स्वच्छ भारत
एक कदम स्वच्छता की ओर

TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU
TEXPROCIL

TEXPROCIL
NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com
ID 9105079408

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 145 of 2022 — July 22, 2022

NEWS CLIPPINGS

Currency Watch	
USD	79.92
EUR	81.43
GBP	95.60
JPY	0.58

INTERNATIONAL NEWS

NATIONAL NEWS	
No	**Topics**
1	India-UK Trade Talks on Track; Negotiations to be Completed by 31st August: Commerce Secretary
2	ADB lowers India's GDP forecast for FY23 to 7.2 per cent
3	Dr Arvind Panagariya, Former Vice-Chairman, NITI Aayog and Columbia University Professor addresses Secretaries of Government of India on "Openness to Trade: Economic and Policy Considerations"
4	Remission schemes: Govt mulls longer validity for duty credit scrips
5	Bureaucrats get tips on export-led growth
6	China fell off the top 10 imports of Indian cotton yarn
7	India's higher textile import from China adding to trade deficit
8	Early decision on alternative payment mechanism for India-Iran trade unlikely
9	Mumbai and Pune corner 84% of new startups in Maharashtra
10	Role of MSMEs in Manufacturing Sector
11	CBIC vetting paperless customs rules for SEZs
12	Online retail may hit Rs 4.9-trillion GMV this year: RedSeer report
13	Cotton worst hit in Telangana floods
14	MSMEs withdraw registration from Modi govt's Udyam portal; business shutdown among key reasons
15	India's railway freight activity optimism index for Q2 higher than Q1

SAYING CHILD
NO TO LABOUR

INTERNATIONAL NEWS

Industry Groups Square Off Over China Tariffs

The National Council of Textile Organizations (NCTO) reiterated its stance before a U.S. International Trade Commission (USITC) hearing that Section 301 penalty tariffs on finished Chinese textile and apparel imports give American manufacturers a chance to compete and provide trade officials with an essential trade negotiation tool.

Removing them, NCTO said, would reward China, put U.S. manufacturers at a competitive disadvantage and do nothing to reduce inflation. Those were among the key points outlined by NCTO president and CEO Kim Glas in a written testimony submitted to the U.S. International Trade Commission during three days of hearings on the economic impact of Section 301 China tariffs and Section 232 steel tariffs on U.S. industries.

Countering that argument was the U.S. Fashion Industry Association (USIA), which said it was joining other retail and fashion industry groups to speak out about "the pernicious impact of the Section 301 tariffs on both the American fashion industry and American consumers."

NCTO said the 301 penalty tariffs should be maintained "absent substantive improvements in China's pervasive, predatory trade practices," Glas said in her testimony. China's illegal actions "have put U.S. companies at a serious disadvantage and tariffs give American manufacturers a chance to compete."

Glas noted that U.S. trade officials have stressed that the penalty tariffs also create leverage and are a "significant tool" in ongoing negotiations with China." While some advocates for lifting the tariffs point to concerns about inflation, Glas said, "canceling these penalty duties would do little to ease Americans' inflationary pains."
She also noted that "apparel prices out of China continue to hit rock bottom, even with the Section 301 tariffs in place.

"As detailed in an economic study recently released by Werner International, U.S. import prices for apparel from China have dropped 25 percent since 2019 and 50 percent since 2011," Glas said.

She also warned that lifting the tariffs would have “a substantial negative ripple effect” on U.S. free-trade agreements, including undermining those with Western Hemisphere partners that have established shorter co-production supply chains and serve other U.S. and regional interests.

On the hand, USFIA told the USITC that the message was clear that “Americans, not China, are the losers here. American businesses and consumers have paid more than $145 billion in extra tariffs that have not discouraged the behavior that triggered the original 301 investigation.”

In her testimony, USFIA president Julie Hughes said tariffs are a direct, regressive tax on the American consumer that affects consumers at all income levels. However, the average low-income U.S. household spends a higher portion of its income on apparel and footwear than wealthier Americans, “meaning that tariffs on apparel and footwear have hit struggling families more than anyone else.” For example, the tariff on a cashmere sweater is 4 percent, while the tariff on a lower-cost acrylic sweater is 32 percent, USFIA noted.

USFIA also contended that the tariffs have discouraged American brands from hiring due to the increased sourcing and production costs. It also charged that they have also not encouraged a large-scale shift out of China as companies diversify their sourcing base.

China is still the leading textile supplier of fabrics and accessories in the world and “there are currently no realistic options for sourcing destinations that can viably replace China entirely.”

“We also rebut the claims that removing these tariffs will hurt U.S. workers and do nothing to fight inflation,” Hughes said. “This is the predictable response of protectionists and ignores the reality of the situation. Rather, we agree with U.S. Treasury Secretary Janet Yellen that tariffs increase domestic prices and raise costs to consumers and businesses due to higher cost inputs and that lowering U.S. and Chinese tariffs could help ease inflation.”

According to the 2022 USFIA Benchmarking Survey, which was released earlier this week, increasing production or sourcing costs are the No. 1 business challenge facing the U.S. fashion industry in 2022.

"These tariffs have done nothing to solve China's Intellectual Property (IP) policies and practices," Hughes said. "From the experience of USFIA member companies, the best way to address these concerns is action at the multilateral level that includes other global trading partners and USFIA's member companies are no stranger to IP violations. Let's find a solution that does not use American companies and American families as the hostages to outmoded protectionist ideas."

The Section 301 tariffs were first imposed in 2018 in response to China's persistent violations of intellectual property rules. By law, they are now under review.

The USITC was directed to conduct this investigation as part of the Omnibus Appropriations Act that was signed into law on March 15. As directed, the USITC, an independent, nonpartisan, federal agency, will prepare a public report to provide, to the extent practicable, background information on the Section 232 and 301 tariffs and an overview of the tariffs that were in effect as of March 15, 2022, and an economic analysis of the impact of these tariffs on U.S. trade, production and prices in the industries most affected by these tariffs.

The USITC expects to submit its report to Congress by March 15, 2023.

Source: sourcingjournal.com– Jul 21, 2022

HOME

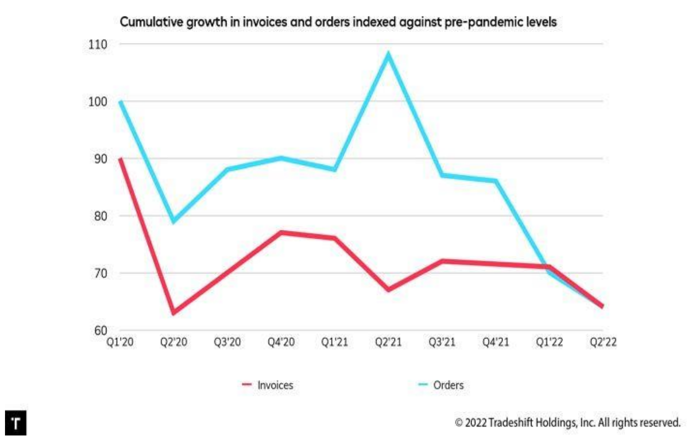
****

Rising costs & falling orders slow down global supply chains in Q2

Global supply chain activity slowed for the second quarter in a row in Q2, dropping by a further six points against forecast estimates, according to the latest Index of Global Trade Health. The Index is released by Tradeshift, a San Francisco-based supply chain commerce platform which is aiding digital trade transactions between B2B buyers and suppliers.

Tradeshift's Index of Global Trade Health analyses business-to-business transaction volumes (orders processed from buyers and invoices processed from suppliers) submitted via the Tradeshift platform to offer a perspective of how external events may be impacting business-to-business commerce in a variety of different regions and sectors across the globe.

Order volumes on Tradeshift's platform fell even further below expectation in Q2, sliding by a further six points following a seven-point drop in the previous quarter. The lack of fresh orders is beginning to impact suppliers, who had only recently been struggling to cope with surging demand. The number of invoices submitted by suppliers dropped by seven points in Q2, the most significant slowdown in a year, Tradeshift said.



Orders might be softening, but Tradeshift's analysis suggests costs have risen sharply since the beginning of the year. The average value of an invoice submitted on Tradeshift's platform has increased by 11 per cent since the start of 2022, compared to a more modest 3.5 per cent rise in 2021.

"Many of the current supply chain challenges, including inflation, have roots in the pandemic," said Christian Lanng, CEO and co-founder at Tradeshift. "Some of these problems are transitory, but the bigger issues, including labour shortages, geopolitical tension, and energy transition, are structural and risk becoming entrenched unless businesses take decisive action now."

Tradeshift's analysis revealed a remarkably similar pattern across regional supply chains the world over. Total trade activity in the UK and the Eurozone dropped by five points, with new orders and supplier invoices tracking below the expected range. US supply chains fared slightly better than the global average. Transaction volumes were four points below the expected range in Q2, but the volume of new orders remains low. Chinese trade activity had another challenging quarter as new lockdown measures in key cities contributed to another seven-point fall in transaction volumes against the expected range.

Tradeshift's data suggests that declining demand is also leading to a cooling-off in activity across the transport and logistics sector. Transaction volumes across the industry dipped below the expected range for the first time in a year after a five-point fall in activity compared to the previous quarter.

Manufacturing and retail trade activity also remained below the expected range. Technology spending recovered sharply in Q2, with activity tracking well within the predicted range.

"It would be an entirely natural response for business leaders to want to batten down the hatches and wait for the current storm to pass," said Lanng, "but many of the same problems supply chains face today will still be there a year from now. How long can a business hold its breath before it runs out of air? The majority of business leaders I speak to are keeping their eyes on the horizon and pressing ahead with much-need investments in technology that will allow them to become more agile, resilient, and sustainable."

Source: fibre2fashion.com– Jul 21, 2022

HOME

****

ADB lowers growth forecast for developing Asia as China's growth slows

The Asian Development Bank (ADB) has lowered its economic growth forecast for developing Asia and the Pacific to 4.6 per cent this year due to slower expansion in China, more aggressive monetary tightening in advanced economies, and fallout from the continued Russian invasion of Ukraine. The outlook compares with a projection of 5.2 per cent issued by ADB in April.

The bank also raised its forecast for inflation in the region, amid higher prices for food and fuel.

Developing Asia and the Pacific is continuing its recovery from the COVID-19 pandemic, according to ADB's Asian Development Outlook (ADO) 2022 Supplement. Many countries are easing mobility restrictions, which is strengthening economic activity. However, growth has slowed in China, the region's largest economy, due to disruption from new COVID-19 lockdowns, as well as weaker global demand.

China's economy is poised to expand 4 per cent this year, compared with an earlier forecast of 5 per cent. ADB also lowered its growth outlook for India to 7.2 per cent from 7.5 per cent amid higher-than-expected inflation and monetary tightening.

Inflation in developing Asia and the Pacific is predicted to accelerate to 4.2 per cent this year, compared with a previous forecast of 3.7 per cent. However, inflation pressure in the region is still lower than elsewhere in the world.

For 2023, ADB has lowered its economic growth projection for the region to 5.2 per cent from 5.3 per cent, while raising the inflation forecast to 3.5 per cent from 3.1 per cent.

Growth forecasts for some subregions were upgraded. The outlook for Southeast Asia was raised to 5 per cent this year from 4.9 per cent amid increased domestic demand due to more relaxed COVID-19 restrictions. The forecast for the Caucasus and Central Asia was raised to 3.8 per cent from 3.6 per cent as some economies in the subregion have withstood the economic fallout from Russia's invasion of Ukraine better than expected.

In the Pacific, rebounding tourism in Fiji helped the subregion's growth outlook improve to 4.7 per cent from 3.9 per cent.

"The economic impact of the pandemic has declined across most of Asia, but we're far from a full and sustainable recovery," said ADB chief economist Albert Park. "On top of the slowdown in the PRC, fallout from the war in Ukraine has added to inflationary pressure that's causing central banks around the world to raise interest rates, acting as a brake on growth. It's crucial to address all these global uncertainties, which continue to pose risks to the region's recovery."

Source: fibre2fashion.com– Jul 21, 2022

HOME

****

Over 2,200 international exhibitors register for Heimtextil 2023

More than 2,200 global exhibitors have registered for the next Heimtextil in January 2023. The industry is expecting an internationally unique platform for home and contract textiles, interior design and trends at the start of the 2023/24 season. The leading fair for home and contract textiles will be the first event of the year to kick off the next season.

During the Heimtextil Summer Special that just ended, the industry's great need for personal encounters, tactile impressions and creative input became apparent. This time, there are only a good six months until the next Heimtextil, from January 10 to 13, 2023, the organiser said in a press release.

The industry participants are courageously meeting the major challenges and are using Heimtextil to further internationalise their clientele. "To reach major international buyers, Heimtextil is absolutely the right decision," emphasised Stefan Laxen and Matthias Ammon, managing partners, HJL GmbH & Co. KG. "For us, the quality of the visitors is relevant, not the quantity. There is no point in just bemoaning the current challenges, such as price increases and supply chain problems, and ranting about them. The question everyone needs to ask themselves is: where do we want to go? What do we want to achieve? It's better to think big and internationally than to bemoan dwindling national retailers."

Heimtextil 2023 provides the perfect range of relevant market players and complements the benefits for buyers with an extensive supporting programme. Thematically, the overarching theme of sustainability will also be clearly visible at Heimtextil 2023. With the exhibitor guide, "Green Directory" as well as the "Green Village", that offers a platform for discussion with the seal providers, Heimtextil offers important points of orientation in the jungle of the many sustainable offers. The popular trade fair tours "Green Tours" will also once again take interested visitors to curated exhibitors to learn more about their sustainability strategy and their products. Last but not least, the impressive "Future Materials Library" will be presented again as part of the Trend Space at Heimtextil 2023. The international collection of material innovations in the interior sector is curated by the future agency FranklinTill, which is also responsible for the conception of the Trend Space at Heimtextil 2023.

A new feature is that the Trend Space will be presented in Hall 9.0. There, the spectacular design and trend area will stage the Heimtextil Trends 2023/24, which will be developed beforehand by the international design agencies stijlinstituut amsterdam (Netherlands), FranklinTill (Great Britain) and SPOTT Design & Business (Denmark). With the "Material Manifesto", the responsible trend office FranklinTill commits itself to a design of the area that is as sustainable as possible with predominantly recycled materials and elements as well as a strict waste avoidance strategy.

Interior.Architecture.Hospitality, the specialist programme for interior designers, architects and hospitality experts, will once again take place at Heimtextil 2023 on a large scale and in the usual high quality. The programme includes the Interior.Architecture.Hospitality LECTURES, in which renowned architects and well-known hotel experts will present their work and discuss current industry topics such as sustainability, as well as the Interior.Architecture.Hospitality TOURS, which will take participants to curated highlights and innovative textile solutions from the contract sector. The contract guide will once again list all the suppliers of contract textiles. In addition, the identification of the respective trade show booths ensures an effective trade show visit for the target group.

Another highlight is the Interior.Architecture.Hospitality LIBRARY. Launched in 2020, it is a material library for functional textiles. A brand new edition will be published for Heimtextil 2023.

The jury of the library will be expanded to include application experts or interior designers. Exhibitors with products for use in the property can submit them for the respective property, which will be selected by a panel of experts. The concrete naming and labeling of these 15 functional properties ensures an even more precise highlighting of the objects on offer in 2023.

DecoTeam, the community of interests of German home textile suppliers, will offer a far reaching event programme as part of Heimtextil 2023. The focus will be on the topic of online marketing, with keynote speeches by Monika Winden and a subsequent YouTube workshop. A panel discussion with interesting discussion partners will also provide exciting insights into the topics of sustainability and social media marketing.

With the Heimtextil Conference Sleep & More, visitors in 2023 will again be offered a top-notch lecture programme for the areas of health, sustainability and the hotel industry. Over the course of four days, experts will speak about the latest findings, developments and trends in the field of healthy sleep from various perspectives of the industry.

With the "New & Next" programme for young talents, young talents and start-up companies are given the opportunity to present themselves in the environment of the international industry. The fresh ideas and products of the New & Next exhibitors make a valuable contribution to the multi-faceted Heimtextil spectrum.

Source: fibre2fashion.com– Jul 21, 2022

HOME

****

Vietnam's textile-garment exports set to hit $43 bn this year: VITAS

Vietnam's textile-garment producers aim an export revenue of up to $21 billion in the second half (H2) this year, raising total shipments of the year to around $42-43 billion, according to chairman of the Vietnam Textile and Apparel Association (VITAS) Vu Duc Giang, who recently said the sector enjoyed a trade surplus of $8.86 billion in the first half of the year.

Textile-garment exports totalled around $22.3 billion from January to June this year, a 17.7 per cent increase over the same period last year.

Garment export rose by 19.5 per cent year on year (YoY) to $16.94 billion and that of fabrics reached $1.4 billion, up by 20.8 per cent YoY.

The sector has gradually recovered this year after being adversely affected by COVID-19 for two years, according to VITAS.

The country imported $13.4 billion worth of trims and accessories in the first half this year, up by 9.8 per cent YoY.

Giang, however, foresees the immense risk of COVID-19 resurgence caused by new variants, according to a Vietnamese media report.

Other threats include record-high inflation in major importing countries and the Russia-Ukraine war triggering a steep rise in prices of inputs, he said.

Prices of cotton, crude oil and petrol have soared by 19.1 per cent, 40 per cent and 67 per cent respectively compared to the beginning of this year and transportation cost tripled the average rate of the last five years, driving total expenditures of Vietnamese exporters up by 20-25 per cent, he added.

Source: fibre2fashion.com– Jul 22, 2022

HOME

****

Asia remains largest export market for Vietnam in H1 2022: GDVC

Asia continues to be Vietnam's biggest export market in the first half (H1) of 2022 as it purchased goods worth $239.45 billion, which represents a year-on-year increase of 16.1 per cent. The amount also accounts for 64.5 per cent of the country's total export revenue, according to data released by the General Department of Vietnam Customs (GDVC).

In June, Vietnam's total trade turnover was valued at $65.07 billion, which is an increase of 2.4 per cent or $1.53 billion more than the previous month. Vietnam's trade with the Americas reached $79.72 billion (up 20 per cent), followed by Europe with $39.07 billion (up 9.7 per cent), Oceania nearly $9 billion (up 35.1 per cent), and Africa with $4.08 billion (down 0.3 per cent), as per the GDVC.

From January to June, Vietnam's export revenue was $371.32 billion, which was up by 16.4 per cent or $52.32 billion against the same period last year. The country had a trade surplus of $743 million. The FDI sector, in particular, earned $255.83 billion from exports, which indicated a year-on-year increase of 16 per cent, equivalent to $35.26 billion against the same period the previous year.

Source: fibre2fashion.com– Jul 22, 2022

HOME

****

NATIONAL NEWS

India-UK Trade Talks on Track; Negotiations to be Completed by 31st August: Commerce Secretary

The India-UK trade talks are on track. Speaking to media after signing two MoUs and a framework agreement with UK, Commerce Secretary B. V. R. Subrahmanyam said that the India-UK FTA negotiations would be concluded by 31st August and after internal approvals on both sides, the agreement would be ready to be signed as per convenience of the both leaders. “Irrespective of party in power in UK, the logic of FTA with India is irreversible,” he added.

Earlier, Shri B.V.R. Subrahmanyam, Commerce Secretary, Government of India and Mr. James Bowler, Permanent Secretary, Department of International Trade, United Kingdom; India and the UK signed two MoUs on mutual recognition of educational qualifications including maritime education and a Framework Agreement on health care work force.

These agreements will facilitate closer alignment on education between India and UK, enhance short-term bilateral mobility and ensure mutual recognition of qualifications.

These agreements are part of the commitments made by both parties under the Enhanced Trade Partnership' (ETP) launched by the Prime Ministers of both countries on 4th May 2021 to unleash the trade potential of the partnership by doubling trade by 2030 and reducing market barriers to trade in key sectors.

Following the launch of ETP, both sides had also launched negotiations for a Free Trade Agreement on 13th January 2022. The 5th round of negotiations, which is hosted by India, is currently underway in Delhi. The meeting also took stock of the progress made towards the signing of FTA.

The MoU on Education was signed by Shri K. Sanjay Murthy, Secretary, Department of Higher Education on behalf of Government of India. This MoU provides for mutual recognition of educational qualifications and duration of study undertaken by students within duly approved and recognized higher education institutions in the two countries.

On a reciprocal basis, Indian Senior Secondary School/Pre-University Certificates will be considered suitable for entry into UK higher education institutions. Similarly, the Bachelor degree, Master's degree and Doctoral degree of India and the UK will also be considered equivalent to each other. Apart from encouraging student mobility, the mutual recognition of qualifications would also promote excellence in higher education through cooperation, academic and research exchanges.

The MOU on maritime education qualification was signed by Shri Amitabh Kumar, Director General of Shipping on behalf of Government of India. This MoU will pave the way for the two governments to mutually recognize the certificates of maritime education and training, competency and endorsements of seafarers issued by each other.

The MoU will prove beneficial for employment of seafarers of both the countries and would make them eligible for employment on ships of either party. India being a seafarer supplying nation with large pool of trained seafarers, it is expected to be significantly benefitted by the MoU.

From Indian side, the Framework Agreement on Healthcare Workforce was signed by Ms. V. Hekali Zhimomi, Joint Secretary, Ministry of Health and Family Welfare.

The Agreement include cooperation on Nursing & Allied Health Professionals (AHPs), training of healthcare professionals and measures to bridge the skill gap. The agreement will facilitate the recruitment and training of nurses and AHPs from India by UK in a streamlined manner. Given the shortage of nurses in the UK, the agreement will benefit both the sides.

Source: pib.gov.in- Jul 21, 2022

HOME

****

ADB lowers India's GDP forecast for FY23 to 7.2 per cent

In April, the multilateral funding agency had forecast that the Indian economy would grow by 7.5 per cent

The Asian Development Bank (ADB) on Thursday lowered the economic growth forecast for India for the current fiscal year (2022-23) to 7.2 per cent from 7.5 per cent projected in April.

"India has been hit by the Omicron Covid-19 variant and the economic impact of the war in Ukraine. Consequently, GDP growth for FY2022 is revised down to 8.7 per cent from 8.9 per cent and to 7.2 per cent from 7.5 per cent for FY2023 (fiscal year ending March 2023). Although consumer confidence continues to improve, higher-than-expected inflation will erode consumer purchasing power," ADB said in its supplement to the Asian Development Outlook (ADO) for 2022

Some of the impacts of this may be offset by a cut in excise duties, the provision of fertiliser and gas subsidies, and the extension of a free food distribution programme, it said. Private investment will soften due to the higher cost of borrowing for firms as the RBI continues to raise policy rates to contain inflation.

For the South Asian region, it has lowered the growth forecast for 2022 to 6.5 per cent from 7 per cent and from 7.4 per cent to 7.1 per cent for 2023, due mainly to the economic crisis in Sri Lanka and high inflation and associated monetary tightening in India. "The economic impact of the pandemic has declined across most of Asia, but we are far from a full and sustainable recovery," said ADB Chief Economist Albert Park.

On top of the slowdown in the PRC (People's Republic of China), the fallout of the war in Ukraine has added to inflationary pressure that's causing central banks around the world to raise interest rates, acting as a brake on growth. It's crucial to address all these global uncertainties, which continue to pose risks to the region's recovery, Park said.

Source: thehindubusinessline.com– Jul 21, 2022

HOME

****

Dr Arvind Panagariya, Former Vice-Chairman, NITI Aayog and Columbia University Professor addresses Secretaries of Government of India on "Openness to Trade: Economic and Policy Considerations"

The Department of Commerce (DoC), Ministry of Commerce and Industry, Government of India, in coordination with organised a Program on "Openness to Trade: Economic and Policy Considerations" for the Secretaries to Government of India in New Delhi today. The Program is part of the initiative by the Hon'ble Prime Minister's to create better awareness at senior levels in Government about the importance of trade and the role played by exports in accelerating growth. It is also one of the Prime Minister's goal of exports as engines of inclusive growth and finding global markets for Indian local products.

Accordingly, the Department of Commerce has planned an initiative of a three-level Capacity building and sensitisation programme to improve awareness and enhance capacity within the Government of India on Economic, policy and legal aspects of Trade and Exports and the factors influencing the overall growth.

The inaugural session on "Openness to Trade: Economic and Policy Considerations" was conducted by Dr Arvind Panagariya, Professor of Economics, Columbia University, USA and Former Vice-Chairman, NITI Aayog for the Secretaries of the Government of India. Dr Panagariya emphasised the importance of export-led growth and the need for revisiting the strategy on import substitution, factors influencing export competitiveness, and the role of FTAs in trade liberalisation. He also highlighted the way forward for India when negotiating FTAs and their role in the global economy.

Shri. Rajiv Gauba, Cabinet Secretary, Government of India, was the Chief Guest and delivered the inaugural remarks highlighting the role of FTAs and government's intervention such as PLIs (Performance Linked Incentive), ODOP (One district one product) in achieving India's goal of a US$ 5 trillion economy and the need for stronger inter-ministerial cooperation and coordination. He said that covid had made us realize the pitfalls of depending on one country and one source. The participants of the first session included Secretaries from several Ministries/Departments of the Government of India and the senior officials of the Department of Commerce.

Source: pib.gov.in– Jul 21, 2022

HOME

****

Remission schemes: Govt mulls longer validity for duty credit scrips

Exporters say linking transferability of scrips to export payment realisation can aid small sector

The government is evaluating a suggestion from exporters to increase from one to two years the validity of the duty credit scrips issued under two popular input duty remission schemes, and linking the transferability of the scrips to the realisation of export payments to make it more useful for the MSME (micro, small and medium enterprises) sector, according to sources.

The Remission of Duties and Taxes on Export Products (RoDTEP) scheme, extended to a wide range of manufactured products (replacing the Merchandise Export from India Scheme on January 1, 2021), and the Rebate of State and Central Taxes and Levies (RoSCTL) for export of garments and made-ups remit the embedded taxes and input duties not covered by any other scheme through the issue of import duty credit scrips.

Under RoDTEP and RoSCTL, input taxes paid by exporters are largely remitted through the issue of import duty credit scrips, valued at rates fixed by the government. The exporter can use these to either import goods without paying import duty (up to the value of the scrips) or transfer them to other users for a price.

"Some exporters say its effectiveness would increase if they get more time to utilise the scrips and the transferability is linked to the realisation of export payments, rather than being extended at the time of export, since it shifts the liability of ensuring proper scrip utilisation on the importer," a source pointed out.

Importers fear that if there is no realisation, for whatever reason, and the scrip utilisation is not recovered from exporters, as per RoDTEP notification, then it may be recovered from importers.

"While importers don't have a problem taking on responsibility for large exporters, they are hesitant to do so for smaller exporters. If the government makes it mandatory that scrips can be transferred by exporters only after export payments are realised, then importers won't have to take any risk," the source explained.

The Commerce Ministry has taken up the matter with the Finance Ministry, the source said. Export bodies like FIEO have made representations to both ministries on the need for the proposed changes in the scheme.

Source: thehindubusinessline.com– Jul 21, 2022

HOME

****

Bureaucrats get tips on export-led growth

Cabinet secretary Rajiv Gauba and secretaries of about three dozen departments on Thursday attended a session on Openness to Trade: Economic and Policy Considerations, conducted by former Niti Aayog vice-chairman Arvind Panagariya, who stressed the importance of export-led growth and the need for revisiting the strategy on import substitution.

It was part of the commerce ministry's initiative, at the behest of Prime Minister Narendra Modi, to "create better awareness at senior levels in government about the importance of trade and the role played by exports in accelerating growth".

The move comes at a time when India has signed two trade deals (one each with the UAE and Australia) in quick succession and is engaged in negotiations with advanced economies like the UK, the EU and Canada for free trade agreements.

Panagariya also focussed on factors influencing India's export competitiveness, and the role of FTAs in trade liberalisation. He also highlighted the way forward for India when negotiating FTAs and their role in the global economy.

Source: financialexpress.com– Jul 22, 2022

HOME

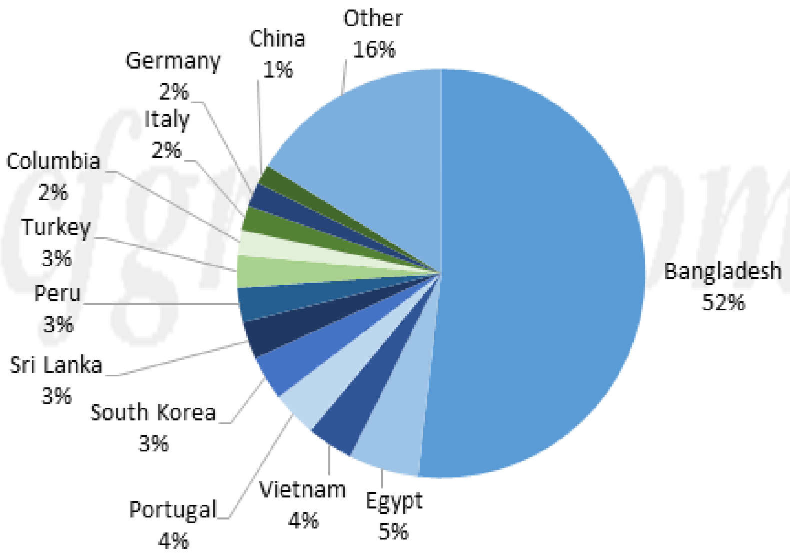
****

China fell off the top 10 imports of Indian cotton yarn

According to the latest import and export data, the total exports of Indian cotton yarn (HS code 5205) was 47,200tons in May 2022, down 53.27% year-on-year and 53.81% month-on-month.

Bangladesh remained the largest export market for Indian cotton yarn, while China fell off the top 10 export markets and ranked the twelfth. Indian cotton yarn exports to China in May were 731.45tons, down 96.64% from a year earlier and 86.17% from a month earlier.

Shares in Indian cotton yarn export market in May 2022



Shares in Indian cotton yarn export market in May 2022

Country	exports (Apr 2022) ton	proportion	exports (May 2022) ton	proportion	Change
Bangladesh	35,318.23	49%	24,483.40	52%	↗
Egypt	5,288.40	7%	2,619.87	6%	↘
Vietnam	4,992.13	3%	1,740.73	4%	↗
Portugal	2,179.62	4%	1,709.74	4%	→
South Korea	2,551.96	2%	1,663.76	4%	↗
Sri Lanka	2,855.39	1%	1,403.72	3%	↗
Peru	1,478.72	4%	1,281.76	3%	↘
Turkey	2,437.70	3%	1,210.47	3%	→
Columbia	1,372.99	2%	921.27	2%	→
Italy	1,020.57	1%	919.42	2%	↗
Germany	808.33	1%	916.99	2%	↗
China	5,288.40	7%	731.45	2%	↘

Judging from the proportion of Indian main cotton yarn export market in May 2022, China fell off the top 10 imports of Indian cotton yarn, accounting for about 2% of Indian cotton yarn export market in May 2022, down 5% from Apr 2022. Bangladesh, with a share of about 52%, still remained the largest market for Indian cotton yarn, up 3% from Apr 2022. Vietnam and Portugal ranked third and fourth, accounting for about 4%. South Korea ranked fifth, accounting for 4%, and other countries accounted for less than 4%. With the exception of Egypt, Peru and China, the market share of export countries rose or was just flat compared with Apr 2022.

Shares in Indian cotton yarn export market in May 2022				
Country	May-21	May-22	year-on-year	month-on-month
	ton	ton	%	%
Total exports	101,104.02	47,244.03	-53.27	-53.77%
Bangladesh	37,639.01	24,483.40	-34.95	-44.25%
Egypt	4,083.78	2,619.87	-35.85	-90.55%
Vietnam	4,787.68	1,740.73	-63.64	-40.04%
Portugal	5,532.03	1,709.74	-69.09	-67.01%
South Korea	2,663.77	1,663.76	-37.54	11.12%
Sri Lanka	1,962.01	1,403.72	-28.45	27.81%
Peru	1,713.92	1,281.76	-25.21	-99.10%
Turkey	1,846.31	1,210.47	-34.44	-80.06%
Columbia	2,224.70	921.27	-58.59	-49.03%
Italy	574.26	919.42	60.11	-11.00%
Germany	1,124.86	916.99	-18.48	11.85%
China	21,750.91	731.45	-96.64	-623.00%

In May 2022, Indian cotton yarn exports to China were lower than the same period last year and month. From the year-on-year changes, China saw the largest year-on-year fall, down 96.64%. From the month-on-month changes, all dropped somewhat except South Korea and Sri Lanka in the Top 10 export markets.

As the largest export market for Indian cotton yarn, the exports to Bangladesh moved down by 44.25% month-on-month and continued to take the first place in May 2022.

Indian cotton yarn exports to China in May 2022					
Description	May-21	May-22	year-on-year	month-on-month	Proportion
	ton	ton	%	%	%
Carded C8-25S/1	10,071.19	269.5	-97.32	-91.71%	36.84%
Combed C8-25S/1	2,449.95	81.38	-96.68	-84.49%	11.13%
Combed C25-30S/1	2,291.57	284.2	-87.6	-50.20%	38.85%
Combed C30-47S/1	2,042.01	23.13	-98.87	-88.61%	3.16%
Total	16854.7	658.2	-96.1	-85.53%	89.99%

In May 2022, exports of four mainstream Indian cotton yarns to China all reduced year-on-year. From the month-on-month changes, the exports to China all increased sharply. In May 2022, the main varieties of Indian cotton yarns exported to China were carded C8-25S/1, accounting for 36.84%, and the export volume was 269.5tons, down 97.32% from the same period last year. The proportion of combed C8-25S/1 and C25-30S/1 dropped to 11.13% and 38.85% respectively, down 96.68% and 87.6% respectively compared with the same period last year; while the export of combed C30-47S/1 decreased by 98.87% compared with the same period last year, and the export volume reached 23.13tons.

In conclusion, Indian cotton yarn exports in May 2022 moved down year-on-year and month-on-month. Major export markets were Bangladesh, Egypt and Vietnam. The exports to China fell evidently year-on-year and month-on-month. In May 2022, the export of the four main Indian yarns exported to China all decreased compared with the same period last year and month. Indian carded C8-25S/1 exports were still the largest among the exports of the four mainstream Indian cotton yarns.

Source: ccfgroup.com– Jul 21, 2022

HOME

****

India's higher textile import from China adding to trade deficit

India's trade of apparel and textile products with China is following the trend of overall trade with the neighbouring country. India's trade deficit with China continues to widen in current fiscal 2022-23, similar to 2021-22. India's imports from China are increasing but exports are quite lower and declining which is causing higher trade deficit.

In the financial year 2021-22, India's trade deficit with China was recorded at $72.9 billion, up nearly $29 billion from FY21's figure of $44 billion, according to data from the ministry of commerce.

In May 2022, India exported goods worth $1.6 billion to China, over 25 per cent lower than the $2.1 billion in May 2021. On the other hand, India's imports recorded a growth of 5.47 per cent in May 2022 compared to the same month last year.

Likewise, for the April and May combined, India's exports to China fell nearly 31 per cent from $4.4 billion in the same months of 2021 to $3 billion in 2022. On the other hand, imports grew 12.75 per cent in 2022 compared to 2021.

For the second straight year, India and China may cross a total trade figure of $100 billion. In 2021-22, the total trade volume between the two neighbours stood at $115 billion, according to the figures from India's ministry of commerce and China's General Administration of Customs.

A similar trend can be seen in India's apparel and home textiles trade with China.

India's apparel imports from China registered continuous increase since February 2022 and reached at $87.901 million in May 2022, according to Fibre2Fashion's market insight tool TexPro.

On annual basis, the import was 1145.475 million in 2021, 838.195 in 2020 and 1026.676 million in 2019. It shows apparel import dipped during COVID-19 and military confrontation in 2020. But it jumped in the following year. The import stood at 349.103 million in first five months of 2022.

India's home textile imports from China stood at $36.109 million in May 2022, up from $24.756 million of April. The import was $20.047 million in March 2022, $16.675 million in February 2022, and $36.742 million in January 2022. The import of home textiles from China was $356.734 million in 2021, $327.791 million in 2020 and $485.444 million in 2019. The import stood at $134.331 million in January-May 2022, as per TexPro.

However, India's export of apparel and home textiles was very meagre compared to import. Apparel export was $7.673 million in May 2022 which was declining since March 2022 when the export was $13.387 million. Annually, the export was $104.553 million in 2021, $94.398 million in 2020 and $151.246 million in 2019. India has exported apparel worth $50.774 million in first five months of this year.

India's home textile export to China stood at $3.191 million in May 2022, up from $2.958 million of April but down from March 2022's figure of $4.364 million. Home textiles export to China was $48.884 million in 2021, $65.345 million in 2020 and $44.351 million in 2019. The export was $17.234 million in January-May 2022.

Source: fibre2fashion.com– Jul 22, 2022

HOME

****

Early decision on alternative payment mechanism for India-Iran trade unlikely

India is not in a hurry to take a decision on resuming normal bilateral trade with Iran, despite the US sanction-hit nation's interest in reviving the rupee-rial payment mechanism or exploring the rupee payment option, as such mechanisms would be workable only when trade in oil restarts, a person tracking the matter has said.

"India would be interested in resuming exports to Iran but it is difficult to take a call on reviving the rupee-rial payment mechanism or start trading in rupee as such mechanisms would be workable only if India also imports from Iran. Since the major item of import from Iran is oil, India may want to wait and watch whether Iran and the US can work out some solution to the oil sanctions," the source said.

Trade in local currency

Iranian Foreign Minister Hossein Amir-Abdollahian, during his India-visit last month, had said at an industry interaction that both countries had surveyed the possibility of trade in local currency, including rupee, or otherwise barter. He also said there were existing mechanisms within the framework of international law which can help in reviving banking and financial interaction that his country had implemented with a number of countries.

India and Iran used the rupee-rial payment mechanism to trade in oil and other goods to avoid banking sanctions after the US, under former President Donald Trump, withdrew from the Joint Comprehensive Plan of Action, also known as the 'Iran nuclear deal', reached between Iran and the five permanent members of the UN Security Council in 2015.

The rupee-rial payment mechanism worked well for both countries. Iran was India's third largest crude supplier in 2018-19 accounting for 23.9 million tonnes of crude. But once the Trump regime banned oil trade with Iran in mid-2019, India's oil imports from the country stopped completely. Overall bilateral trade was also hit as the rupee balance in Iran's accounts in Indian banks ran low and the country could not import from India. India-Iran bilateral trade in 2021-22 fell to about $1.9 billion, compared to $17 billion in 2018-19, according to government figures.

In wait and watch mode

"When the Biden-regime in the US started talking to Iran on reviving the Iranian nuclear deal earlier this year, there was hope that the sanctions on oil may be lifted. But the talks have not progressed well. So, India would prefer to wait and watch the situation," the source said.

As India is already sourcing oil from Russia, which is being offered at a discount, it may not be keen to immediately try and evade the US oil sanctions against Iran. "Western nations have not been too happy about India's oil purchase from Russia due to its on-going war with Ukraine. However, India has been able to handle the matter well at the diplomatic level. It may not want to disturb the peace by purchasing oil from Iran as well before Tehran reaches an understanding with Washington," the source said.

Source: thehindubusinessline.com- Jul 21, 2022

HOME

****

Mumbai and Pune corner 84% of new startups in Maharashtra

Maharashtra's ₹10,000-cr startup scheme leaves hinterlands largely untouched. Of the 6,406 new startups in Maharashtra in the last two years (2020 and 2021), 5,413 or 84 per cent came up in Mumbai and Pune collectively. Under the Startup India Initiative, entities are recognised as startups by the Department for Promotion of Industry and Internal Trade (DPIIT) as per eligibility conditions prescribed by the government.

While there were 3,412 new startups in Mumbai in the past two years, there were 2,001 in Pune. Maharashtra State Start Up Policy, 2018, aims to create economic growth and jobs by encouraging entrepreneurs to design novel solutions in new-age sectors including biotechnology, artificial intelligence, internet of things, clean energy, and so on, as well as revamping the traditional sectors.

However, as per Union Ministry of Commerce and Industries data, a majority of the startup initiatives are in the industrial zone of Maharashtra, which has already witnessed rapid economic growth.

Uneven support

The Vidarbha region had only 445 new startups, followed by Nashik region (328) and Aurangabad (220).

"The government has started Startup India Action Plan for simplification and handholding of emerging entrepreneurs. Schemes and incentives are launched to facilitate new startups, but the fact remains that in rural areas those who want to start startups are facing many problems," says AK Tangade, a resident of Beed in Marathwada region, adding that innovators in the region don't get enough encouragement and support.

The government has established the Fund of Funds for Startups (FFS) Scheme with a corpus of ₹10,000 crore, but innovators in rural areas complain that government funds and schemes don't reach them.

Source: thehindubusinessline.com- Jul 21, 2022

HOME

****

Role of MSMEs in Manufacturing Sector

The Micro, Small and Medium Enterprises (MSMEs) plays an important role in manufacturing sector of the country.

As per information received from Ministry of Statistics & Programme Implementation, the Share of MSME Manufacturing Output in All India Manufacturing Output was as follows:

Year	Share of MSME Mfg. O/P in All India Mfg. O/P (in %)
2016-17	37.09%
2017-18	37.38%
2018-19	36.86%
2019-20	36.68%
2020-21	35.98%

As per Udyog Aadhar Portal, the number of enterprises which were registered and afterwards withdrawn their registration (as on 15.07.2022) with specified reasons is as follows:

Reasons	2017-18	2018-19	2019-20	2020-21 (Till 30/06/2020)	Total
No Further Required	0	0	157	94	**251**
Shut down	0	0	245	155	**400**
Duplicate	0	0	96	69	**165**
Owner Change	0	0	100	58	**158**
Other	0	0	314	182	**496**
Total	0	0	912	558	**1470**

As per Udyam Registration Portal, the number of enterprises which were registered and afterwards withdrawn their registration (as on 15.07.2022) with specified reasons is as follows:

Reasons	2020-21 (From 01/07/2020)	2021-22	2022-23*	Total
No Further Required	170	3733	1607	**5510**
Shut down	175	6222	2744	**9141**
Duplicate	67	942	333	**1342**
Owner Change	60	2713	1138	**3911**
Other	459	10465	4673	**15597**
Total	931	24075	10495	**35501**

****as on 15.07.2022***

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

Source: pib.gov.in- Jul 21, 2022

HOME

****

CBIC vetting paperless customs rules for SEZs

A proposal for a completely paperless customs compliance framework for special economic zones (SEZs) is being reviewed by the Central Board of Indirect Taxes and Customs (CBIC), said officials.

The framework will be in sync with new legislation proposed by the Centre to turn the SEZs into comprehensive economic hubs, with larger participation of states and further ease of compliance to attract investment.

A working group of officers recently submitted a detailed report identifying processes which can be migrated to the ICES (Indian Customs EDI System) or the Indian Customs Electronic Gateway (ICEGATE) system to make the customs process automated and smooth. The CBIC has identified processes, including filing bills of entry, filling shipping bills and risk-based examination of cargo which will be migrated to the ICES systems. "We did a very comprehensive review of part of the touch points between the customs and SEZ units and the processes involved and how we can automate them," a senior official told ET.

Why the shift?

While customs has done a lot of work on ease of doing business, SEZ units have been left out of their benefit. They don't use the ICES. While the basic filing on SEZ is online, there are a lot of contact points in that procedure. Permissions have to be taken from time to time. SEZs have to apply for renewing them and goods are examined most of the time. Businesses had proposed that all their filings be shifted to the ICES. So, whatever benefits that flow from it to normal importers and exporters will also be available to SEZs.

In her budget speech, finance minister Nirmala Sitharaman had announced that the SEZ Act will be replaced with a new legislation that would enable states to become partners in development.

She also announced that reforms would be undertaken in customs administration of SEZs to make them fully IT driven and function on the Customs National Portal, with a focus on higher facilitation and with only risk-based checks. This includes integration of ICEGATE with SEZ customs.

Experts said reforms in customs administration of these zones will help in further improving ease of doing business, promoting growth and boosting exports.

A working group of officials was tasked with looking at the physical touch points between customs and SEZ units, converting them to electronic mode and how they can migrate some of the major processes that the SEZ units have to comply with from the customs point of view to the ICES platform.

Source: economictimes.indiatimes.com- Jul 22, 2022

HOME

****

Online retail may hit Rs 4.9-trillion GMV this year: RedSeer report

India's online retail landscape remains on a robust growth trajectory despite transition to offline. In April, May, and June this year, close to 40-60 per cent year-on-year (YoY) growth was observed, according to a report by consulting firm RedSeer.

With a compound annual growth rate of 38 per cent, the market is set for strong gross merchandise value (GMV) growth, and a GMV of Rs 4.9 trillion is expected in calendar year 2022. Additionally, a strong share of tier-2 online shoppers is also expected to further drive this growth.

"Offline retail and recreation activity are back to pre-Covid levels. Yet India's online retail remains on a robust growth trajectory despite offline unlocking," said Mrigank Gutgutia, partner at RedSeer, adding, "During the pandemic, there was an initial slump. Then a huge spike during the 2020 festival season, a downtrend after, and again a spike last year. Offline unlock notwithstanding, in April, May, and June, the growth momentum in overall sales has continued YoY."

In the India e-tailing GMV Index, there is a monthly growth comparison. In 2022, this was 60 per cent higher in April than April 2021.

It was 38 per cent higher in May than May 2021 and 42 per cent higher in June than June 2021.

Besides traditional commerce, what has contributed to this growth are the new e-commerce models that have come up to cater to unsolved consumer needs. They have gained share steadily in the fashion and grocery categories.

For instance, the report said that quick commerce alone has witnessed 10x YoY growth, and that it continues to massively gain share within the e-grocery market in India, despite global headwinds.

Globally, delivery service platform Gorilla was forced to exit Belgium due to recession. Delivery start-up Gopuff had to cut 10 per cent of its global workforce and close 76 warehouses in the US. Ultra-fast grocery firm Jokr pulled out of the US and sold its assets.

In India, there are quick commerce players such as Swiggy Instamart, Zomato, Dunzo, Blinkit, and BigBasket. Another new e-commerce model, which is social commerce, is also having a growth spurt as it effectively solves problems of affordability and customer experience. Owing to a high referral share, this also is a low customer acquisition cost model.

The share of new e-commerce is expected to grow, especially in key categories, such as beauty, fashion, and grocery, as they continue to effectively serve a key need for specific consumer cohorts. Some of these players in India include Meesho, Bulbul, DealShare, and CoutLoot. "In the electronics category, given the clear dominance of players like Flipkart and Amazon, there is not much of a big play for new commerce (players)," said Gutgutia.

The report also said that larger players are likely to adopt these models more aggressively in the years to come and the sector will witness greater merger and acquisitions. Additionally, this emerging sector will also witness innovation in business models to expand top line and control costs. RedSeer said the market is set for strong GMV growth and a continued strong share of tier 2-plus shoppers. Over 200 million shoppers are expected this year and 57 per cent of them are going to come from tier 2-plus cities.

"Here a lot of the social commerce models have played a critical role in building up the new pool of customers. They are transacting for fashion, grocery, beauty, and personal care," said Gutgutia, adding, "The total base of online shoppers is going to double this calendar year versus four years ago." Another RedSeer report said that the Indian short-form applications (apps) have a monetisation opportunity of $19 billion by 2030, and by 2025, they are expected to double their monthly active user base to 600 million. This will be 67 per cent of all smartphone users. The three main monetisation levers will be video-commerce, advertising, and gifting.

"Indian short-form apps are witnessing phenomenal growth, compared to other established platforms," said Mohit Rana, partner, RedSeer, adding, "On average, an Indian user consumes close to 38 minutes of short form content each day."

Source: business-standard.com- Jul 22, 2022

HOME

****

Cotton worst hit in Telangana floods

Farmers demand compensation of ₹20,000 an acre; State govt asks for ₹1,000-cr relief from Centre. Farmers in Telangana have demanded a compensation of up to ₹40,000 an acre due to flood damage.

Stating that crop in 12-lakh acres was damaged in the unprecedented rains and floods, the Telangana Rythu Sangham has demanded a compensation of ₹20,000 an acre in case of food grains and ₹40,000 an acre in case of commercial crops.

"Farmers have sown different crops in 64 lakh acres so far. Of this, crops in 12 lakh acres have been damaged severely. This includes 7 lakh acres of cotton crop," Potineni Sudarshan Rao, President of the association, has said.

He said the cotton farmers invested about ₹8,000 an acre at the time of sowing. "They need to reinvest as much to salvage the season. We demand immediate relief," he said.

Meanwhile, the State government has written a letter to the Centre, appealing for an immediate financial assistance of ₹1,000 crore to take up relief measures.

Stating that the heavy rains and floods had caused damages to the tune of ₹1,400 crore, the government said the Roads and Buildings Department suffered a loss of ₹498 crore, Panchayat Raj Department about ₹450 crore and Municipal Administration reported a loss of ₹380 crore.

Farmers' appeal

The farmers' association asked the State government to seek a visit by a Central team to assess the loss. "We appeal to the government to immediately make seeds, fertilisers and pesticides available to farmers and help them go for a second sowing," Telangana Rythu Sangham General Secretary T Saggar said.

Source: economictimes.com– Jul 20, 2022

HOME

****

MSMEs withdraw registration from Modi govt's Udyam portal; business shutdown among key reasons

As many as 35,501 enterprises registered on the government's MSME registration portal Udyam have withdrawn their registration due to multiple reasons so far since the launch of the portal on July 1, 2020, according to the government data. Out of the total withdrawals as of July 15, 2022, 67 per cent or 24,075 registrations were withdrawn in the previous financial year 2021-22 while 931 registrations were withdrawn in FY21. In the current financial year, 10,495 enterprises withdrew their Udyam licenses.

The data shared by the Minister of State for MSMEs Bhanu Pratap Singh Verma in Lok Sabha on Thursday showed the shutting down of operations by 9,141 enterprises among the key reasons for revoking licenses (from July 1, 2020, till July 15, 2022). Moreover, 5,510 enterprises withdrew their registrations because they didn't require it any further while 3,911 registrations were revoked due to 'change of owner' in the business. Lastly, 15,597 enterprises had cancelled their licenses due to 'other' reasons.

Reply from the MSME Ministry wasn't immediately available for this story.

Out of the total withdrawals in the current financial year, 2,744 enterprises have already revoked their licenses due to business shutdown while 1,138 enterprises cited 'owner change' as the reason for withdrawal. Other 1,607 businesses said they don't need the registration anymore.

However, the total number of withdrawals was only 0.36 per cent of over 97 lakh registrations on the portal so far. "The withdrawals are not very significant if we look at the total registration count. Maybe MSMEs didn't see significant benefits from the portal as unless one is doing business with the government or raising bank credit at a lower interest rate, there aren't many benefits from the registration," Ashok Saigal, MD, Frontier Technologies and Co-chairman, CII National MSME Council told Financial Express Online.

Out of over 97 lakh registrations on the Udyam portal, 92.76 lakh are micro enterprises. In contrast, the erstwhile platform for MSME registration Udyog Aadhaar had registered a little over 1 crore businesses in its five-year period (September 2015-June 2020) of existence.

According to the data shared by MoS Verma, the Udyog Aadhaar portal also saw the withdrawal of registrations during its time frame. 1,470 businesses had revoked their licenses from the portal due to reasons including shutdown (400 registrations), not required further (251), owner change (158), other (496), etc.

“It is surprising that businesses take time and make effort to withdraw their registrations even if they don’t need it. However, the withdrawal count is negligible currently,” Rajiv Chawla, Chairman at the MSME association IamSMEofIndia told Financial Express Online.

Source: financialexpress.com– Jul 21, 2022

HOME

****

India's railway freight activity optimism index for Q2 higher than Q1

India's railway freight activity optimism index (RFAOI) for the second quarter (Q2) this year stands at 63, three points higher than the previous quarter despite the uncertainty posed by the war in Ukraine and the risks weighing upon the pace of recovery of businesses, according to a survey by Dun & Bradstreet, a global provider of business data and analytics.

Businesses in the western region are the most optimistic in Q2 2022 (optimism index at 65). Both large and medium-scale businesses are more optimistic about export freight demand compared with small and micro players, the survey found.

Soaring logistic costs and overall inflationary pressure, given rising fuel prices and depreciating rupee, might have affected optimism level for import freight demand, which continues to be the lowest in Q2 2022 amongst all the parameters surveyed.

Freight cost is likely to remain elevated or go up as 40 per cent of businesses expect cost of transportation through railways to increase in Q2 2022, the survey found.

Optimism for factors of supply chain increased at the slowest pace (one percentage point gain) in Q2 2022 compared to the other three segments.

Optimism level for the availability of wagons fell by 4 points in Q2 2022 from the previous quarter, whereas optimism for operational efficiency in Q2 2022 improved by three points to 64 from Q1.

Dun & Bradstreet recently released the 2nd edition of its RFAOI in collaboration with the Jupiter Group, which manufactures railway wagons, passenger coaches, wagon components and castings. The survey was conducted to measure the optimism levels of rail freight users to assess whether rail freight activity in the country is expected to improve, remain steady or decline.

The index is composed of 14 sub-parameters across four sub-indices - optimism around factors of supply, operational efficiency, investment and demand.

Businesses were the most optimistic about loading and unloading of goods with (optimism index at 69) and least optimistic about transit time (optimism index at 57). Optimism level for investment activity is the highest at 66 in Q2 2022.

Optimism for freight demand improved quarter on quarter yet remains lowest among all the four sub-indices in Q2 2022 at 59.

Source: fibre2fashion.com– Jul 20, 2022

HOME

****