSPs, backed by procurement, could potentially boost rural income and purchasing power, these can also increase inflationary pressures further. Wholesale inflation in April rose to 15.08%, highest in at least 17 years.

Food inflation came in above the overall retail price inflation for April and May, 2022. It was 8.1% in April, while the CPI inflation was 7.79%.

The cost of production for MSP will be include all paid-out costs directly incurred by the farmer — in cash and kind — on seeds, fertilisers, pesticides, hired labour, leased-in land, fuel and irrigation and an imputed value of unpaid family labour.

"Rise in MSPs of commodities such as oilseeds, pulses and nutri-cereals (jowar, bajra and ragi) and cotton is expected to be higher than for paddy," a source said, adding that the idea is encourage farmers to reduce cultivation of water-intensive crops and aid crop diversification.

"Our focus is to realign the MSPs in favour of oilseeds, pulses and coarse cereals to encourage farmers to shift to these crops, which are environmentally sustainable and thereby reduce the country's dependence on imports," an official said.

India imports about 55-56% of its total domestic requirement of edible oil while 15% of pulses consumption is met through imports.

In race to get on top of rising food inflation, the government recently allowed tariff-free imports of crude soyabean and sunflower oils during this financial year and the next. The tax waiver is also subject to an annual cap of 2 million tonne for each , which will more than suffice to meet the needs of domestic refiners and ease supplies in the domestic market.

A waiver of basic customs duty for the two edible oils, which together account for a quarter of India's edible oil imports, was extended till FY24-end, and a residual 5% agriculture infrastructure development cess on the two crude edible oils was removed.

On July 1, the Food Corporation of India is expected to have a rice stock of around 29 to 30 million tonne (MT) excluding around 17 MT of grain receivable from millers against the buffer norm of 13.5 MT.

"With cost of production rising in the last one year, the hike in MSP for kharif crops has to be substantial so that government meets its commitment of providing 50% more than cost of production to farmers," Ashok Gulati, former chairman, Commission for Agricultural Costs and Prices and chair professor (agriculture), India Council for Research in International Economic Relations told FE.

Prices of farming inputs like electricity, transporarion and pesticides have seen big increases. Though prices of fertilisers and key fertiliser inputs also increased in the global market, a sharp increase in subsidies by the government will give farmers largely immune to the cost increases.

The government's food subsidy expenses are expected to rise further from budgeted Rs 2.06 trillion for 2022-23.

The government has decided to absorb a substantial part of the rise in fertiliser prices and subsidies are expected to touch Rs 2.15 trillion in 2022-23 against Rs 1.62 trillion in 2021-22 mainly because of spike in global prices of phosphatic and potassic (P&K) fertilisers and urea in last one year.

“Thrust of the MSP regime should be to increase oilseeds and pulses production so that import dependence is reduced and farmers’ income get a boost,” P K Joshi, former director (South Asia), International Food Policy Research Institute, said.

While FCI procures rice during October-September period from grain surplus states of Punjab, Haryana, Chhattisgarh, Odisha, Andhra Pradesh and Telangana for meeting public distribution system (PDS) requirement, the farmer cooperative Nafed procures oilseeds and pulses when prices go below MSP. Nafed has to maintain a buffer of 2.2 MT of pulses as buffer stock.

Source: financialexpress.com– June 06, 2022

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India Inc's wage bill rises, interest costs fall

Input inflation and a sharp rise in employee expenses notwithstanding, India Inc turned in a strong performance in FY22. While the low base of FY21 did help prop up the numbers, companies clearly responded to the demand from clients and customers.

Employee costs jumped 12.7%, the biggest increase in eight years. Much of this was driven by hiring in the IT, BFSI and healthcare spaces. At the same time, the interest bill fell by about 3.6% on the back of a reduction of 7.6% in FY21. This was not surprising because corporate India has been de-leveraging over the past several years and interest rates too have been at multi-year lows. With production not having been ramped up to full capacity until later in the year, working capital requirements, too, were lower. Some companies also accessed the overseas markets where interest rates were softer.

Revenues, for a universe of 3,367 companies, went up by 29% to Rs 107.05 trillion but this came on the back of a contraction of 2.4% in FY21. Net sales were boosted by the toplines of metals and oil companies, though a fair share of companies in other sectors, reported double digit sales growth. Operating profit margins for the universe came off only slightly by 40 basis points to 19.5%, indicating that companies had pricing power and were able to pass on much of the additional costs to their customers.

Consequently, operating profits hit Rs 20.85 trillion, a jump of 26%. In FY21 too, operating profits had gone up because companies had started passing on some of the increases in input costs. Moreover, they resorted to cost-cutting, paring the wage bill through a combination of layoffs and pay-cuts.

The GVA or gross value added (sum of wages and Ebitda) for the universe went up 21.3% in FY22, the biggest increase in about a decade. The increase came on the back of a near 20% increase in FY21. A good part of this could be attributed to inflation. To be sure, the performance was not uniform across companies and the larger ones, that dominate the sample, have done much better. Most firms with a turnover of Rs 250 crore and less fared badly.

Source: financialexpress.com– June 06, 2022

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World Environment Day 2022: Here's how sustainable fashion is revolutionising the way the style business operates

Sustainable fashion is the accelerating trend in the world of pret and couture, as the young populace today realises that leading an ethical and environmentally lifestyle can help avert the climate crisis and on World Environment Day 2022 this Sunday, we couldn't help but cheer how sustainable fashion is revolutionising the way the business of fashion operates.

One truck's capacity of textiles is landfilled or burnt every second somewhere in the world but now, brands are creating apparel ranges that appeal to consumers' modern sensibilities by combining age-old textiles, craft and production techniques with contemporary styles that are made from nature-based fibers derived from renewable wood and sourced responsibly from sustainably managed forests.

Some are making and using fibers that are an eco-friendly alternative to most natural and synthetic fibers while others are biodegradable and are made using significantly lesser resources, allowing us to contribute to a greener environment. Notice the conscious shift of clothing brands to make sustainable clothing? It has a lot to do with consumer sentiment on sustainability in fashion as millennials and Gen-Z are opting for sustainable and home-grown eco-friendly clothing brands that are paving the way for sustainable fashion to become mainstream.

In an interview with HT Lifestyle, Sree Charan, VP Marketing at Birla Cellulose, shared, "One of the main reasons of surge in sustainable fashion is the increased awareness of eco-friendly practices. Now a days, more brands are stepping forward to incorporate sustainable clothing and they are creating it by giving fashionable outlook based ongoing fashion trends.

For instance, they are opting for fabrics that are composed by using natural cellulose fibres produced from wood pulp that is generated from trees grown specifically for this purpose, sourced from certified sustainable forests that enhances the fluidity and softness of fabric. These fabrics save landfills 6-7 times more than cotton and consume 3-4 times lesser water, are organic, ethically sourced, environment friendly and renewable."

According to Priyanka Priyadarshini, Head Designer at Navyasa By Liva, there are environmentally responsible fashion brands that are leveraging technology to make clothing production and packaging more sustainable.

She revealed, “From the use of plant-based textiles and bacteria-based dyes to deploying a blockchain-based supply chain to increase transparency, the aim is to stay sustainable at every step of the way like sarees are made of sustainable fabrics sourced from natural origins in an eco-conscious manner, bringing fluidity to the final product. The smooth flowy texture makes the sarees breathable, comfortable and easy to wear.”

Supporting sustainability is the new fashion trend and rightly so as fast fashion accounts for about 10% of the World Carbon Emission and nearly 20% of the world’s wastewater.

With sustainability, reusability and self-care at the top of brand-conscious new-age consumers, an evident shift is seen in how customers interact with brands and their products where sustainable fashion is influencing the post-pandemic fashion choices as Covid-19 lockdowns lift across the globe after two years of the coronavirus pandemic.

Lifestyle – Fashion

The fashion industry underwent a complete overhaul during these two years of Covid-19 lockdown and now, the way we dress has changed dramatically and style experts assert that fashion that can be worn for multiple purposes is here to stay.

Fashion brands are implementing consumer-centric strategy to see what customers really want and all roads lead to the fact that the future is sustainable fashion where on any given day, a functional and versatile closet is preferable - one which allows styling of an essential piece in a variety of ways to blur the borders between casual and formal attire and evolve fashion to the point where it recognises that customising a silhouette is not limited to a specific demographic.

Source: hindustantimes.com– Jun 06, 2022

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How are plastic pet bottles recycled into clothing?

Since the UN General Assembly designated June 5 as World Environment Day, it has served as a platform to raise awareness of the issues that we and our environment are facing. Whether it is air pollution, plastic pollution, sustainable consumption, or sea-level rise, environmental protection has become our top priority.

Plastic pollution has become a major concern in recent years. Plastic never decomposes; instead, it breaks down into tiny particles that end up in the ocean. It has a negative impact on the environment that may not appear to directly affect us, but it harms our mother earth and our health.

According to reports, the world produces more than 400 tonnes of plastic per year, with the vast majority of products not being recycled. Many brands have recently taken charge of the situation and begun recycling pet bottles into garments, which is one method of reducing waste generation making a world more environmentally friendly.

Anjana Pasi, Director, MiniKlub says "It's just a small step that we are taking towards a sustainable nation. The collection made from recycled plastic is completely safe and skin-friendly. It is good for the environment since we are making new products from the old products which go into the garbage or are of no use to us."

She goes on and explains the process of how PET bottles can be recycled and used to produce high-grade fibres. "The pure version of polyester textile is the 'Recycled Polyester'. Recycled polyester is known to use PET as the raw material, the same material that is being used in clear plastic water bottles, and recycling it to make the fabric prevents it from going to landfills. Below are the steps involved in the production process of recycling the PET bottles:

The first and the foremost step involves the collection of PET bottles being sterilised, dried and later squeezed into small chips. The chips are then heated and passed through a plate called a spinneret to form strings of yarn. After that, this yard is wound up in spools and the fibre is then passed through a crimping machine in order to get a fluffy texture. Finally, the yarn is dyed and knitted into polyester fabric."

She also adds "About 6 bottles are being recycled to make a T-shirt, 6 bottles to make a bodysuit, nine bottles to make a sleepsuit, five for a legging and nine for a dress, PET is just as good as virgin polyester, but takes fewer resources to make."

Source: economictimes.com– Jun 05, 2022

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Gujarat to help India achieve $5-tr dream

The Government of Gujarat had set up a Task Force Committee in the month of February 2022 under the Chairmanship of Dr. Hasmukh Adhia, former Union finance secretary for working out the strategy for government of Gujarat for making India a $5-trillion economy as per the vision of Prime Minister of India.

The Task Force Committee has already submitted its Final Report to Gujarat Chief Minister Bhupendra Patel. India intends to achieve the GDP target of $5 trillion by 2026-27 in nominal terms. In 2021-22, India became a $3.09-trillion economy in nominal terms. Average annual nominal growth for the last 10 years (2012-13 to 2021-22) is nearly 10.5 per cent.

Therefore, if the past growth rate is sustained, India would be a $5-trillion economy by 2026-27. Let us see what the Report says. The target of a $5 trillion economy by 2026-27 is contingent on growth at the state level. Five states—Gujarat, Tamil Nadu, Maharashtra, Uttar Pradesh, and Karnataka—constitute approximately 49 percent of the nominal GDP of the country.

All five states grew at an average annual nominal growth of nearly 10 per cent or more during the pre-COVID period (2012-13 to 2019-20); they have the potential to continue to grow at a rapid pace in the coming years, if everything goes well.

The contribution in the economy of big states like Bihar is also important but, unfortunately, it is not doing well in industry. There is a big scope in the packaging and food industry in Bihar but somehow this state is not focusing on this sector even though production of vegetables and other agri products is higher than in other States.

The Reserve Bank of India, major multilateral institutions, and rating agencies released their latest FY22 real GDP growth forecasts for India. As per these forecasts, GDP growth ranges from 8.3 per cent (World Bank) to 10 per cent (ADB). These exceptionally high levels of growth do partly reflect a base effect since India's GDP had contracted by 7.3 per cent in FY21.

The FY23 growth forecasts, therefore, indicate a more normal level of growth in the narrower range of 7.5 per cent to 7.9 per cent. Taking a longer-term view, as per the October 2021 issue of IMF's World Economic Outlook, the Indian economy is poised to become the global growth leader FY22 onwards. Not only does it overtake China amongst major economies in FY22, it is projected to retain this position for the next five years. India is a big economy in the world after the US, Russia, and China.

Gujarat plays a key role in boosting the Indian economy. PM Narendra Modi rightly says that Gujarat ka Vikas Desh ka vikas—Gujarat's development for Nation's development. Gujarat is a national leader in automobiles and auto-parts, pharma and medical devices, chemicals and petro-chemical, sanitary/ceramics goods, textiles, garments, apparels, etc.

Gujarat is also the world's largest petroleum hub, global leader in diamond processing (Surat), and Asia's largest dairy (Amul). Gujarat contributions in all these sectors will help boost the Indian economy.

The country has to depend on Gujarat's economic growth to achieve the target of a $5-trillion economy besides Maharashtra, Tamil Nadu, UP, and Karnataka. In the next financial year, the picture will be clearer whether the nation will be able to achieve this target or not.

Source: dailypioneer.com– Jun 06, 2022

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