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INTERNATIONAL NEWS

INTERNATIONAL NEWS

Lifting China Tariffs Won't Tame Inflation, Textile Groups Argue

The Biden administration should maintain Section 301 penalty tariffs on finished textiles and apparel or risk reversing once-in-a-lifetime nearshoring trends and undermining critical investments and jobs in the U.S. and Western Hemisphere, three key American textile manufacturing groups said Thursday.

In a formal submission to the U.S. Trade Representative's (USTR) office, which is conducting a four-year statutory review of the tariffs, the associations expressed strong support for the continuation of penalty tariffs on imports from China and warned of the consequences associated with removing them.

"A key aspect of [the Biden administration's trade] policy is the need to maintain Section 301 tariffs, absent substantive improvements in China's pervasive, predatory trade practices," the groups said.

Lifting the tariffs "would also do nothing to achieve the administration's goal of easing inflationary pressures, as apparel prices out of China continue to hit rock bottom even with the Section 301 tariffs," they said.

The submission was filed by the National Council of Textile Organizations, and the Narrow Fabrics Institute and Industrial Fabrics Institute, both divisions of the Advanced Textiles Association. The associations represent the entirety of the U.S. textile production chain.

"For decades, China's illegal actions have undermined virtually every domestic manufacturing sector and contributed to the direct loss of millions of U.S. jobs," the groups said. 'These devastating state-sponsored practices include intellectual property (IP) theft, as well as pervasive state-ownership of manufacturing, industrial subsidies, and abhorrent labor and human rights abuses in the Xinjiang region.

Cancelling these tariffs would create further unhealthy dependence on Chinese supply chains and embolden future systematic trade abuses as bad actors know that the U.S. will not hold them accountable."

The tariffs were imposed on China beginning in 2018 in response to China's continuing IP and related trade violations. USTR has said that China has since failed to comply with an agreement it reached with the United States in 2020. In early May, USTR announced it would begin a statutory four-year review of the China 301 tariffs. USTR said leading up to the four-year anniversaries of the tariff actions in the Section 301 investigation of "China's Acts, Policies and Practices Related to Technology Transfer, Intellectual Property and Innovation," it was giving notice to representatives of domestic industries that benefit from the tariff actions and had previously submitted comments in support of them.

The Biden administration has publicly signaled a desire to lift the tariffs, a bipartisan group of senators said last month in a letter to Biden urging him not to lift the Section 301 tariffs that target China and its "illegal and unfair trade practices. They said the White House has also noted that China has failed to comply with provisions in the Phase One Agreement, which the Trump administration reached with China in January 2020.

Industry groups such as the American Apparel & Footwear Association (AAFA) have taken a contrary stance on the issue, citing higher prices on apparel imports caused by the tariffs. Steve Lamar, AAFA president and CEO, said recently that the administration still doesn't "connect the corrosive effect of tariffs, persistent tariffs, on inflation, and that's the point that we keep trying to make to them, so they see that tariff reduction can lead to lower pricing." He and others have also pointed out that the Chinese government doesn't pay the tariffs, but U.S. importers do.

National Retail Federation president and CEO Matthew Shay said last week after the May Consumer Price Index was released that "this report showing that rampant inflation continues is one more reason for the administration to move quickly to repeal tariffs."

"Independent researchers and government agencies agree that ending tariffs is the fastest way to relieve the pressure of higher prices that American businesses, workers and consumers are facing every day," Shay said. "We need the administration and Congress to move forward on steps to lower prices that can be taken immediately. Repealing tariffs is one of those steps and one of the most effective and meaningful."

Source: sourcingjournal.com– Jun 16, 2022

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Maersk to Launch Dedicated Coastal Service in New Zealand

Maersk is rolling out a new dedicated New Zealand coastal service, Maersk Coastal Connect, to enable a more resilient New Zealand supply chain and improve vessel schedule reliability.

The first of its kind for Maersk in its 25 years of operational history in the country, the service will help enhance domestic connections and offer sustainable and flexible supply chain solutions for importers, exporters and domestic distributors.

By deploying two 2,500 TEU container vessels, Maersk Nadi and Maersk Nansha, on a weekly basis, five main ports in New Zealand–Timaru, Lyttelton, Nelson, Auckland and Tauranga–will be called in the service rotation, enhancing connectivity and providing easy access to Maersk's global network. The combined North to South and South to North capacity will reach 250,000 TEU each year.

Maersk Coastal Connect will start on July 12. The service will be operated with New Zealand crew to support the local community and ensure continued to investment in New Zealand.

"The Covid-19 pandemic has changed the world in many ways and one of them in the logistics industry is customers' increasing needs for more visible and resilient local and global supply chains," Henrik Jensen, managing director of Maersk Oceania, said. "By operating two dedicated vessels, we can position empty containers to the right places more efficiently to meet export requirements. At the same time, we are enabling more than four days of additional schedule buffer to reduce impact from the supply chain disruptions, including port congestion, tidal windows, swell, lower port productivity and longer port stay. This will ensure smooth connections to our international mainliner network and benefit more than 2,000 cargo owners in the country."

As the world is still experiencing serious consequences of Covid-19 on global supply chains with unprecedented delays and reduced carrying capacity, Maersk Coastal Connect is designed to respond proactively to the continued challenges. The initiative is also a greener solution compared with other freight transport modes in New Zealand.

“With sea freight being the most environmental-friendly mode of transportation, it has a significant potential to reduce CO2 emissions,” My Therese Blank, head of market, Maersk Oceania, said. “Based on GLEC (Global Logistics Emissions Council) methodology to calculate the representative cargo volumes, Maersk Coastal Connect is estimated to enable 43,000 tons of CO2 savings per year compared to landside trucking service, contributing to Maersk’s 2030 targets for significant absolute emissions reductions.”

The additional investment of a dedicated New Zealand coastal service, in conjunction with recent announcement to build a cold chain facility in Hamilton, will create “huge value” for customers in the New Zealand market,” Maersk said. Th company’s expanded local product portfolios in coastal shipping, warehousing, cold chain solutions, landside delivery and value-added services will connect New Zealand in new ways and enhance the overall product offering in the country, to further connect and simplify customers supply chains and provide integrated and flexible solutions.

Source: sourcingjournal.com– Jun 16, 2022

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Russian sanctions hurting small Italian fashion producers

Fine Italian knitwear packed in boxes addressed to retailers in Moscow, St. Petersburg and Kursk sit stacked in a Lombardy warehouse awaiting dispatch. Although not subject to sanctions to punish Russia for invading Ukraine, the garments are not likely to ship any time soon.

Missing payments from the Russian retailers who ordered the garments are piling up due to restrictions tied to the banking sector, putting pressure on small fashion producers like D. Exterior, a high-end knitwear company with 50 workers in the northern city of Brescia.

“This is very painful. I have 2 million euros worth of merchandise in the warehouse, and if they cannot pay for it, I will be on my knees,” said D. Exterior owner Nadia Zanola, surveying the warehouse for the brand she founded in 1997 from the knitwear company created by her parents in 1952.

Italy is the largest producer of global luxury goods in the world, making 40% of high-end apparel, footwear and accessories. While Russia generates just about 3% of Italian luxury’s 97 billion euros ($101 billion) in annual revenue, it is a significant slice of business for some of the 80,000 small and medium companies that make up the backbone of Italian fashion, according to industry officials.

“We are talking about eliminating 80% to 100% of revenues for these companies,” said Fabio Pietrella, president of the Confartigianato fashion craftsman federation. Districts producing footwear in the Marche and Veneto regions, and knitwear makers in Umbria and Emilia-Romagna have grown particularly reliant on Russia.

“These are districts that connect the supply chain, and if it is interrupted, not only is the company that closes harmed, but an entire system that help make this country an economic powerhouse,” Pietrella said.

The Italian fashion world is best known for luxury houses like Gucci, Versace and Armani, which unveil their menswear collections in Milan this week. And some of the biggest names appear on a list compiled by Yale University professor Jeffrey Sonnenberg of major companies doing business in Russia since the war in Ukraine began.

“There are companies that kept selling to Nazi Germany after the outbreak of World War II — we don't celebrate them for that,” Sonnenberg said, labeling as “greedy” any enterprise that continues to do business in Russia today.

He also underlined that fashion companies don’t have the grounds to make humanitarian appeals to bypass sanctions, voluntary or otherwise, as has been the case with agricultural firms and pharmaceutical companies.

Among those receiving a failing grade from Sonnenberg is Italy's Benetton, which in a statement condemned the war but said it would continue its commercial activities in Russia, including longstanding commercial and logistic partnerships and a network of stores that sustain 600 families.

French conglomerate LVMH, meanwhile, has temporarily closed 124 stores in Russia, while continuing to pay its 3,500 employees in Russia. The Spanish group Inditex, which owns the fast-fashion chain Zara, also temporarily closed 502 stores in Russia as well as its online sales, accounting for 8.5% of group pre-tax earnings.

Pietrella fears a sort of Russia-phobia is taking hold that is demonizing business owners for trying to keep up ties with a longer-term vision.

He characterized as a “witch-hunt” criticism of some 40 shoe producers from the Marche region on Italy’s Adriatic coast for traveling to Russia for a trade fair during the war.

European Union sanctions against Russia sharpened after the Ukraine invasion, setting a 300-euro wholesale maximum for each item shipped, taking super-luxury items out of circulation but still targeting the upper-middle class or wealthy Russians.

“Without a doubt, we as the fashion federation have expressed our extreme concern over the aggression in Ukraine,’’ Pietrella said. “From an ethical point of view, it is out of discussion. But we have to think of our companies. Ethics are one thing. The market is another. Workers in a company are paid by the market, not by ethics.”

He said the 300-euro limit on sales was a gambit by European politicians that on paper allows trade with Russia despite accompanying bureaucratic and financial hurdles, while also shielding governments from having to provide bailout funds to the industry. He also dismissed as overly facile government suggestions to find alternative markets to Russia.

“If there was another market, we would be there already,” Pietrella said.

At D. Exterior, exposure to Russia grew gradually over the years to now represent 35% to 40% of revenue that hit 22 million euros before the pandemic, a stream that is also under new pressure from higher energy and raw material costs.

The company was already delivering its summer collection and taking orders for winter when Russia invaded on Feb. 24. By March, Russian retailers were having trouble making payments.

Not only is Zanola stuck with some 4,000 spring and summer garments that she has little hope of shipping to Russian clients, she said she was contractually required to keep producing the winter orders, risking 100,000 euros in labor and materials costs if those are unable to ship.

Over the years, her Russian clients have proven to be ideal customers, Zanola said. Not only do they pay on time, but they are appreciative of the workmanship in D. Exterior’s knitwear creations.

After working so hard to build up her Russian customer base, she is loathe to give it up and doesn't see a quick long-term replacement.

“If Russia were Putin, I wouldn’t go there. But since Russia is not only Putin, one hopes that the poor Russians manage to raise themselves up," she said.

Source: taiwannews.com.tw– Jun 16, 2022

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Supima moves to set new benchmark in fiber traceability

The brand for American-grown Pima cotton has forged a strategic partnership with TextileGenesis, a traceability platform customized for the fashion and textile ecosystem. The technology will digitally connect Supima's comprehensive supply chain from growers to the brand/retailers. Integrated with this digital platform, Supima's technology partner Oritain will provide the forensic origin authentication for Supima cotton across the platform.

TextileGenesis' Fibercoin technology will be integrated into Supima's licensing program and applied to all Supima branded fiber throughout the supply chain, creating a non-fungible digital token for every kilogram of Supima cotton that can be physically and forensically verified and authenticated by Supima from the farm through to the retail shelf.

Fibercoins from TextileGenesis create a digital 'twin' to mirror the physical flow of goods through the supply chain. The combination of forensic physical authentication from Oritain and digital authentication from TextileGenesis will independently validate the Supima content of products at every stage of the supply chain.

Supima president and CEO Marc Lewkowitz asserted there is not other system like this for any other fiber. "The Supima partnership with TextileGenesis provides for the very first time, undisputable proof of origin for consumer products all the way back to the fiber's origin," he said. "This enables Supima's partner brands to credibly claim advantages in terms of product quality and sustainability that are independently verifiable through both digital and forensic testing."

TextileGenesis founder and CEO Amit Gautam said the collaboration is setting a new benchmark for the cotton and premium fiber's industry and paves a new path for the entire fashion eco-system.

"We are creatively combining three major innovations – digital-tokens based article-level traceability, forensic physical verification and Supima brand licensing – in a single integrated platform," he said.

Source: hometextilestoday.com.– Jun 16, 2022

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Intex South Asia textile sourcing show kicks off in Dhaka

More than 120 companies from Bangladesh, India, Korea, China, Thailand, Singapore, United Arab Emirates, Italy, the US, and several other countries are showcasing their latest offers for Bangladesh's textile and garment industry at the fair.

Textile and Jute Minister Golam Dastagir Gazi inaugurated the fair organised by Worldex Indian Exhibition and Promotion Pvt Ltd. The show will run till 18 June.

Speaking on the occasion, the jute minister said, "The country's textile products are already highly regarded internationally in terms of quality and the government has favoured this industry and adopted various policies for its development."

He said 100 economic zones are being set up across Bangladesh where Indian companies can set up manmade fibre factories.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan said, as the second-largest apparel exporter globally, Bangladesh's garment industry relies heavily on several import items including yarn, fabric, and accessories. India, being a neighbouring country, plays a very significant role in it.

He said, "I believe Intex South Asia is undoubtedly one of the biggest and most established international textile sourcing shows of South Asia. It will help our manufacturers to get to know about the latest technologies and functions under the same umbrella."

Also speaking on the occasion, Arti Bhagat, director of Worldex Indian Exhibition and Promotion Pvt Ltd, said, "Intex South Asia aims to increase interest in connecting with suppliers by engaging buyers in private business meetings."

Among others, Upendra Prasad Singh, secretary, Ministry of Textiles, India; KI Hossain, president, Bangladesh Buying House Association; and Mohammed Hatem, executive president, Bangladesh Knitwear Manufacturers & Exporters Association, were also present on the occasion.

Source: tbsnews.net– Jun 16, 2022

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Cotton Brazil holds sellers mission in Dhaka as demand increases

Cotton Brazil, a development programme for Brazilian Cotton Growers Association (ABRAPA), recently held its sellers mission event in Dhaka, focusing on its commitment to ensure short-, medium- and long-term business continuity by exporting of Brazilian cotton. The demand for Brazilian cotton has increased in recent times due to domestic shortages in Asian nations.

With rising cotton prices affecting Asian garment manufacturers, traders and merchants, the industry is facing a lack of supply with diminishing crop yields amongst top global cotton exporters.

As several Asian countries require more imports to overcome domestic shortages, the demand for Brazilian cotton has increased and has accelerated Brazil to become the fourth largest cotton producer and second largest exporter in the market, an official press release said.

Brazil has shipped 1.519 million tonnes of cotton between August 2021 and April 2022, generating revenues worth $2,827 billion. The country is projecting the total cotton shipments to be 1.90 million tonnes for the next cycle, the press release said.

"However, we are aware of the harmful effects caused from unsustainable cotton growing systems and continue to work towards reducing the environmental impact of cotton farming practices," ABRAPA president Julio Cezar Busato said.

Source: fibre2fashion.com– Jun 16, 2022

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Textiles play key role to make Italy billion-dollar market for Pakistan

Pakistan's exports to Italy have crossed $1,002 million during the first 11 months of FY2021-22 (July-June). The exports of apparel and home textiles also registered an impressive growth in the last few quarters. Pakistan's industry believes that Pak embassy in Italy is making an effort to leverage the benefits of rising economic activities post COVID-19.

Pakistan's exports have registered a consistent increase since the second quarter of 2021 when Pakistan exported apparel worth $44.665 million. It exported apparel worth $52.187 million in the third quarter and $54.558 million in the fourth quarter of 2021. Monthly exports also witnessed an upward trend in January 2022 when the exports were $24.785 million. Monthly exports were $15.779 million in October 2021, according to Fibre2Fashion's market insight tool TexPro.

The exports of home textiles from Pakistan to Italy also increased during three quarters of last year. The exports were $52.242 million in the second quarter, $52.699 million in the third quarter and $54.273 million in the fourth quarter of 2021, as per TexPro.

However, Pakistan's share in Italy's imports of apparel remained negligible. The western country had imported apparel worth $202.639 million from Pakistan between April 2021 and March 2022. Pakistan's supply of apparel to Italy was mere 1.34 per cent out of the total supply worth $15.133 billion in the same period. China, Spain, France, Bangladesh and Germany were the top five suppliers of apparel to Italy with more than 50 per cent share of the total amount.

Pakistan was a prominent supplier of home textiles for Italy. Italy imported $1.895 billion worth of home textiles from different exporting countries during April 2021-March 2022. Pakistan secured the second position with a supply of 9.86 per cent of the total import of home textiles by Italy. China remained the top supplier with 30.78 per cent. India, Turkey and Germany were also among the top five suppliers for Italy.

According to Pak media, Pakistani embassy in Italy has played an important role in connecting exporters with Italian buyers by promoting B2B interactions and exchange of delegations. Recently, a 10-member buying mission from Italian leather sector visited Pakistan, and another delegation will be visiting TEXPO Pakistan in August 2022. Additionally, a 22-member Pak delegation visited Italy from 11-15 June 2022 and a 35-member delegation from leather sector will be visiting Italy in September 2022.

Source: fibre2fashion.com– Jun 16, 2022

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Pakistan: Textile exports surge 28.6pc to $17.6 billion in July/May

Pakistan's textiles and food exports surged almost a quarter during July-May 2021/22, the Pakistan Bureau of Statistics (PBS) said Thursday.

Textiles that makes over three-fifth of the country's total exports earned $17.62 billion in the eleven months of this fiscal against $13.74 billion in the same month of last year, showing a growth of 28.26 percent,

In May 2022, YoY textile exports grew 56 percent to stand at $1.64 billion as compared to $1.05 billion in the same month a year ago, while MoM growth was down 5.6 percent. The exports of this group stood at $1.73 billion in April 2022. In the textiles group, cotton yarn exports increased 24.2 percent during the period to $1.11 billion compared to $896 million in the same period last year, with May 2022 exports up 48 percent to $106.57 million over the same month last year.

Cotton cloth exports increased 30.34 percent to $2.24 billion, knitwear 36.4 percent to $4.65 billion, bedwear 21.68 percent to $3.0 billion, towels 21.66 percent to $1.02 billion, and readymade garments exports grew 30.68 percent to $3.54 billion in these eleven months. Raw cotton exports went up by 10 times to $6.58 million.

Food group exports increased by 24.23 percent to $4.92 billion against $3.96 billion recorded in the same period last year. In this category, rice exports increased 22.6 percent to $2.28 billion, including basmati exports that increased 24.75 percent to $632.5 million.

During January-May FY22, imports of petroleum group increased by 99.14 percent to $19.68 billion. Of this, imports of petroleum products increased 126 percent to $10 billion, crude oil 74.7 percent to $4.759 billion, LNG 86.3 percent to $4.3 billion and LPG imports climbed up by 43.5 percent to $606.9 million. Besides, raw cotton imports increased 25.3 percent to stand at $1.65 billion and fertiliser went up 43 percent to $774 million. Metal group total imports rose 32 percent to $5.93 billion. Of this, iron and steel scrap imports increased 25.8 percent to $2.15 billion and iron and steel 44 percent to $2.61 billion.

Pakistan's total food imports increased 11.9 percent to $8.45 billion in July-May FY22 against $7.55 billion in last fiscal. Of this group, wheat imports reduced by 19 percent to $795 million while sugar imports increased 49 percent to $191.4 million.

Machinery imports went up 16.6 percent during these eleven months to stand at $10.33 billion against $8.86 billion last year. Textiles machinery imports increased 47.2 percent to $722.6 million, construction and mining machinery increased 29.6 percent to $162.1 million, electrical machinery 23.7 percent to $1.8 billion, mobile phone imports 4.62 percent to $1.95 billion, while power generation machinery imports declined 9.9 percent to $1.43 billion.

Pakistan's overall trade deficit in the eleven months of FY22 was $43.424 billion compared to $27.463 in the same period last fiscal, Pakistan Bureau of Statistics (PBS) data showed on Thursday. Based on the provisional figures of imports and exports the balance of trade in May 2022 was $4.151 billion.

During the eleven months of FY22, imports surged to a whopping $72.18 billion while exports were at $28.848 billion. In the same period last fiscal, imports were at $50 billion and exports at $22.576 billion. This depicts a 27.8 percent growth in exports and a 44.3 percent increase in imports.

Source: fibre2fashion.com– Jun 16, 2022

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Bangladesh at final stage of introducing Bt cotton

Bangladesh is only second to China in exporting ready-made garments, fetching yearly earnings of over $35 billion. But the country has to pay up to $5 billion in import bills annually for its high import dependence on cotton – a key raw material for the apparels industry.

By introducing high-yielding and pest-resistant Bt cotton – a genetically-engineered crop – in 2002, Bangladesh's immediate neighbour India made a complete turnaround from a cotton importing country to an exporting country. Over the past two decades, India has emerged as the world's number one exporter of cotton and also commands nearly a third of Bangladesh's total import volume of the natural fibre.

After agonizingly long regulatory procedures, Bangladesh finally made an inroad on Thursday with regulators primarily agreeing to introduce Bt cotton in the country.

Once introduced, Bt cotton will be Bangladesh's second GE after it introduced its first – Bt brinjal – back in 2013. The approval of another GE product – vitamin A-enriched Golden Rice – has been pending with regulators for the past four years.

Scientists and industry sources told Dhaka Tribune yesterday that the introduction of Bt cotton would usher in a new era in Bangladesh's apparel sector by lessening dependence on imported cotton and helping growers earn more by growing more from the same cotton acreage, without requiring to apply toxic pesticides.

With low yield potential, Bangladesh's homegrown cotton varieties produce only 3 tons of cotton per hectare.

On the other hand, two Bt lines that the regulators gave initial greenlight to would yield over 4 tons per hectare. On top of that, farmers would not be required to spray pesticides to fight bollworm, a moth larva that often causes colossal damage to cotton.

The Cotton Development Board's (CDB) field experiments found that farmers would earn over Tk100,000 more from each hectare of Bt cotton compared to their earnings from the cultivation of traditional varieties.

The United States Department of Agriculture (USDA) recently projected that Bangladesh would have to import nearly 9 million bales of cotton in 2022-23 against a paltry local production of 155,000 bales.

In the calendar year 2021, Indian cotton took 29% of the market share in Bangladesh, followed by Brazil, Benin and the United States.

Next steps

The Bangladesh National Technical Committee on Crop Biotechnology (BNTCCB), at a meeting yesterday, gave the go-ahead for two Bt cotton varieties, both sourced from the Hyderabad-based Indian company JK Agri Genetics.

Md Kamrul Islam, a CDB scientist involved with the Bt cotton introduction process, told this correspondent yesterday that after years of contained greenhouse trials, controlled field trials and multilocation trials in Bangladesh, the two Indian Bt varieties had been found to be suitable, profitable and ecofriendly for Bangladeshi cotton growers to cultivate.

Prior to Thursday's meeting, chaired by the agriculture secretary, a series of discussions had been taking place since February this year at the BNTCCB Core Committee, which is led by the Executive Chairman of Bangladesh Agricultural Research Council (BARC), the apex body of Bangladesh's national agricultural research system (NARS).

Representatives drawn from the scientific fraternity, academics and biosafety experts proffered the view that there were no health or any other safety issues involved and both fabrics and oil extracted from Bt cotton were as safe as non-Bt cotton.

Dr Rakha Hari Sarkar, who teaches botany at the University of Dhaka and also sits on the biosafety technical committee, told Dhaka Tribune that farmers could expect to grow the Bt cotton sometime soon once the National Committee on Biosafety (NCB) comes forth with the final approval.

Before trying the Indian Bt varieties, the CDB spent several years trying Bt varieties sourced from Wuhan's Hubei Provincial Seed Group Company but later concluded that the Chinese ones were not suitable in Bangladesh conditions.

What's Bt cotton

Bt cotton is a genetically-modified pest-resistant plant cotton variety, which produces an insecticide to combat bollworm. This has been developed through the insertion of a bacterium gene (Bacillus thuringqiensis or Bt) into cotton.

Bt cotton was first approved for field trials in the United States in 1993, and first approved for commercial use in the United States in 1995. It was approved by the Chinese government in 1997. India introduced Bt cotton in 2002, and by 2011, it emerged as the largest grower of genetically-engineered (GE) cotton with over 10 million hectares of acreage.

Currently, Bangladesh's South Asian neighbours – India, Pakistan and Myanmar – all are growing Bt cotton, with India and Pakistan solidifying their positions among the top five exporters of the fibre.

Source: dhakatribune.com– Jun 16, 2022

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Pakistan: ECC will fix minimum support price for cotton at Rs7,000

After the 18th constitutional amendment, agriculture is a provincial subject and the federal government has no interference in the sector, said the minister while briefing the Senate Standing Committee on National Food Security and Research which met with Syed Muzafar Hussain Shah in the chair here on Wednesday.

The committee was given a briefing regarding cotton production and support prices. The ministry officials informed the committee that at present, the price of cotton in the open market is around Rs12,000 per mound. The committee observed that there is an institutional system in the country regarding fixing the support price of cotton.

The committee recommended that the Ministry of National Food should determine the correct procedure for fixing the support price of cotton, estimate the cost of production per acre and fix the price in consultation with all stakeholders.

The Committee also recommended for formation of a Cotton Board in the Ministry of National Food including provincial food departments, cotton and seed officials and other joint ventures.

Briefing the committee, the federal minister said that the Rs7,000 support price of cotton will be approved in the next ECC. He further said that funding from international organizations and institutions is being spent by the federal government on provinces, Cheema added.

After the 18th Amendment, it was realized that food security was a federal matter. Ministry of National Food Security was formed after the 18th amendment keeping in view the food security issues, said Cheema, adding that the ministry was formed four months after the 18th Amendment because it had realized it was not working. We have food security, not agriculture, said the minister adding that unfortunately, everyone asks them about agriculture.

After petroleum, Pakistan's biggest import bill is for food items, said the minister, adding that the Khyber-Pakhtunkhwa government is doing zero procurement of wheat.

An agreement has been reached between the federation and agriculture secretary Khyber-Pakhtunkhwa on wheat procurement, said the minister, adding that the federation is buying wheat in the KP and giving it to the province. If we still do not take sensible decisions, we will not be able to manage food security, he added.

Water reserves are dwindling, said the minister, adding that previous governments gave packages for agriculture, but unfortunately did not reach the farmers.

“We are also under pressure from Afghanistan regarding food security due to the Ukraine-Russia war”, said Cheema, adding that according to a 2006 survey, 90 percent of the farmers in Punjab own 12 acres of land. There is no big farmer and are further burdened by imposing various duties, said the minister.

He urged for setting up a commission to look into the “agriculture matters” and let the truth be told and the blame game be stopped. The cause of declining agriculture is not one, but there are many issues. The government should subsidize farmers to go for solar, he added.

Cotton has been replaced by maize and rice, said the minister, adding that it is wrong to say that cotton cultivation is declining due to sugarcane.

The committee sought details on the budget allocation received by the Ministry of National Food. Further, the parliamentary panel asked for submitting details of the budget received and used by the ministry and related departments.

Source: brecorder.com– Jun 16, 2022

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NATIONAL NEWS

Textile MoS impressed with fabric produced in Kolhapur

Minister of state for railways and textiles Darshana Jardosh, as part of her Kolhapur tour, on Thursday visited the Ichalkaranji Powerloom Mega Cluster.

Jardosh was apprised about the textile hub and the ongoing activities by local MLA Prakash Awade. “Kolhapur has contributed immensely to the textile industry and the use of automation and modernisation to produce superior quality textile fabrics and apparel are impressive,” Jardosh said.

On being told of the challenges being faced by the textile unit operators, Jardosh said, “Officials from the textile ministry will soon look into the concerns. I appeal to the textile operators to participate in the upgradation scheme for which funds have been made available.

The scheme provides funds to improve textile manufacturing by introducing advanced machinery.”

Earlier, on Wednesday, Jardosh had criticised the Congress for merely introducing schemes and not implementing them.

“The textile upgradation scheme was in place before 2014 when BJP came to power at the Centre. However, back then, the Congress government had not allocated funds,” she said.

Source: timesofindia.indiatimes.com– Jun 17, 2022

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GST Council to meet in Srinagar on June 28-29

Focus likely on compensation to States/UTs

The GST Council will be back in Srinagar after a gap of five years as next meeting is scheduled to take place there this month-end.

"The 47th meeting of the GST Council will be held on June 28-29in Srinagar," the office of Finance Minister Nirmala Sitharaman said in a tweet on Thursday. Normally, the Council is supposed to meet once in three months, however, this time it has been delayed on account of various issues including re-nomination of Sitharaman.

Agenda of the meeting has not been finalised. However, the meeting is expected to be dominated by the issue of compensation to States besides consideration of report by Group of Minister (GoM) on online gaming, casinos & horse racing, review of some exemptions and rationalisation of inverted duty structure (IDS) on textiles and others.

Compensation period

Compensation payment period is going to end on June 30, as prescribed under law. However, States are pressing for extending the compensation beyond June. Now, one of the options is to amend the law to extend the compensation pay out. Alternatively, the Centre can provide a new mechanism by way of additional grants to some States.

With the introduction of GST, States were assured for compensation for loss of any revenue arising on account of implementation of GST as per the provisions of the GST (Compensation to States) Act, 2017 for five years. For providing compensation to States, Cess is being levied on certain goods and the amount of Cess collected is being credited to Compensation Fund. Compensation to States is being paid out of the Compensation Fund w.e.f. July 1, 2017.

Bi-monthly GST compensation to States for 2017-18, 2018-19 was released on time out of the Compensation Fund. As the States' protected revenue has been growing at 14 per cent compounded growth whereas the Cess collection did not increase in the same proportion, Covid-19 further increased the gap between protected revenue and the actual revenue receipt including reduction in cess collection.

In order to meet the resource gap of the States due to short release of compensation, the Centre has borrowed and released ₹1.1-lakh crore in 2020-21 and ₹1.59-lakh crore in 2021-22 as back-to-back loan to meet a part of the shortfall in cess collection.

Now, cess collection would continue for some more time, but amount collected would be used for payment of principal and interest. Last month, the Centre released around ₹87,000 crore to States as compensation saying entire dues till date has been paid. Now, cess collection would continue for some more time, but amount collected would be used for payment of principal and interest.

GoMs may get more time

The Council is also expected to discuss report by Group of Ministers (GoM) which suggested 28 per cent GST on online gaming, casinos and horse racing. There is also recommendation that GST be levied on the Gross Gaming Revenue. However, the Council is likely to give more time to another GoM which is going through rate rationalisation.

Source: thehindubusinessline.com– Jun 16, 2022

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India-ASEAN can promote resilient, reliable supply chains: Jaishankar

India and the ten-member ASEAN can work together to promote decentralised globalisation and resilient and reliable supply chains, the world is increasingly looking for, Minister of External Affairs S Jaishankar has said.

Developments in the Ukraine and its knock on effects on food and energy security, as well as fertilizer and commodities prices, and logistics and supply chain disruptions, has made the post-pandemic recovery path more arduous, the Minister said in his opening address at the Special ASEAN-India Foreign Ministers' Meeting on Thursday.

"A better connected India and ASEAN would be well positioned to promote decentralised globalisation and resilient and reliable supply chains that is so needed by the international community," the Minister said. The year 2022 is being celebrated as ASEAN-India Friendship Year to mark the 30th anniversary of ASEAN-India Partnership. Foreign Ministers from ASEAN states are in New Delhi for the meeting.

ASEAN countries include Brunei, Cambodia, Indonesia, Laos, Myanmar, Malaysia, Philippines, Singapore and Thailand and Vietnam.

Meeting with Modi

The Foreign Ministers also met the Prime Minister Narendra Modi and discussed cooperation between India and ASEAN in multiple areas. "Had a good interaction with Foreign Ministers and Representatives of ASEAN countries as we celebrate 30 years of close India-ASEAN cooperation," the PM tweeted after the meeting..

Noting that the Covid pandemic had not fully abated, the Minister said that there was much ground yet to be covered as nations moved towards post-pandemic recovery. "This path has become even more arduous with geo-political headwinds which we face due to developments in Ukraine and its knock on effects on food and energy security, as well as fertilizer and commodities prices, and logistics and supply chain disruptions," he added.

Keeping the current global uncertainties in mind, a new set of priorities need to be identified by India and the ASEAN while ensuring the early realisation of ongoing initiatives as the two review their journey of the last 30 years and chart a path for the coming decades, Jaishankar said.

Source: thehindubusinessline.com– Jun 16, 2022

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WTO close to sealing trade deal with limited commitments after seven years

The World Trade Organisation (WTO) is close to cobbling up a trade deal at its 12th Ministerial Conference in Geneva, seven years after the last pact in Nairobi in 2015, with limited commitments under way in areas including TRIPS waiver for Covid-19 vaccines, World Food Programme procurement, moratorium on e-commerce, and also on disciplining fisheries subsidies.

India's key demands of getting a permanent solution on tackling subsidy limits for public stock holding programmes and of allowing exports from public stocks on government-to-government basis for humanitarian causes and food aid have, however, been set aside for a decision at the next Ministerial Conference likely in two years time.

"Last-minute hectic negotiations are still going on in a few areas, although most of the issues have been settled. We are hopeful that a decision will be announced later in the day," a person tracking the meeting told BusinessLine. The four-day MC-12, which was to conclude on Wednesday, was extended by a day, till Thursday, as members were not able to agree on a deal on key issues.

The moratorium on customs duties on e-commerce is also likely to get an extension, with members agreeing to continue not imposing duties till the next Ministerial Conference, which is to be scheduled in December 2023. "However, there is likely to be a caveat that in case the ministerial gets delayed, the moratorium will lapse on March 31, 2024, if not renewed through consensus," The package is also set to include a temporary waiver of certain TRIPS provisions, but only on vaccines, which is likely to be for a period of five years. India had been insistent that the waiver should be given for therapeutics and diagnostics as well but this is to be settled at a later date.

"Vaccines can be both manufactured without the permission of the patent holder and be exported by the manufacturer," said the source.

In the area of fisheries subsidies, there will be no curbs on subsidies for fishers fishing within the country's jurisdiction, which was a key demand of India. Now, all members are free to give subsidies for items such as boats, nets, fishing equipment and fuel without any limits.

However, for illegal and unregulated fishing, the exemption from subsidy cuts is likely to be for two years. “India does not engage in illegal and unregulated fishing or fishing in the high seas. So, the curbs don’t matter,” said the source.

Members are also set to agree to exempt food procurement by WFP from export restrictions but with a clause that restrictions could be imposed if domestic food security is at stake.

Source: thehindubusinessline.com– Jun 16, 2022

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India's cotton import grows 80% in May 2022, yarn 42%

India’s import of cotton raw and waste jumped 80.12 per cent to $96.33 million in May 2022. Import of textile yarn, fabric, made-up article also increased by 42.34 per cent to $213.74 million.

In comparison, India had imported cotton raw and waste of $53.48 million, and textile yarn, fabric, made-up articles of $150.16 million in May 2021.

Higher import of cotton and yarn during May 2022 show that there is limited supply of these raw materials for manufacturing of apparel.

The revised data on India’s foreign trade in May 2022 released by the ministry of commerce and industry showed that the export of readymade garment (RMG) of all textiles was $1415.25 million (up 27.85 per cent month-on-month) and man-made yarn, fabrics and made-ups was $422.61 million (up 2.82 per cent).

Source: fibre2fashion.com– Jun 16, 2022

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Garment exporters seek changes to RoSCTL

Garment exporters have appealed to the Union government to provide benefits under the Rebate of State and Central Taxes and Levies (RoSCTL) in cash directly to the exporters and not as scrips.

Vijay Jindal, president of Garment Exporters and Manufacturers Association, said in a press release that credit scrips of exporters are trading at almost 20% discount. The scrips are trading at discounts largely due to new conditions imposed recently in the RoSCTL Scheme. Exporters may suffer ₹1,500 crore loss because of this.

Mr. Jindal said, "RoSCTL scheme provides rebate against the taxes, levies, etc. that are already paid by the exporters on the inputs. These rebate has been converted into scrips that are tradable i.e. exporters can sell scrips to the importers and importers, in turn, can pay import duty with these purchased scrips as an alternative to cash import duty payments.

While it was in discount earlier also, now the discount has gone up from 3% to about 20% on the scrips. This discounting of scrips benefits importers, who are taking undue advantage at the cost of exporters." The government should restart cash reimbursement instead of tradable scrips, he said.

Harish Ahuja, Executive Member of Apparel Export Promotion Council, said, "At present, demand for such scrips is very less as exporters are finding it difficult to find enough importers who can buy the scrips obtained under the RoSCTL scheme.

Lack of demand means that importers offer to buy scrips only at a steep discount of up to 20%. If not addressed, India may lose its edge in global textile markets."

Indian textile industry will rapidly lose its global export competitiveness if imbalances in the RoSCTL scheme are not addressed immediately. The scheme is to make the textile industry competitive and strengthen exports. India currently exports textile and clothing worth more than $ 44 billion, including $ 16 billion of apparels and garments.

However, the Scheme in its current form is eroding the export margins of the domestic textile industry.

If the government does not make amendments to the RoSCTL structure, there is a concern that the industry may lose its competitive edge due to cost inefficiencies, they said.

Source: thehindu.com– Jun 16, 2022

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Goa govt unveils draft industrial policy to strengthen single window system

The Goa government on Thursday unveiled the draft Goa Industrial Growth and Investment Promotion Policy, 2022 which aims to strengthen the single window system and improve ease of doing business.

Speaking to reporters here, state Industries Minister Mauvin Godinho said the policy aims to simplify the role of the Investment Promotion Board (IPB) as the single window system and create common application for all pre-establishment clearances, including land allotment through the Goa Industrial Development Corporation (GIDC).

The draft policy highlights simplification of online systems and application process, re-engineering of all department services to reduce timeline and simplify forms.

The policy will create transparency and predictability in the GIDC's land allotment and the application made through the IPB, the minister said, adding that the entire land bank will be made available online and allotted through the corporation.

The permission process will be made time bound, with three months for bigger industries and two months for smaller set ups, he said.

The policy has its focus sectors including - IT and ITes, high-end hospitality, niche tourism, food and agro-processing industries, Godinho said. The minister further said that the policy focuses on fiscal and non-fiscal support for local businesses and private players.

The government will also conduct training programmes for skill and entrepreneurship development, he added.

GIDC chairman Aleixo Reginaldo Lourenco was also present for the press conference.

Source: economictimes.com– Jun 16, 2022

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Retailers clock 24% growth in May over pre-pandemic levels

Retailers in the country recorded a double-digit growth over pre-pandemic levels in May even as inflationary concerns persist. As per the latest survey by Retailers Association of India (RAI), retail businesses across India reported an average growth of 24 per cent in May this year compared to May 2019.

While retailers in the western region reported sales growth of 30 per cent in May 2022 compared to May 2019, it was 29 per cent in the eastern region, 16 per cent in the northern region and 22 per cent in the southern region.

With the out-of-home channel picking up strongly, categories such as quick-service restaurants (42 per cent) and footwear (30 per cent) witnessed rapid growth.

Kumar Rajagopalan, CEO,RAI, said, “It is encouraging to see a steady improvement in sales with 23 per cent growth in April and 24 per cent in May as compared to the pre-pandemic levels. Categories such as garments and footwear have begun to do well on account of the ongoing wedding season and due to the resumption of work from office. While the worry around inflation continues, customers are willing to come out and shop as socialising is picking up pace.

Even categories such as beauty and wellness (9 per cent), and furniture and furnishing (3 per cent) are back on the growth trajectory. Growth in categories such as apparel and clothing, jewellery, sports goods and food grocery was pegged at 23-24 per cent. Consumer durables sales were up 15 per cent in May compared to the pre-pandemic levels, the RAI survey noted.

Source: thehindubusinessline.com– Jun 16, 2022

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Cotton yarn prices steady in north India; demand better in Delhi

Cotton yarn prices remained stable in north India, but Delhi market experienced a slightly better demand. Traders expect that if buying improves further, yarn prices will be supported. However, the sentiments remained bearish in Ludhiana market and traders did not see any improvement in buying. Steady trend also persisted in Panipat's recycled yarn market. Buyers were absent from the Panipat market as manufacturing activities were very limited in the furnishing textile hub.

Recycled yarn at Panipat witnessed a downward trend in prices due to excessive supply and lower demand. Cotton comber also took a dip in prices. But recycled polyester fibre (PET bottle fibre) increased to ₹102 per kg as more spinning mills shifted to cheaper recycled polyester fibre. Cotton yarn rates remained stable in Delhi and Ludhiana as demand was very weak.

Delhi market experienced better buying from the weaving industry as buyers came ahead for buying after slight correction. A local trader told Fibre2Fashion, "Buyers were seen interested in fresh buying on limited scale. Cotton yarn prices can get support in future as spinners have reduced production." Buyers are interested in buying while keeping this aspect in their mind. However, cotton yarn prices remained stable. According to traders, if the demand improves further, prices are likely to be supported. In Delhi, 30 count combed yarn was traded at ₹400-410 per kg (GST extra), 40 count combed at ₹440-455 per kg, 30 count carded at ₹360-365 per kg and 40 count carded at ₹400-405 per kg.

Ludhiana market noted steady trend in cotton yarn prices amid buyers' silence. According to traders, there is no improvement in sentiments. Buyers are least interested in buying, while mills are not interested in reducing their prices for selling.

Stockists and traders are also waiting for buyers. In Ludhiana, 30 count cotton combed yarn was sold at ₹420-425 per kg (GST inclusive), according to Fibre2Fashion's market insight tool TexPro. 20 and 25 count combed yarn were traded at ₹410-415 per kg and ₹415-420 per kg respectively. Carded yarn of 30 count was quoted at ₹360-365 per kg.

Panipat market noted bearish tone, however, yarn prices remained steady. Poor demand persisted as manufacturers of fabrics and home textile products are not getting new orders. Exports and local buying were very week. But yarn traders and mills have preferred to hold the prices at previous level after the downfall in the beginning of this week. Recycled polyester fibre (PET bottle fibre) was stable at ₹102 per kg. Earlier, it gained due to strong buying from spinners.

In Panipat market, 10s recycled yarn (white) was traded at ₹92-105 per kg (excluding GST), 10s recycled yarn (coloured - high quality) at ₹140-145 per kg, 10s recycled yarn (coloured - low quality) at ₹95-105 per kg and 20s recycled high quality PC yarn (coloured) at ₹170-180 per kg. 10s optical yarn was traded at ₹125-130 per kg in the market. Comber was noted at ₹140 per kg.

North India cotton prices remained steady amid limited buying from spinning mills. Cotton was sold at ₹10,400-10,700 per maund (37.2 kg) in Bathinda, ₹9,600-10,600 per maund in Hissar and ₹10,500-10,800 per maund in Sriganganagar market.

Source: fibre2fashion.com– Jun 16, 2022

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Unemployment rate dips to 8.2 pc in Jan-Mar 2022: NSO survey

The unemployment rate for persons aged 15 years and above in urban areas dipped to 8.2 per cent in January-March 2022 from 9.3 per cent in the year-ago quarter, showed a periodic labour force survey by the National Statistical Office (NSO).

Joblessness or unemployment rate is defined as the percentage of unemployed persons among the labour force.

Joblessness was high in January-March in 2021 mainly due to the staggering impact of the lockdown restrictions in the country, which were imposed to curb the spread of the deadly coronavirus.

The unemployment rate for persons of age 15 years and above in October-December 2021 was 8.7 per cent in urban areas, the 14th Periodic Labour Force Survey (PLFS) showed.

It also showed that the unemployment rate among females (aged 15 years and above) in urban areas declined to 10.1 per cent in January-March, 2022 from 11.8 per cent a year ago. It was 10.5 per cent in October-December 2021.

Among males, the unemployment rate in urban areas dipped to 7.7 per cent in January-March 2022 compared to 8.6 per cent a year ago. It was 8.3 per cent in October-December 2021.

Labour force participation rate in CWS (Current Weekly Status) in urban areas for persons aged 15 years and above declined to 47.3 per cent in the January-March quarter of 2022, down from 47.5 per cent in the same period a year ago. It was 47.3 per cent in October-December 2021.

Labour force refers to the part of the population which supplies or offers to supply labour for pursuing economic activities for the production of goods and services and, therefore, includes both employed and unemployed persons.

NSO launched PLFS in April 2017. On the basis of PLFS, a quarterly bulletin is brought out giving estimates of labour force indicators namely unemployment rate, Worker Population Ratio (WPR), Labour Force

Participation Rate (LFPR), distribution of workers by broad status in employment and industry of work in CWS.

The estimates of unemployed persons in CWS give an average picture of unemployment in a short period of seven days during the survey period.

In the CWS approach, a person is considered unemployed if he/she did not work even for one hour on any day during the week but sought or was available for work at least for one hour on any day during the period.

Labour force, according to CWS, is the number of persons either employed or unemployed on an average in a week preceding the date of the survey. LFPR is defined as the percentage of the population in the labour force.

WPR (in per cent) in CWS in urban areas for persons aged 15 years and above stood at 43.4 per cent in January-March 2022, up from 43.1 per cent in the same period a year ago. It was 43.2 per cent in October-December 2021.

Thirteen quarterly bulletins corresponding to the quarter ending December 2018 to the quarter ending December 2021 have already been released. The present quarterly bulletin is 14th in the series for the January-March 2022 quarter.

Source: financialexpress.com– Jun 16, 2022

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