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. 150 of 2022 July 29, 2022

NEWS CLIPPINGS

Currency Watch	
USD	79.42
EUR	81.23
GBP	96.95
JPY	0.60

INTERNATIONAL NEWS

No	Topics
1	UK's manufacturing output growth slows down in quarter to July
2	Italy's consumer confidence index falls, same for retail trade rises
3	Downside risk to global growth from tightening financial conditions
4	USA: $846 Billion Gone: Amazon, Walmart, Nike, Target Among Top 25 Retailers Losing Market Cap
5	China's industrial profits increase by 1% in H1 2022
6	Used clothes from UK and US are ending up in mounds on African beaches
7	Breakneck Inflation Shrinks Bangladesh, Vietnam Garment Orders
8	Order slump deprives workers of stable textile-garment jobs
9	Bangladesh's garments exporters brace for slowdown after Walmart warning
10	$5bn medium-term target eyed: Pakistan, Turkiye set to sign ‘trade in goods’ accord

NATIONAL NEWS	
No	**Topics**
1	Shri Piyush Goyal terms India-Uzbekistan relations key to India’s vision of integrated extended neighbourhood
2	Can India Be a Trailblazer as Global Fashion Turns to Organic Cotton?
3	5th India-Egypt Joint Business Council Meeting 25-26 July 2022 Cairo
4	Trend on Foreign Direct Investment (FDI) in India
5	Big cotton exporter India likely to turn into net importer soon
6	Indian body may blacklist cotton suppliers after tough stance by ICA
7	India's imports from China increased 29% in 5 years: Centre in Parliament
8	Aatmanirbhar Bharat Scheme
9	Textile exporters reach out to big Australian companies
10	India got highest aid for trade from developed countries in 2020
11	New shipping route connecting Kolkata, central Vietnam opens
12	Cotton Innovation Shines in Southern India

INTERNATIONAL NEWS

UK's manufacturing output growth slows down in quarter to July

Output volumes and orders in the UK's manufacturing sector have grown at a slow pace in the quarter to July after a period of solid growth last year. While growth has eased from the latest highs, average costs and prices continue to increase at a steep rate. Confidence among the players of the sector dipped for the third consecutive quarter.

Investment intentions have become better and employment within the sector maintained robust growth, but less rapidly than projected last quarter (for the third quarter running), according to a report. Moreover, worries about shortage of labour and components and materials remain strong but not as much as before.

The CBI/Accenture Quarterly Industrial Trends Survey, conducted by UK business lobbying organisation Confederation of British Industry (CBI), is based on data collected from 237 manufacturing firms. The survey revealed that business sentiment fell for the third consecutive quarter, but at a slower pace than in April (-21 per cent from -34 per cent in the quarter to April).

Output volumes in the quarter to July grew at the slowest pace since the quarter to April 2021 (balance of +6 per cent, compared with +25 per cent in quarter to June and a long-run average of +4 per cent), with a similar rate of growth expected in the three months to October (+6 per cent).

Output rose in 10 out of 17 sub-sectors, with headline growth driven by food, drink and tobacco, and aerospace. Average costs in the quarter to July increased at a slightly slower pace compared with the previous quarter, but growth remained well above average (+82 per cent, compared with +87 per cent in April and a long-run average of +31 per cent).

Cost growth is expected to slow a little further in the quarter to October (+77 per cent). Domestic price growth in the quarter to July also eased slightly (+51 per cent, from +60 per cent in April; the long-run average is +13 per cent).

Prices are expected to rise at a similar pace to the last quarter (+48 per cent) in the quarter ahead. Investment intentions for the year ahead picked up in comparison to April for plant and machinery (+17 per cent from +9 per cent), product and process innovation (+10 per cent from +1 per cent) and training (+10 per cent from -3 per cent).

Investment in buildings is expected to fall slightly over the year ahead (-7 per cent from -6 per cent, though this remains above the long-run average of -17 per cent). Numbers employed grew at a similar rate to the previous quarter (+18 per cent from +21 per cent), with a similar rate of increase expected in the next three months (+19 per cent), as per the report.

"Manufacturers are still contending with sky-high costs and uncertainty, and while order books remain above normal for now, a continued easing in demand will test their resilience. There are strong signs that manufacturers are pursuing long-term strategies to see themselves through current volatility with investments in their people, plants, and machinery.

Rather than pull back on innovation, investing in technology will help to improve productivity, keep costs down, and unlock new ways to make products more effectively," said Maddie Walker, head of industry X in the UK at Accenture.

Source: fibre2fashion.com– Jul 28, 2022

HOME

****

Italy's consumer confidence index falls, same for retail trade rises

Italy's consumer confidence index worsened from 98.3 to 94.8 in July 2022. The deterioration was registered, in particular, for the economic and the future indices which passed from 93.9 to 84.9 and from 98.8 to 92.9 respectively. Regarding the business confidence climate, the Istat economic sentiment indicator (IESI) deteriorated from 113.4 to 110.8.

The retail trade confidence index rose from 107.2 to 108.1. In particular, the improvement was due to the expectations on future sales, while the assessments on the current business trend worsened again and the inventories are assessed to be increasing.

The confidence climate in manufacturing decreased from 109.5 to 106.7, according to figures from the Italian National Institute of Statistics (Istat).

More specifically, unfavourable signals came from assessments on order books and, to a lesser extent, from expectations on the future production.

Survey participants considered inventories to have decreased.

The market services confidence got worse from 109.0 to 104.1. Firms indicated a worsening in all the confidence-building variables.

In fact, the respondents were pessimistic with respect to the current order books, the current business trend and the future order books.

Source: fibre2fashion.com– Jul 28, 2022

HOME

****

Downside risk to global growth from tightening financial conditions

While the global economy is expected to avert a recession, business conditions will be increasingly difficult in the year ahead as financial markets tighten, S&P Global Market Intelligence said. The risk of recession is high—in the 40-50 per cent range in major economies. Rapidly tightening financial conditions pose a downside risk to global growth, it said.

After a 3.3 per cent contraction in 2020 and a 5.8 per cent rebound in 2021, global real gross domestic product (GDP) growth is projected to slow to 2.7 per cent in 2022 and 2.6 per cent in 2023.

In the absence of new shocks, the global economy is projected to resume growth, albeit at a tepid annual pace of under 2 per cent quarter over quarter (QoQ) in the third and fourth quarters this year.

Mainland China is reopening after lockdowns and Asia Pacific's emerging markets are achieving solid growth even as European and US economies struggle.

Worldwide, the transition from pandemic to endemic for COVID-19 is enabling growth in travel, tourism, and other consumer service sectors that were hit hard during the 2020 recession.

In advanced countries, household finances are generally in good shape, thanks to accumulated savings and asset appreciation in 2020-21. In a cycle dominated by consumer spending, households are positioned to drive the global expansion forward.

With the world's population growing about 1 per cent annually, S&P Global Market Intelligence’s outlook implies solid gains in real per capita GDP and thus avoidance of a global recession.

In response to persistently high inflation and an upward drift in long-run inflation expectations, central banks are accelerating monetary policy tightening.

While the 10-year US treasury yield has retreated from mid-June highs to around 3.0%, risk spreads have widened, raising financing costs for businesses and households. More emerging markets appear unable to raise new international bonds at sustainable cost levels, forcing them to seek alternative funding sources.

US real GDP declined at an annual rate of 1.6 per cent QoQ in the first quarter, pulled down by a sharp rise in imports and a decline in exports. S&P Global Market Intelligence expects a similar contraction in the second quarter, owing to a sharp reduction in inventory accumulation.

Mainland China's real GDP declined 2.6 per cent QoQ in the second quarter, resulting in 0.4 per cent year-on-year in growth that was supported by infrastructure spending and investment by state-owned firms.

Real GDP growth in mainland China is projected to slow from 8.1 per cent in 2021 to 4 per cent in 2022 before strengthening to 5.2 per cent in 2023.

Asia Pacific will dominate global growth as other regions falter. Resilient growth in the region is key to S&P Global Market Intelligence’s outlook of sustained global economic growth in 2022 and 2023.

This region will likely account for 53 per cent of global real GDP growth in 2022 and an exceptional 62 per cent in 2023.

After slowing from 6.2 per cent in 2021 to 3.9 per cent in 2022, Asia Pacific's real GDP growth is projected to settle at 4.4 per cent in both 2023 and 2024.

India, Indonesia, Vietnam and the Philippines will likely achieve growth rates of 5-7 per cent.

Source: fibre2fashion.com– Jul 28, 2022

HOME

****

USA: $846 Billion Gone: Amazon, Walmart, Nike, Target Among Top 25 Retailers Losing Market Cap

Stock market volatility this year has rocked nearly every industry, and retail is no exception. In fact, the top 25 global retailers by market capitalization lost $846 billion in their cumulative valuation in the 2022 second quarter, according to GlobalData research.

Three of retail's top dogs have seen some of the sector's biggest valuation drops: As of June 30, Amazon's market capitalization plummeted 34.9 percent to $1.08 trillion, the steepest fall of any of top 25, the London consultancy found.

Amazon was the only top 25 retailer that lost more than $500 billion in its second-quarter valuation, said Ragupathy Jayaraman, GlobalData business fundamentals analyst.

Despite the setback, Amazon's market cap was still more than triple that of the second-largest retailer, Walmart, which stood at $333.3 billion after an 18.7 percent decline. Although Walmart's market cap as of Thursday reached approximately $350.2 billion, its guidance update in July sent retail stocks into a tailspin amid sector-wide concerns that the industry will have to rely more on aggressive markdowns to hit sales, particularly in discretionary items like apparel.

Walmart president and CEO Doug McMillon outlined the current issues in the lowered guidance.

"The increasing levels of food and fuel inflation are affecting how customers spend, and while we've made good progress clearing hardline categories, apparel in Walmart U.S. is requiring more markdown dollars," McMillon said. "We're now anticipating more pressure on general merchandise in the back half."

And the last company in retail's "big three," Target saw a collective market cap drop of 33.3 percent to $65.5 billion. Like Walmart, Target saw its biggest drop in May on te news that it lowered profit guidance in the wake of an expected $1 billion in incremental freight costs. The mass merchant saw first-quarter net income plummet 51.9 percent to $1.01 billion as costs further eroded margins. It also dialed up promotions and cut back on orders to deal with a pileup of product people weren't quick to purchase.

As the three top retail players feel the heat, so too does the rest of the pack. The top 25 global retailers by market capitalization reported a 19.4 percent decline in their cumulative valuation in the 2022 second quarter, according to GlobalData.

The retailers have seen a decline in value amid major financial headwinds including global inflation, constrained supply chains and an ongoing war in Ukraine—all contributing to economic uncertainty that has dominated headlines this year. With inflation hitting forty-year highs of 9.1 percent in June, it appears consumers are looking to keep more money in their wallets until concerns of a full-blown recession are put to bed.

The declines also come after consumers have returned to spending habits that many may not have expected so soon, putting major pressure on businesses that rely heavily on a strong e-commerce operation to thrive.

“Due to the stringent lockdowns resulting from the Covid-19 pandemic, retail firms were able to enhance their e-commerce options,” Jayaraman said in a statement. “However, normalcy is returning to markets as more consumers are visiting physical stores.”

High-growth tech companies have gotten the worst of the market selloff, and one such business that took advantage of the pandemic-driven retail shift is now issuing a mea culpa. Shopify, which has seen its valuation tumble more than 79 percent since Nov. 19, 2021, is laying off 10 percent of its staff as the company’s two-year stretch of success cools off. Net losses in the second quarter amounted to $1.2 billion for the e-commerce giant.

“It’s now clear that bet didn’t pay off,” said Shopify CEO and founder Tobi Lütke in a letter to employees. “What we see now is the mix reverting to roughly where pre-Covid data would have suggested it should be at this point.

Rounding out those that have lost the most value are Nike with a 24.4 percent decrease to $160.8 billion and Adidas with a 20.4 percent drop to $38.3 billion, illustrating that few companies are immune to the market’s decline. Both have struggled in China, which has become a significant market headwind for Western companies with major exposure to the nation of 1.4 billion people, particuarly as Covid-19 lockdowns remain in place.

Valuation crunches have also hit U.S. supermarket Kroger (an 18.4 percent drop), Australian conglomerate Wesfarmers (a 16.9 percent dip) and warehouse club Costco (a 16.8 percent decline).

In total, six major U.S. companies—Amazon, Walmart, Home Depot, Nike, Costco and Target—each lost over $25 billion in valuation.

Growth persists across Chinese e-comm, fast-fashion and discount stores

It's not all doom and gloom though, especially in China as the company's top e-commerce businesses manage through the current conditions. Alibaba, the world's third-most valuable retailer at $304.1 billion as of June 30, saw market cap growth of 2.7 percent in the second quarter.

Rival JD.com had an even bigger jump of 8.7 percent to $101.8 billion, while online grocery giant Pinduoduo bucked every trend possible with a whopping 55.3 percent growth trajectory in the period to $78.1 billion. The Chinese government's regulatory authorities, however, have been cracking down on organizations, raising concerns for investors.

And if there's one worldwide apparel subsector that is maintaining success, it's fast fashion. Inditex and Fast Retailing, operators of industry titans Zara and Uniqlo respectively, saw noteworthy valuation spikes in the quarter. Inditex ticked up 9.2 percent to $79.6 billion, while Fast Retailing had a 12.8 percent jump to $71.1 billion—the second-largest leap behind Pinduoduo's quarterly growth.

Inflation's impact on apparel prices appears to be benefiting the major fast-fashion players, which also include global companies like H&M and Mango, both of which have seen outsized first-half growth as shoppers are willing to spend on clothing that brings more bang for their buck.

The final of the six companies in the top 25 that reported a market cap gain is Dollar General, which saw its valuation boost 9.3 percent to $55.7 billion. Like the fast-fashion chains, Dollar General will likely be a major destination for shoppers in a potential recession as they hope to spend a little and get a lot.

Source: sourcingjournal.com– Jul 28, 2022

HOME

****

China's industrial profits increase by 1% in H1 2022

China's major industrial firms saw a 1 per cent increase year-on-year in profits during the first half of 2022, as per recent official data. Industrial firms whose main business revenue on a yearly basis was at least 20 million yuan found that their combined profits surpassed 4.27 trillion yuan during that time, according to China's National Bureau of Statistics (NBS).

The combined revenue of those industries increased to 9.1 per cent from last year to 65.41 trillion yuan. Moreover, 16 out of 41 industries witnessed more profits in the period. In June, profits of big industrial companies shot up by 0.8 per cent year-on-year, undoing the declines in April and May.

The economic recovery can be credited to the efficient containment of the spread of the pandemic and social and economic development as well as the effective execution of policies to stabilise the economy, Zhu Hong, a senior statistician with the NBS, was quoted as saying by the Chinese media.

Source: fibre2fashion.com– Jul 28, 2022

HOME

****

Used clothes from UK and US are ending up in mounds on African beaches

Ghana is the world's third-largest importer of second-hand clothing, The Independent reported. Most of its goods come in from the United Kingdom and the United States.

Traders in Ghana try to resell these items but half of them are of very poor quality. Every year, 100 million used items end up being pushed out of circulation.

Most of these discarded items are dumped on beaches.

The condition of Ghana's beaches has been documented by photographer Muntaka Chasant, who focuses on environmental crises.

Giant heaps of the clothing on shores disrupt marine life as well the occupations of local fishermen.

"None of us living along these shores have anything at all to do with these. We are already under stress from the lack of fish in the ocean, and now this!," a fisherman told Chasant, according to The Independent.

A huge contributor to the waste heaps on beaches is Kantamanto -- a massive market for second-hand clothes in Ghana's capital Accra.

Locals describe the waste from the market as "Obruni Wawu", which in Twi language means "a dead white man's clothes".

Fast fashion brand H&M is the one most commonly found dumped in Ghana, The Independent reported.

Waste from Western nations often ends up in Africa and Asia. Wealthy nations are known to dump their plastic waste in Southeast Asia, sparking to global criticism.

Source: moneycontrol.com– Jul 28, 2022

HOME

****

Breakneck Inflation Shrinks Bangladesh, Vietnam Garment Orders

The world's second- and third-largest garment exporters after China, still smarting from the economic fallout of Covid-19, are bracing for a drop in orders as customers in their biggest markets grapple with breakneck inflation.

Bangladesh was already struggling with escalating food and energy prices as a result of the Russia-Ukraine war. The South Asian nation on Sunday asked for a $4.5 billion loan from the International Monetary Fund, joining its neighbors Pakistan and Sri Lanka in seeking relief from dwindling foreign reserves and a ballooning trade deficit.

Although Walmart's slashed earnings outlook this week augurs ill for the country, which relies on garments for 80 percent of its exports, the warning signs were already there, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

"Orders have slowed down," he told Reuters Wednesday. "Western countries are raising bank interest rates. That's why people are giving priority to food and mortgages. Demand for clothing is less. This will hamper our export."

The European Union accounts for roughly 60 percent of the nation's garment sales, while the United States makes up around 20 percent. Both economies have been teetering on the brink of a recession that would pump the brakes on any post-pandemic "revenge spending."

Bangladesh's exports took a nosedive last July when the novel coronavirus was still ravaging most of the globe. In the year since, exports rose more than 34 percent to $52.08 billion—a record high, according to Export Promotion Bureau data.

This could change if major buyers like Walmart are unable to shift excess stock because consumers are shelling out less for discretionary items like clothing in the back half.

"If Walmart's cut-price sales do not help, we are going to have a tough time," Siddiqur Rahman, owner of Laila Styles, a factory that supplies to H&M, Walmart and Zara, told Reuters. "Our orders could look up from

October onwards for Christmas demand. But if retailers' inventory is full, they will refrain from placing orders."

Bangladesh's biggest rival, Vietnam, which briefly usurped the No. 2 spot, is also staring down decreasing orders, potentially rolling back gains that saw garment exports spike by $3.19 billion in the first half, according to the General Department of Customs.

The Vietnam Textile & Apparel Association chairman Vu Duc Giang told reporters last week that the Southeast Asian country is poised to hit $43 billion in garment exports this year, but that inflationary pressures on the United States and Europe remain a looming threat.

The Russia-Ukraine war has also driven up the prices of cotton, crude oil and petrol by 19.1 percent, 40 percent and 67 percent respectively since the start of the year. With transportation costs now thrice as much as they were, on average, during the past five years, Vietnamese exporters are now facing a 20 percent to 25 percent uptick in expenditures.

Garment exports, which make up 16 percent of Vietnam's gross domestic product, are a major contributor to the country's economy.

Speaking to VnExpress on Sunday, the manager of an unnamed children's wear manufacturing in Dong Nai said that it used to receive orders of between 80,000 to 100,000 units every month from the United States. The numbers have dropped by 20 percent to 30 percent of late, however.

"At the beginning of the year, after the pandemic situation was under control, countries reopened and our partners urged us to deliver goods quickly, but now they are very indifferent," the manager said.

Trần Như Tùng, chairman of the Thành Công Textile Garment Investment Trading JSC, which produces and trades yarn, fabric and garments, said that demand for Vietnamese garments could drop further in Q4 because U.S. firms are more cautious about placing orders in the wake of the Uyghur Forced Labor Prevention Act, which outlaws products linked in whole or in part with Xinjiang.

"Firms are uncertain about the future, so they cut down on garment import[s] to avoid risk," he told Vietnam Economy News earlier this month. A coalition of organizations from Vietnam recently urged the

Department of Homeland Security to cast a closer eye at exports from country, which it claims has been importing raw cotton and semi-finished cotton goods from the Chinese province.

While Thân Đức Việt, general director of the Garment 10 Corp., which specializes in dress shirts, said that the number of orders it has received is large enough to keep production lines humming until late 2022, demand uncertainty has left it no choice but to tweak its schedule more frequently.

“Previously, we adjusted the production plan quarterly or monthly, but now we have to do that weekly or daily,” he told Vietnam Economy News. “We have no other choice because it is the only way to adapt to the volatility.”

Source: sourcingjournal.com– Jul 28, 2022

HOME

****

Order slump deprives workers of stable textile-garment jobs

Vietnam's textile-garment firms have seen orders keep dropping starting from the second quarter until now and they are having workers work in rotation.

The industry's exports have been "bizarre" this year, significantly impacting many companies, said Tran Thi Tuyet Mai, deputy general secretary of the Vietnam Textile and Apparel Association (VITAS).

At the beginning of the year, businesses received a lot of orders and even faced worker shortages; but since the second quarter, impacts of Russia's "special military operation" in Ukraine have led to rising fuel prices and people in many countries changing their consumption habits, causing a sharp decline in purchasing power for clothes and fashion items, she said at a conference in HCMC Thursday.

Mai said many factories have had to let workers alternate because there was not enough work for all of them at once.

VITAS is carrying out a survey on the damage done to the industry to try and identify solutions to help businesses and workers, she said.

Vietnam's textile and garment industry has 13,000 companies with more than three million employees.

The industry's exports topped $40 billion last year, accounting for 12 percent of the nation's total export value.

Source: e.vnexpress.net– Jul 28, 2022

HOME

****

Bangladesh's garments exporters brace for slowdown after Walmart warning

After recovering swiftly from the havoc caused by the COVID-19 pandemic, Bangladeshi garment manufacturers are now anticipating a slowdown as sales at key customers such as Walmart (WMT.N) are hit by a spike in inflation.

The garments industry accounts for more than 80% of total exports for Bangladesh, which on Sunday became the third South Asian country after Pakistan and Sri Lanka to seek a loan from the International Monetary Fund as its foreign exchange reserves shrank and the trade deficit jumped.

Bangladesh's $416 billion economy has been one of the fastest-growing in the world for years, but rising energy and food prices because of the Russia-Ukraine war have inflated its import bill and the current account deficit.

Walmart, a U.S. bellwether for the retail sector that caters to cost-conscious shoppers, cut its full-year profit forecast on Monday and pledged to reduce prices of clothing and general merchandise more aggressively than it did in May to reduce a spring backlog.

"Orders have slowed down," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"Western countries are raising bank interest rates. That's why people are giving priority to food and mortgages. Demand for clothing is less. This will hamper our export."

Bangladesh's garments exports last shrank in July 2021 when COVID-19 cases were high around the world. Since then, sales have surged, growing by a multi-month high of 60% year-on-year in March this year and 41% in June, according to BGMEA data.

Two Bangladeshi garments suppliers to Walmart said other Western customers were also sitting on huge inventories.

"If Walmart's cut-price sales do not help, we are going to have a tough time," said Siddiqur Rahman, owner of Laila Styles that supplies to Walmart, H&M (HMb.ST) and Zara.

"Our orders could look up from October onwards for Christmas demand. But if retailers' inventory is full, they will refrain from placing orders."

The European Union accounts for about 60% of Bangladesh's total garments sales, followed by about 20% to the United States. Other buyers include Japan, Australia, India and China.

Industry players now hope sales to the smaller markets will help them see through the current slowdown without too much damage, while they try to optimise manufacturing.

"Of course there are some price cuts, some discounting and some orders on hold - it's a part of business," said Abdus Salam Murshedy, managing director of the Envoy Group that sells to Walmart, VF Corp (VFC.N), Zara, American Eagle Outfitters (AEO.N) and others.

"It will depend on the war, how long it lasts. Our growth will be challenged. We will have to become more efficient, automate more."

Source: reuters.com– Jul 27, 2022

HOME

****

$5bn medium-term target eyed: Pakistan, Turkiye set to sign 'trade in goods' accord

Pakistan and Turkiye are all set to sign the long-awaited agreement on trade in goods during the forthcoming visit of Turkish Minister for Trade within a couple of weeks, aimed at achieving strategic goal of bilateral trade of $5 billion in the medium-term, sources close to Commerce Minister told Business Recorder.

Sharing the details, sources said, to improve the economic and trade relations between Pakistan and Turkiye, both countries signed a "Framework Agreement for Establishing a Free Trade Area between Pakistan and the Turkiye" on March 22, 2016. In the agreement, both sides reflected their commitment to gradually establish the Turkiye-Pakistan Free Trade Area covering trade in goods.

With this aspiration, Pakistan had been engaged in intensive negotiations for a Trade in Goods Agreement with Turkiye, in consultation with public and private stakeholders in Pakistan. The Agreement on Trade in Goods would be an important break-through in improving economic relations between the two countries and was a key agenda point during the recent visit of Prime Minister, Shahbaz Sharif to Turkiye from May 31, 2022 to June 2, 2022.

After 14 rounds of bilateral negotiations, the agreement had been finalized for signing. The final draft of the agreement had been duly vetted by the Tariff Policy Board and the Ministry of Law and Justice.

The key highlights of the trade concessions offered by both sides under the Agreement were as follows: (i) Turkiye had offered concessions to Pakistan on 261 Tariff Lines, which include key items of Pakistan's export interest to Turkiye from both agriculture and the industrial sectors. Concessions on these items would provide Pakistan's exporters better market access compared to competitors such as India, China, Vietnam, and Malaysia. Out of these 261 Tariff Lines, the Turkish side was offering immediate zero concessions in around 123 Tariff Lines (Customs Duty for Agriculture Products and Additional Customs Duty for Industrial Products), whereas, in 92 Tariff Lines, duty would be reduced to zero in 5 to 10 years.

In 5 Tariff Lines, the Turkish side was offering 50 percent reduction, whereas, in 14 Tariff Lines, it was offering a Tariff Rate Quota; and (ii) Pakistan had offered the Turkish side concessions in 130 Tariff Lines. Out of 130 Tariff Lines, Pakistan was offering immediate zero duty to Turkiye in only 16 Tariff Lines, whereas, in 16 Tariff Lines, Pakistan was offering zero duty in 5 to 10 years.

In the remaining Tariff Lines, Pakistan was only offering a Margin of Preference to Turkiye ranging from 20% to 50%. It is important to note that the Turkish Request List was for 300 items, however, Pakistan had kept 170 items in the sensitive list to protect domestic industry.

The bilateral trade between the two countries had been consistently increasing over the years, and stands at $ 882 million as of FY 2021-22, up by 17.8 per cent from $ 749.12 million in FY 2020-21. Pakistan's exports to Turkiye had seen an increase of 33.6 per cent, from $ 273.58 million in FY 2020-21 to $ 365.6 million in FY 2021-22.

During the visit of Prime Minister of Pakistan to Turkiye (May 31, 2022 to June 2, 2022), the Minister for Commerce of Pakistan and Minister for Trade of Turkiye signed a Joint Ministerial Statement on "Developing Bilateral Trade and Economic Relations between the two countries", whereby, both sides expressed the resolve to work for increasing bilateral trade to $ 5 billion in three years, as well as, to expeditiously conclude the Trade in Goods Agreement on the basis of mutual benefit.

As also agreed by both sides during the visit, the trade in goods agreement would be signed during the forthcoming visit of Turkish Minister for Trade to Pakistan, which was scheduled to take place in the next few weeks.

According to sources text of the agreement included comprehensive provisions on bilateral safeguards, balance of payment exceptions, Dispute Settlement, and Periodic Review of the agreement, duly vetted by Law and Justice Division.

The component of tariff reduction modality was approved by the Tariff Policy Board. Rules of Origin incorporated in the Agreement were similar to EU and Pakistan is already complying with EU's Rules of Origin under GSP+ regime.

Turkiye's offer to Pakistan, indicating products with enhanced market access were also shared in detail. Similarly, Pakistan's offered concessions to Turkiye were also highlighted for the Cabinet.

The Ministry of Commerce noted that the Trade in Goods Agreement will be followed by deeper market access in services and investment. The Agreement will also help in achieving the strategic goal of bilateral trade of $5 billion in the medium-term.

Source: brecorder.com– Jul 28, 2022

HOME

****

NATIONAL NEWS

Shri Piyush Goyal terms India-Uzbekistan relations key to India's vision of integrated extended neighbourhood

Union Minister for Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textile Shri Piyush Goyal has termed India-Uzbekistan relations as key to India's vision of integrated extended neighbourhood.

He also highlighted that this year is special to India-Uzbekistan relations, as both nations are celebrating 30th year of diplomatic relations. He said this while addressing the 13th session of India-Uzbekistan Inter governmental Commission (IGC) in New Delhi today.

In his remarks, the Minister said we are keen to have a vibrant people to people relations. Trade relations are a natural outcome of strengthening of bilateral relations. We need to take the relation forward in newer areas like technology, digital payment solutions and investment in start-ups.

The Minister emphasized upon the need to identify new drivers for ambitious growth in bilateral trade between India and Uzbekistan. He stressed upon the need for an integrated approach for regional connectivity and cooperation.

He underlined seven emerging areas of cooperation between both the nations namely Digital Payments, Space Cooperation, Agri and Dairy, Pharma, Gems and Jewellery, MSME and Inter-regional cooperation.

Shri Goyal mentioned that despite Covid-19, interactions & trade have increased in the last few years. Trade has increased from $247 mn in 2019-20 to $342 mn in 2021-22, a growth of 38.5% . He further said we need to explore initiatives to improve Connectivity in facilitating trade b/w our countries.

The Uzbekistan delegation was led by Mr. Jamshid Khodjaev, Deputy Prime Minister and Minister of Investments and Foreign Trade of the Republic of Uzbekistan.

In his address, Mr Khodjaev said that he is looking forward to the visit of Prime Minister Shri Narendra Modi to Uzbekistan in September. He said the visit of PM Modi will be utilized fully for giving a significant boost to the bilateral relations in several areas of mutual interest.

IGC meeting is an important platform to deliberate on ideas, discuss issues & strengthen bilateral relations esp. in the field of trade & investment. The 2nd India-Uzbekistan JWG on Economic Cooperation was held on 22nd June'22 wherein a wide range of issues were discussed.

Source: pib.gov.in– Jul 28, 2022

HOME

****

Can India Be a Trailblazer as Global Fashion Turns to Organic Cotton?

All over the world, apparel brands have started adopting organic cotton. There are growing calls for sustainability across the world, from the fashion houses of Milan and Paris to India.

A report says that the market size of organic cotton will reach $6,730 million by 2028, with a compound annual growth rate of 40%. This is good news for India considering it is one of the major cotton markets and given the importance of cotton in the textile industry. The country produces over half of the supply of the world’s organic cotton, according to the Textile Exchange, a global non-profit for the fibre industry.

Let’s take a closer look at the benefits, challenges and future of organic cotton.

Snapshot

- A report says that the market size of organic cotton will reach $6,730 million by 2028.
- India produces over half of the supply of the world’s organic cotton, according to the Textile Exchange, a global non-profit for the fibre industry.
- The government’s National Programme for Organic Production aims to provide an accreditation framework to consumers, producers, processors and traders all over the country.
- The GOTS is the global standard for organic fibres. India has over 5,000 GOTS-certified facilities.
- The current production of organic cotton in India is 1.23 million tonnes. Madhya Pradesh and Odisha are among the states with a significant rise in production.
- The Indian Council of Agricultural Research with associated bodies have released 64 non-GM cotton varieties and hybrids from 2017 to 2021.

Why Organic Cotton Is 'Cleaner'

Cotton isn’t always good for the environment. It has sometimes been called “the world’s dirtiest crop”. It requires plenty of water and the use of harmful pesticides is common.

Fortunately, organic cotton is different. Organic cotton farmers replace harmful pesticides with those that are organically approved. They use natural fertilizers, such as manure. Organic cotton also does not make use of genetically modified seeds.

In organic cotton, the entire cultivation chain is carefully monitored. Organic farming does not deplete the soil of nutrients and sustainability is the aim from start to finish.

Artificial substances, such as formaldehyde and chlorine, are not used to process and manufacture organic cotton. There are natural oils, starches, bleaches and low-impact dyes at every step. This reduces the toxic effects of conventional cotton manufacturing.

Thus, clothing made from organic cotton is more comfortable and durable. It is hypoallergenic, making it especially suitable for those with sensitive skin.

According to estimates, organic cotton production emits half the amount of carbon dioxide compared to conventional cotton production.

For these reasons, organic cotton causes much less damage to the planet. It is the perfect choice for those who care about sustainable growth and development.

But Cultivation Isn't Easy

Organic cotton cultivation and manufacturing have many advantages. However, they also come with challenges. For a start, farmers do not always have access to good-quality seeds suitable for organic farming. At times, the seeds available do not have the required approvals. Similarly, cultivators can sometimes find it difficult to get their hands on organic fertilizers and bio-pesticides.

Since organic cotton requires a different mindset and process, farmers need to be re-skilled and trained in its cultivation. These skills include using natural fertiliser options and creating a healthy soil balance. Another aspect is the art of keeping pests under control instead of destroying them with the use of chemicals.

These challenges are not insurmountable. Farmers' associations can collaborate with environmental bodies. Terms of microcredit can be arranged. There can be market interventions to make organic cotton yields more attractive. In short, inputs and facilities can be made more readily available, and the benefits of soil health can be properly communicated.
The government's National Programme for Organic Production aims to provide an accreditation framework to consumers, producers, processors and traders all over the country.

Identifying 'Original' Organic Cotton

Proper labelling and certification are essential for organic cotton to be sold with credibility. This is the aim of the Global Organic Textiles Standard (GOTS). The GOTS is the global standard for organic fibres. Some examples of certified products are fibre, yarns, fabrics, clothes and mattresses.

Before products can be GOTS certified, all processes and activities in the chain need to undergo a periodic on-site inspection. Processors and manufacturers can export fabrics and garments accepted in major markets with a common standard. Consumers can thus select organic cotton products with confidence.

Another accepted standard is Organic Content Standards (OCS). In this case, the organic fibre percentage in a product is tracked throughout the supply chain. However, OCS does not cover processing.

In India, state governments are responsible for all types of cotton production. This includes organic cotton. In 2020, to overcome challenges and concerns, the Agricultural and Processed Food Products Export Development Authority (APEDA) directed the Ministry of Textiles to develop and launch a Standard for Chain of Custody for Indian Organic Fibres and Products. At present, this is voluntary under the National Programme for Organic Production (NPOP). It certifies fibres from farm to made-ups.

India has over 5,000 GOTS-certified facilities. This is the highest number in the world. After recent reports of faulty certification leading to fake organic cotton products, a thorough audit was conducted by GOTS. It cancelled all wrongly issued transaction certificates. A revised system for raw material checks and reviews of certification bodies is being developed.

Can India Show the Way?

Rising production and increasing growth mark the outlook for organic cotton in India. Stricter norms for organic cotton cultivation and processing have instilled renewed confidence in quality.

Many organisations and industry experts are helping streamline the supply chain. These activities will create favourable conditions for buyers and suppliers to promote the industry. A body called the Organic Cotton Accelerator (OCA) is boosting farmer prosperity and creating a transparent and responsible supply chain.

The current production of organic cotton in India is 1.23 million tonnes. Madhya Pradesh and Odisha are among the states with a significant rise in production. Others that showed growth are Maharashtra, Gujarat and Rajasthan. In the last five years, these states have produced 99% of the total cotton production in India.

Another indication of bright prospects is that the Indian Council of Agricultural Research with associated bodies have released 64 non-GM cotton varieties and hybrids from 2017 to 2021.

Organic cotton growers can adopt these varieties. More than 6.5 million cotton farmers are directly cultivating the crop. There are approximately 10.5 million workers in allied sectors.

Environmentally-friendly production systems drive best practices across the entire textile industry. Organic cotton has the potential to transform farming communities, improve livelihoods and reduce climate change. It minimises pollution and poverty and is better for people and the planet.

Source: thequint.com- Jul 28, 2022

HOME

****

5th India-Egypt Joint Business Council Meeting 25-26 July 2022 Cairo

A five-member delegation from India led by Dr. Srikar K Reddy, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry of India, accompanied by His Excellency Mr. Ajit Gupte, Ambassador of India to Egypt, called on Her Excellency Mrs. Nevine Gamea, Minister of Trade and Industry, Arab Republic of Egypt, in Cairo on 26 July 2022. The agreed minutes of the 5th Session of the India-Egypt Joint Trade Committee (JTC), held on 25 July 2022, were signed between the two sides in the presence of the Hon'ble Minister.

The JTC was co-chaired by Mr. Yahya El Wathik Bellah, First Under Secretary and Head of Egyptian Commercial Service (ECS); and Dr. Srikar K Reddy, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry of India. His Excellency Mr. Ajit Gupte, Ambassador of India to Egypt, and officials from concerned Government agencies of India and Egypt also participated in the JTC.

The 5th India-Egypt JTC took place in the backdrop of robust growth in trade and investment ties between India and Egypt. Bilateral trade reached a historic record high of USD 7.26 bn in FY 2021-22 which is an increase of 75% over FY 2020-21. Egypt is also one of the largest investment destinations for India in the region with existing Indian investment of USD 3.15 bn. Indian companies continue to execute several projects in Egypt.

Both sides undertook a detailed review of recent developments in trade and investment ties and noted that the relationship, while already excellent, has huge potential to be scaled up even further. To this effect, both sides identified several areas of focus for enhancing both bilateral trade as well as mutually beneficial investments.

These include food, agro and marine products, energy particularly renewable energy including green hydrogen and green ammonia, health and pharmaceuticals, chemicals and petrochemicals, MSMEs, engineering goods, manufacturing, IT and IT enabled services, tourism, and so on. Both sides also reviewed the progress of ongoing discussions for Memorandum of Understanding (MoUs) in the field of standards, IT, and transport, and agreed to conclude them expeditiously.

Affirming mutual keenness in diversifying and expanding trade and investment linkages, both sides set an annual bilateral trade target of US$ 12 billion to be achieved within 5 years. To accelerate trade, both sides agreed to expeditiously address all issues impeding bilateral trade; facilitate trade promotion between the two countries; and identify bilateral focal points to further strengthen bilateral institutional cooperation.

Both sides made progress in the discussion on resolution of non-tariff barriers with the Egyptian side agreeing to expedite scheduling of the visit of its technical delegations to India to address NTB issues related to export of some of the Indian agricultural products to Egypt. Also, with reference to cooperation in pharmaceuticals sector, Egyptian side agreed to initiate technical discussions with concerned agency in India to take forward the proposal of inclusion of India in the list of reference countries accepted by Egyptian authorities for import of pharmaceutical products.

On 26th July 2022, 5th meeting of Joint Business Council (JBC) was jointly organized by FICCI and Egyptian Commercial Services. A large business delegation from India is currently visiting Egypt to participate in the JBC and to hold B2B interactions with their Egyptian counterparts. Presence of large business delegation comprising of representatives of prominent business houses from both, India and Egypt, and leading business personalities belonging to the sectors of interest attested to the strong interest and enthusiasm among businesses of both countries to enhance economic and trade relations.

The deliberations of the 5th Sessions of India-Egypt JTC and JBC were cordial and forward-looking, reflecting the traditionally friendly and special relations between the two countries. The meetings of the JTC and JBC were timely and productive, reflecting a common desire of the business communities of both sides to renew and strengthen trade and investment ties in the post-pandemic era and take them to new heights.

Source: pib.gov.in- Jul 28, 2022

HOME

****

Trend on Foreign Direct Investment (FDI) in India

Singapore (27.01%) and USA (17.94%) have emerged as top 2 sourcing nations in FDI equity flows into India in FY2021-22 followed by Mauritius (15.98%), Netherland (7.86%) and Switzerland (7.31%). It may be noted that as per the UNCTAD World Investment Report (WIR) 2022, in its analysis of the global trends in FDI inflows, India has improved one position to 7th rank among the top 20 host economies for 2021.

India is rapidly emerging as a preferred country for foreign investments in the manufacturing sector. FDI Equity inflow in Manufacturing Sectors have increased by 76% in FY 2021-22 (USD 21.34 billion) compared to previous FY 2020-21 (USD 12.09 billion).

The Government has implemented several transformative reforms under the FDI policy regime across sectors such as insurance, defence, telecom, financial services, pharmaceuticals, retail trading, e-commerce, construction & development, civil aviation, manufacturing etc.

Despite the ongoing pandemic and global developments, India received the highest annual FDI inflows of USD 84,835 million in FY 21-22 overtaking last year's FDI by USD 2.87 billion. Earlier, FDI inflows increased from USD 74,391 million in FY 19-20 to USD 81,973 million in FY 20-21.

The Government continues to liberalize investment restrictions, eliminate regulatory barriers, nurture international relations and improve business environment. Changes are made in the FDI policy after having consultations with stakeholders including apex industry chambers, associations, representatives of industries/groups and other organizations. While foreign investments are permitted under the automatic route in most sectors/activities, due to strategic reasons certain investments are either restricted or permitted under the Government approval route through a screening mechanism as per the prescribed framework.

Top 5 sectors receiving highest FDI Equity Inflow during FY 2021-22 are Computer Software & Hardware (24.60%), Services Sector (Fin., Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other) (12.13%), Automobile Industry (11.89%), Trading 7.72% and Construction (Infrastructure) Activities (5.52%).

Top 5 States receiving highest FDI Equity Inflow during FY 2021-22 are Karnataka (37.55%), Maharashtra (26.26%), Delhi (13.93%), Tamil Nadu (5.10%) and Haryana (4.76%)

Top 5 sectors receiving highest FDI Equity Inflow during FY 2021-22 are Computer Software & Hardware (24.60%), Services Sector (Fin., Banking, Insurance, Non Fin/Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other) (12.13%), Automobile Industry (11.89%), Trading 7.72% and Construction (Infrastructure) Activities (5.52%).

During FY 2021-22 FDI has been reported from 101 countries, whereas, it was reported from 97 countries during previous FY 2020-21.

In India FDI up to 100% is allowed in non-critical sectors through the automatic route, not requiring security clearance from the Ministry of Home Affairs (MHA). Prior government approval or security clearance from MHA is required for investments in sensitive sectors such as defence, media, telecommunication, satellites, private security agencies, civil aviation and mining, besides any investment from Pakistan and Bangladesh.

All foreign investments are required to be in compliance with the applicable entry route, sectoral cap, attendant conditions, sectoral laws, Companies Act, 2013 and rules thereunder, pricing guidelines, documentation and reporting requirements.

The FDI policy regime continues to welcome all investments in the country subject to compliance of applicable entry conditions and rules/regulations.

Source: pib.gov.in- Jul 28, 2022

HOME

****

Big cotton exporter India likely to turn into net importer soon

Record low production twinned with a sharp surge in domestic demand may see India turn into a net cotton importer in FY23 from being one of the largest exporters. “This is the first year when cotton production fell by 20% and cotton consumption increased by 30%.

The major cause of the decrease in production was weather and pests. Last year the carry-over stock was lower in comparison to the last five-year average," said Manish Daga, managing director of Cotton Guru, which helps farmers in the production process.

Record low production twinned with a sharp surge in domestic demand may see India turn into a net cotton importer in FY23 from being one of the largest exporters. “This is the first year when cotton production fell by 20% and cotton consumption increased by 30%.

The major cause of the decrease in production was weather and pests. Last year the carry-over stock was lower in comparison to the last five-year average," said Manish Daga, managing director of Cotton Guru, which helps farmers in the production process.

The projection of production this year has come down to 31.5 million bales while consumption is of 34.5 million bales. It is expected that India may have to import nearly 1.5 million bales this year, he said.

The projection of production this year has come down to 31.5 million bales while consumption is of 34.5 million bales. It is expected that India may have to import nearly 1.5 million bales this year, he said.

The commerce and industry ministry in response to Mint’s queries said that “surplus availability of cotton in the country is expected to be 39.37 lakh bales, based on estimated import of 15 lakh bales and export at 42 lakh bales. Thus, there seem to be adequate availability of cotton in India."

“During last five years 90% cotton used by Industry is domestically produced and only about 5% to 10% of cotton has been imported from Egypt, Sudan, USA and other origins, largely of varieties not produced/ produced less in India such as Extra Long Staple Cotton and contamination free cotton. Besides this some imports were due to competitive prices," the ministry said.

“India has been the largest producer and exporter of cotton for quite some time now. But of late, chances are that we will become a net importer of cotton from being a net exporter.

The reason is that while cotton production and productivity have not increased, cotton consumption is rising," textiles secretary UP Singh said in a press conference on Sunday.

He said that India used to have 5 to 6 million bales in surplus but that the surplus has been falling. Indian industry had a 10% price advantage as far as cotton was concerned, which is no longer there because consumption would outstrip production and in the “very near future", Singh added.

The ministry of commerce and industry in its response said, “As per COCPC meeting dated 1 July, current cotton season 2021-22 commenced with an estimated carry over stock of 71.84 lakh (7.1mn) bales.

Thus, with estimated production of 315.43 lakh (31.5mn) bales, the total availability of cotton without considering imports is, 387.27 lakh (38.7mn) bales as against estimated consumption of 321 lakh (32mn) bales."

“As already informed, India is a net cotton surplus country wherein availability of cotton is more than consumption. Besides this, Government of India is taking various measures to increase the current productivity and quality of cotton in the country.

Realizing the need for achieving a special place for Indian cotton in the international arena and to ensure production of assured quality bales, brand name for Indian cotton has been launched as “KASTURI COTTON INDIA" to attain the objective of making India Atmanirbhar and vocal for local in the field of cotton," the ministry said.

The ministry of commerce and industry spokesperson said that a Textile Advisory Group (TAG) has been constituted as an informal body to deliberate and recommend on the issues pertaining to the entire cotton value chain and added, “ With all these interventions, I am sure that in the years to come, India shall be the largest player to fulfil all raw material requirement of the world textile supply chain."

A spokesperson for textiles ministry asked Mint to refer to the response provided by the ministry of commerce and industry.

Cotton production has stagnated because of a lack of new seeds and modern irrigation facilities, and frequent pest attacks and diseases. Demand spiked as domestic and international markets began opening up following the covid-19 pandemic.

Source: livemint.com- Jul 28, 2022

HOME

****

Indian body may blacklist cotton suppliers after tough stance by ICA

Indian textile mills and foreign cotton suppliers may end up locking horns as there are grim chances of compromise amid sharp decline in prices and gain in US dollar against the Indian rupee. Tamil Nadu Spinning Mills Association (TASMA) has hardened stance after the International Cotton association (ICA) rejected its request for cancellation of contracts.

“We are planning to blacklist such suppliers who are not willing to make the invoicing back on actual losses and refusing to cancel the contract by paying back the advance amount received by them,” Dindigul (Tamil Nadu) based TASMA’s chief adviser Dr. A Venkatachalam told Fibre2Fashion through mail.

He said that a contract between two parties cannot have unilateral conditions and cannot be executed totally one-sided. It must balance the interest of both the parties.

TASMA is planning to discuss the issue with its members on July 30, 2022. The trade body will announce a strong decision to the ICA as well as to the suppliers and shippers.

Venkatachalam said that the draft rules, which were framed under the bylaws of ICA, and the way the suppliers/shippers follow them, completely go against the concept of ‘Rules of Fair Practice’. It cannot be anymore allowed in the same manner.

TASMA is not satisfied with the reply sent by ICA on its previous communication. The body felt that ICA did not respond its concerns raised in the letter.

In a letter, TASMA had said that there was no provision of compensation in the contract on account of inordinate delay. High volatility in cotton prices and exchange rates reversed market conditions because of inordinate delay on the part of suppliers.

The importing mills could not consume cotton and supply yarn to their buyers as per plan because they did not get deliveries even after waiting for four months.

TASMA has demanded modification in draft rules of the contract to maintain a reasonable balance in the interest of buyers and sellers. “One sided draft of rules is against natural justice and growth of the sector,” it said.

Source: fibre2fashion.com– Jul 28, 2022

HOME

****

India's imports from China increased 29% in 5 years: Centre in Parliament

India's total imports from China increased by nearly 29 per cent in the past five years. Compared to 2017-18 and 2021-22, the annual imports from China rose from USD 89714.23 million to USD 115,419.96 million, Union Minister of State for Commerce and Industry Anupriya Patel informed Lok Sabha.

The minister was responding to a question on the details of commodity-wise trade with China during the last five years.

A large portion of the total imports are animal or vegetable fats; ores, slag and ash; mineral fuels, inorganic chemicals, organic chemicals, fertilizers, tanning or dyeing extracts, miscellaneous chemical products, plastic and articles, paper and paperboard, cotton, textile fabrics, footwear, glass and glassware, iron and steel, copper; nuclear reactors, boilers, machinery, and mechanical appliances; electrical machinery, furniture, among others, government data showed.

On whether the Government is taking measures to reduce dependence on imports from China, especially since the mid-2020 Galwan clash, the minister stated replied the Government has launched Production Linked Incentive (PLI) schemes in 14 sectors which will make Indian manufacturers globally competitive, attract investment in the areas of core competency/cutting-edge technology, enhance exports, integrate India in global supply chain and reduce dependency on imports.

The sectors in which PLI has been announced are Key Starting Materials/Drug Intermediates and Active Pharmaceutical Ingredients (APIs), Large Scale Electronics manufacturing, Manufacturing of Medical Devices, Electronic/Technology Products, Pharmaceutical drugs, Telecom & Networking Products, Food Products, White Goods (ACs & LED), High-Efficiency Solar PV Module, Automobiles and Auto components, Advance Chemistry Cell battery, Textile products, Specialty Steel and Drones and Drone Components. All these are the sectors in which substantive imports take place.

"Technical Regulations (TRs) have been framed for several products for the maintenance of standards/quality of imported products. This will check the import of substandard products," the minister said.

Several trade remedial actions have been taken against imports from China to protect the domestic industry from serious injury against unfair trade, the minister further said in her reply.

There had been several calls to shun Chinese products after a border clash with China in 2020 in which 20 Indian soldiers and several PLA soldiers were killed. Following the event, India imposed a ban on 59 apps including Tik Tok, UC Browser, and other apps. Almost all the apps banned have some preferential Chinese interest and the majority have parent Chinese companies.

Notably, the government procurement portal GeM has made it mandatory for sellers to mention "country of origin" on products they wish to sell through the platform, a move aimed at promoting Aatma Nirbhar Bharat (Self-reliant India). Also, all e-commerce companies operating in India have to mention the country of origin of products being offered for sale.

Source: economictimes.com– Jul 28, 2022

HOME

****

Aatmanirbhar Bharat Scheme

The Government has taken a number of initiatives under the Aatma Nirbhar Bharat Abhiyan to mitigate the negative impact of Covid-19 on small businesses, including MSMEs, in the country. Some of them are:

- Rs. 20,000 crore Subordinate Debt for stressed MSMEs.
- Rs.3 lakh crores Emergency Credit Line Guarantee Scheme (ECLGS) for Businesses, including MSMEs (which has subsequently been increased to Rs. 5 lakh crore, as announced in Budget 2022-23).
- Rs. 50,000 crore equity infusion through Self Reliant India Fund.
- New revised criteria of classification of MSMEs.
- New registration of MSMEs through 'Udyam Registration' for Ease of Doing Business.
- No global tenders for procurement up to Rs. 200 crores.

Promotion and development of MSMEs is a continuous process. The Government of India, interacts regularly with Stakeholders, Industry Associations, Individual Enterprises, State Government through Seminars, Video Conferencing, Meeting etc., to assess the problems and challenges faced by the MSMEs.

The Ministry of MSME implements various schemes and programmes for the promotion and development of MSMEs across India including Maharashtra. These schemes and programmes inter alia include Prime Minister's Employment Generation programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises - Cluster Development Programme (MSE-CDP), etc.

As informed by Directorate General of Trade Remedies (DGTR), Ministry of Commerce & Industry, they neither keep any record as to which major countries of the world play key role in dumping products of the small scale industries in the markets of other countries nor promote dumping of any kind of goods in any country.

The Ministry of MSME, in order to help the MSMEs to grow technologically and to enhance their competitiveness, has established new Technology Centres (TCs) and Extension Centres (ECs) across the country. These TCs/ECs provide various services like technology support, skilling, incubation and consultancy to MSMEs and skill seekers, leading to enhancement in employability of the skill seekers, competitiveness of MSMEs and creation of new MSMEs in the country.

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 28, 2022

HOME

****

Textile exporters reach out to big Australian companies

Indian textile and apparel exporters are busy tying up supply partnerships with Australian buyers even as the India-Australia interim free trade agreement awaits ratification by Canberra.

A delegation of apparel and textile exporters will leave for Australia around October-end to engage with and build the supply network with major clothing brands, in anticipation of the FTA.

Textiles and apparel are a big gain for India under the economic cooperation and trade agreement (ECTA) as the sector will enjoy zero-duty access to the Australian market when the deal comes into force. The department of commerce told Mint that government efforts to push textile and apparel exports have already picked up.

“India’s merchandise exports to Australia in 2021-22 has shown growth of 168% and similar growth was seen in the first quarter of FY23. The department of commerce in collaboration with the Indian High Commission in Australia and Export Promotion Councils has initiated action for enhancement of exports for textile and apparel sector. The department is tracking exports performance on a monthly basis," it said.

Preliminary talks for a full agreement—a comprehensive economic cooperation agreement (CECA)—have also started by both sides. “In the meantime, we are awaiting Australia’s ratification of India-Australia ECTA," it added.

The interim free trade deal, signed on 2 April, provides India duty-free access on 95% tariff lines, including textiles, leather, furniture, jewellery, machinery and medical devices. India has offered immediate tariff elimination on 40% of tariff lines comprising 85% of Australian exports in value terms. Another 30.3% of its tariff lines will see elimination or reduction of tariffs in a phased manner.

Narendra Goenka, chairman, Apparel Export Promotion Council, said the Indian apparel industry started reaching out to various brands in Australia to forge a supply network. Indian exporters will also participate in the apparel and textile fair in Australia in November. Separately, a delegation from India will meet major companies in Australia.

The industry is looking at 20% growth in exports to Australia in 2023-24. “Our industry is trying to contact buyers in Australia. Those already exporting to Australia will be expanding supplies. The business has not grown as much as we would have liked, but now with the interim FTA in place, we are quite hopeful of seeing a significant increase with anti-China sentiments also at a peak there," said Goenka.

He added that a delegation of Indian exporters will hold a meeting with “big companies" in Australia this October. “There are mass merchandising brands and also specific brands that we will be meeting and trying to push more business," he said. “We have informed the potential of Australian market to all our members, who are excited that there will be definitive growth."

A. Sakthivel, president of the Federation of Indian Export Organizations, said India’s apparel exporters will participate in the apparel textile fair in Melbourne scheduled around 20 November. “Once the ECTA is ratified, it will make way for more engagement between buyers and sellers on the two sides," said Sakthivel.

The ECTA is expected to be placed before the Australian parliament for ratification after it is examined by a standing committee. India’s textile exports had declined over the decades, with countries such as Bangladesh, Sri Lanka and Vietnam, emerging as large textile export hubs.

According to Morgan Stanley, the export share of low-skilled manufacturing goods (textiles, ready-made garments, gems & jewellery) has declined to 19.1% in FY21 from 28% in FY2010).

Source: livemint.com- Jul 28, 2022

HOME

****

India got highest aid for trade from developed countries in 2020

India received the highest aid for trade in 2020 at $2.7 billion from developed countries even as the receipts declined during the pandemic year compared to $3.9 billion received in 2019.

The World Trade Organisation-led aid for trade flows is particularly meant for the least developed economies. It consists of official development support to build supply-side capacity and trade-related infrastructure to enable such countries to participate in international trade.

ON TOP

Five biggest recipients of trade and related disbursements, 2018–20

Recipient	2020 Rank	2020 Disbursement (in $ bn)	2019 Rank	2019 Disbursement (in $ bn)	2018 Rank	2018 Disbursement (in $ bn)
India	1	2.74	1	3.86	1	3.57
Bangladesh	2	2.49	2	1.99	2	2.16
Egypt	3	1.79	3	1.75	3	1.94
Ethiopia	4	1.59	6	1.36	4	1.71
Kenya	5	1.31	5	1.49	8	0.94

Source: WTO

Bangladesh was the second largest recipient of the aid, followed by Egypt, Ethiopia, Kenya, Vietnam, Pakistan, Morocco, Myanmar and Indonesia, among others. Institutions such as the World Bank, European Union Institutions, Asian Development Bank, and developed countries such as Japan, United States, Germany, France are among the top donors for the aid.

According to a joint Aid for Trade at a Glance 2022 report issued by the WTO and the Organisation for Economic Cooperation and Development (OECD) aid for trade commitments increased by 18 per cent during 2020, reaching an all-time high of $64.6 billion. The total disbursement during 2020 was $48.7 billion, which translates to India getting 4 per cent of the disbursements.

Trade experts, however, said that while reports show that India–a developing country–receiving the maximum amount of aid under the WTO initiative may be an incorrect depiction.

“Funds disbursed to India under ‘aid for trade’ may not be an accurate depiction of what India has actually received (as aid). India is a part of a few bilateral cooperation agenda but that does not translate into aid from developed nations,” a trade expert said, adding that the number published in the report may have included such bilateral arrangements.

Amid a series of disruptions in the global trade, starting with the outbreak of Covid-19 in 2020 and a Russia-Ukraine conflict in 2022, the value of the aid for trade has only reaffirmed as a tool to mitigate the impact of the crisis, the report said.

Several new aid for trade projects were launched to specifically address the pandemic-related challenges. In 2020, $4.7 billion such aid was allocated to Covid-19-related activities. This translates into a share of 7 per cent as compared to the overall aid in that year.

"The Aid for Trade initiative can and should aim to help develop critical trade infrastructure while supporting climate friendly, resilient and socio economically inclusive outcomes," WTO Director-General Ngozi Okonjo-Iweala said in a statement.

She called for increased private sector involvement in trade-related development assistance to ensure recovery and resilience and suggested rebranding aid for trade as 'Investment for Trade' to underline the importance of greater public-private sector cooperation.

Source: business-standard.com– Jul 28, 2022

HOME

****

New shipping route connecting Kolkata, central Vietnam opens

Central Vietnam and India's eastern city of Kolkata have been linked by a new shipping route, which was recently inaugurated in virtual mode. To be operated by the Vietnam Maritime Corporation (VIMC), the route will address the lack of a direct sea route connecting the two countries and reduce export-import costs as sea freight rates have increased in the past years.

This route will shorten the transportation time to 14-15 days compared to 21-22 days for other routes.

The corporation plans to launch another route to Bangladesh's Chittagong port this October, a news agency reported.

India is Vietnam's 8th largest trading partner and two-way trade is likely to reach $15 billion this year, the 50th anniversary of bilateral diplomatic ties, Bui Trung Thuong, head of the Vietnam trade office in India, said at the inauguration ceremony.

VIMC considers India an important trading partner of Vietnam in its development strategy, VIMC deputy general director Le Quang Trung said.

VIMC inaugurated a container shipping route linking Vietnam, Malaysia and India in November last year to ease pressure on cargo transportation, stabilise the supply of transport services and support domestic firms.

Source: fibre2fashion.com– Jul 28, 2022

HOME

****

Cotton Innovation Shines in Southern India

Innovation is needed in developing sustainable advanced products from cotton. Engineering institutes are focusing on entrepreneurship development, which is a welcoming sign.

During a recent function to inaugurate the "Innovation & Entrepreneurship Development" cell at RVS College of Engineering in Dindigul, India, the importance of translating ideas to reality was emphasized.

Dindigul region is an important cotton spinning region in the State of Tamil Nadu with about 800 cotton spinning mills.

I had the opportunity to lecture to about 100 people in the audience regarding the need to work on ideas that will help society, such as using sustainable materials.

Speaking at the event, Dr. Binod Badhri, Advisor for the RVS Group of Institutions, emphasized the importance of the innovation pipeline in higher education institutions. Researchers from the institution exhibited products that came out of their research such as cotton-bamboo sanitary napkins, cotton oil seed crusher, and a method to automatically inflate tires, among others.

"Entrepreneurship education should be part of the curriculum in higher education institutes, which will help many to be job creators," stated Dr. Vaidyanathan Krishnakumar, Director, RVS Group of Institutions.

My lecture promoted the value-added applications of cotton such as cotton-layered face masks and oil absorbents using mini demonstrations.

Natural fibers like cotton, bamboo, and their blends can be used to develop advanced products like conveyor belts, medical pads, toxic chemical absorbents, and more, which was evident from the many products displayed at the exhibition at the institute.

Source: cottongrower.com– Jul 26, 2022

HOME

****