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IBTEX No. 153 of 2022 August 4, 2022

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INTERNATIONAL NEWS

China's ports handle 3% more container volume in Jan-June

The container handling volume at China's ports during the first six months of 2022 reached 140 million twenty-foot equivalent units (TEUs), recording a rise of 3 per cent compared to same period of last year, according to data released by the ministry of transport. The container throughput in the country recorded a stable expansion during this period.

Cargo throughput, i.e., the volume of cargo handled at the ports in China, touched 7.58 billion tonnes during the first half of this year, registering a decline of 0.8 per cent year-on-year, according to the data from the ministry. The dip in cargo volume was due to a drop in imports of coal, crude oil, and iron ore, among other commodities, the ministry said.

Meanwhile, demand for logistics services in most container ports in China is growing, buoyed by trade demand, especially at Ningbo-Zhoushan Port in Zhejiang province, Qingdao Port in Shandong province and Tianjin Port, according to a report recently released by the Centre for Forecasting Science.

The report predicts that the total container throughput of ports in China will continue to grow this year, supporting foreign trade and global supply chain operations.

Source: fibre2fashion.com– Aug 03, 2022

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Forever 21 Arrives in Dubai's Biggest Mall

Fast fashion is not slowing down in the Middle East, and neither is Forever 21.

The Sharaf Group last week opened a 12,000-square-foot Forever 21 store at the Ibn Battuta Mall, Dubai's biggest themed shopping mall with over 400 outlets.

"This is in line with our vision and endeavor to reach closer to our brand fans in different parts of the UAE and convert new ones," Yasser Sharaf, vice president for retail, hospitality, industry and financial services for the diversified conglomerate, said. "Our goal is to nurture the longstanding relationship with Middle Eastern consumers by investing in expanding our presence across the region and elevating the brand experience across an omni channel ecosystem that encompasses retail stores, e-commerce and social media."

Henry Stupp, Authentic Brands Group's (ABG) president for EMEA (Europe, Middle East and Africa) & India, said the new store further positions Forever 21 to "deliver on-trend fashion at an accessible price point."

"We are committed to identifying areas of growth across the brand and are taking steps to increase our focus on sustainability," Stupp added.

Sharaf is a long-term Forever 21 partner for the Middle East. It signed a new partnership agreement with ABG last year, which includes expanding its licensing rights to encompass additional categories such as home and add new territories in Southeast Asia. Most of ABG's licensing partnerships run longer than the average at a minimum of 10 years.

Sharaf rolled out a regional omnichannel strategy for the fast-fashion chain last year that included a new e-commerce site for its United Arab Emirates consumers, and two new stores at Sahara Centre and Al Ghurair Centre. It also began construction plans last year for three more Forever 21 stores at the Yas Mall, Nahkeel Mall and Abu Dhabi Mall. It currently operates 22 stores across the Middle East and Southeast Asia, with a few more Forever 21 doors potentially in the works to open this year.

Forever 21's 2019 bankruptcy didn't touch its international operations, putting ABG, Simon and Brookfield in a good position when they acquired the fast-fashion company in 2020.

The retailer landed Winnie Park as its new CEO in January after former boss Daniel Kulle departed last year.

Source: sourcingjournal.com– Aug 03, 2022

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Euro area unemployment at 6.6% in June 2022

In June 2022, the euro area seasonally-adjusted unemployment rate was 6.6 per cent, stable compared with May 2022 and down from 7.9 per cent in June 2021.

Compared with June 2021, unemployment decreased by 1.957 million. the unemployment rate for women was at 7.0 per cent, according to the figures published by Eurostat, the statistical office of the EU.

The unemployment rate for men was lower at 6.2 per cent, stable compared with May 2022, the figures showed.

The euro area or EA19 consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

Source: fibre2fashion.com– Aug 03, 2022

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Japan's clothing imports increase 24.8% in June 2022

Japan's imports of clothing and accessories increased by 24.8 per cent year-on-year to 233,597 million yen in June 2022. The import was 2.3 per cent of total import of 10,013,136 million yen during the month under review, according to the provisional trade statistics released by the Far Eastern country's ministry of finance.

According to the latest data, the import of textile yarn and fabrics were valued at 109,056 million yen in June 2022, which was 34 per cent higher than the same month of last year. The import was 1.1 per cent of the total import of Japan.

Japan's export of textile yarn and fabrics was worth 70,249 million yen, with increase of 19 per cent year-on-year. The export was 0.8 per cent of total export of 8614,670 million yen from Japan during June 2022.

Japan exported textile machinery of 20,075 million yarn, which was 7 per cent lower than June 2021. It contributed 0.2 per cent in total export.

Source: fibre2fashion.com– Aug 02, 2022

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China's cotton yarn exports decline by 13.7% Y-o-Y

China's cotton yarn exports in June 2022 declined by 13.7 per cent Y-o-Y to 14kt. In the first half of 2022, the exports declined by 6.7 per cent to 80.7kt.

The product structure of the exports did not change much from 2021. It was concentrated in medium to high-count combed cotton yarn and low-count carded one.

In terms of the export volume, carded 8.2-25S rose by 53 per cent and combed 8.2-25S increased 18.9 per cent, while combed 8.2-25S plied yarn declined 25.7 per cent and combed 66S plied yarn moved down 23.7 per cent.

In terms of the destination, the largest destination of Chinese cotton yarn has changed from Pakistan to Bangladesh. The shares of Hong Kong sharply dropped to 4 per cent and that of Vietnam inched up.The export volume to Vietnam, Thailand, Iran and Bangladesh all saw big leaps.

Source: fashionatingworld.com– Aug 03, 2022

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Germany's Jun exports rise by 18.4% YoY, imports increase by 27.9% YoY

German exports were up by 4.5 per cent and imports by 0.2 per cent in June this year on a calendar and seasonally-adjusted basis compared with May, according to provisional data released by the Federal Statistical Office (Destatis). Exports in the month increased by 18.4 per cent and imports by 27.9 per cent over June 2021 figures, it reported.

The country's total goods exports in June this year were worth €134.3 billion and goods imports worth €127.9 billion.

The foreign trade balance showed a surplus of €6.4 billion in June this year. The calendar and seasonally-adjusted surplus had been €0.8 billion in May this year and €13.5 billion in June 2021.

Exports to Russia in June this year were up by 14.5 per cent to €1.2 billion over May the 2022 figure, whereas they were down by 40.3 per cent over the June 2021 figure. Imports from Russia rose by 4.8 per cent to €3.5 billion in June from May 2022.

Germany exported goods to the value of €72.9 billion to the member states of the European Union (EU) in June this year, while it imported goods worth €62.8 billion from those countries in the month.

Compared with May 2022, exports to EU countries rose by 3.9 per cent and imports from those countries by 0.3 per cent.

The value of the goods exported to euro area countries totalled €50.7 billion and the value of the goods imported from there was €43.1 billion.

Goods worth €22.2 billion were exported to EU countries not belonging to the euro area, while the value of the goods imported from those countries was €19.7 billion.

Exports of goods to countries outside the EU (third countries) amounted to €61.4 billion in June this year, while imports from those countries totalled €65.1 billion.

Compared with May 2022, exports to third countries increased by 5.3 per cent and imports from those countries by 0.1 per cent.

Most German exports went to the United States in June this year. Exports to the United States rose to €14.2 billion. Exports to China increased by 2.4 per cent to €8.9 billion, and exports to the United Kingdom by 4.2 per cent to €6 billion.

Most imports to Germany in June came from China. Goods to the value of €17 billion were imported from there—a 3.9 per cent decrease compared with the previous month.

Imports from the United States rose by 14.7 per cent to €8.5 billion. Imports from the United Kingdom dropped by 6.6 per cent to €3.2 billion in the same period.

Source: fibre2fashion.com– Aug 03, 2022

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Retail trade volume in June down 1.2% in euro area; 1.3% in EU

In June 2022, the seasonally adjusted volume of retail trade decreased by 1.2 per cent in the euro area and by 1.3 per cent in the EU, compared with May 2022, according to estimates from Eurostat, the statistical office of the European Union. In May 2022, the retail trade volume increased by 0.4 per cent in the euro area and by 0.2 per cent in the EU.

In June 2022 compared with June 2021, the calendar adjusted retail sales index decreased by 3.7 per cent in the euro area and by 2.8 per cent in the EU.

In the euro area in June 2022, compared with May 2022, the volume of retail trade decreased by 2.6 per cent for non-food products, and the same decreased by 2.6 per cent in EU, Eurostat said.

Among Member States for which data are available, the largest monthly decreases in the total retail trade volume were registered in Denmark (-3.8 per cent), the Netherlands (-3.4 per cent) and Estonia (-2.4 per cent). Increases were observed in Ireland and Malta (both +0.5 per cent), Finland (+0.3 per cent) and Austria (+0.2 per cent).

Compared with June 2021, the volume of retail trade for non-food products in June 2022 decreased by 4.8 per cent in the euro area and by 3.9 per cent in the EU.

Among Member States for which data are available, the largest yearly decreases in the total retail trade volume were registered in Denmark (-9.5 per cent), Germany and Ireland (both -8.8 per cent) and the Netherlands (-6.1 per cent). The highest increases were observed in Slovenia (+22.1 per cent), Poland (+9.3 per cent) and Cyprus (+8.4 per cent).

Source: fibre2fashion.com– Aug 03, 2022

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July inflation in Turkiye increases slower than expected to hit 79.6%

Expected to reach 79.6 per cent in July, Turkiye's annual inflation increased at a slower-than-expected pace as global energy and commodity costs continue to weigh in on prices, , according to data from the Turkish Statistical Institute (TurkStat). Consumer prices rose by 79.6 per cent last month from a year earlier compared to 78.6 per cent in June.

Surveys had earlier expected the consumer prices index (CPI) to cross 80 per cent in July. The new inflation figure marks the highest level since 1998.

Inflation is expected to drop with the new economic programme, which prioritises low rates to boost production and exports and aims to achieve a current account surplus, the government said.

Runaway prices are expected to soon start falling and come down to 'appropriate' levels by February-March next year, President Recep Tayyip Erdogan has said.

Source: fibre2fashion.com– Aug 03, 2022

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Cambodian govt projects country's economy to grow at 5.4% in 2022

The Cambodian ministry of economy and finance (MEF) in its mid-year assessment recently projected the country's economy to grow at 5.4 per cent. This is less than the previous forecast of 5.6 per cent made at the beginning of the year. Cambodia's public debt stands at $9.81 billion, with 68 per cent of it coming from bilateral developing partners (DPs) and 32 per cent from multilateral DPs.

"Our total external debt stands between 33 per cent and 35 per cent of the GDP [gross domestic product], which is still lower than the threshold of 40 per cent," MEF spokesperson Meas Soksensan told a press conference.

"The war between Russia and Ukraine is creating issues such as high inflation due to the rising prices of oil and food items. The MEF will continue to monitor and evaluate the situation and put in place intervention measures in a timely manner," he was quoted as saying by Cambodian media reports.

The MEF will continue its efforts to revitalise the economy through the implementation of the 'Strategic Framework and Programme to Restore and Promote Cambodia's Economic Growth' as part of living in a new normal way with COVID-19 policy.

The government will also streamline public revenue management and step up tax revenue collection, he added.

Source: fibre2fashion.com– Aug 03, 2022

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China to promote sustainable growth in industrial sector

China is pushing sustainable growth in the industrial sector in order to meet its carbon peak goal. The country has unveiled a plan that aims to reduce the energy consumption per unit added value of companies that have an annual turnover of 20 million yuan ($2.96 million) or above by 13.5 per cent as compared to the consumption in 2020.

The plan has been released by China's ministry of industry and information technology, ministry of ecology and environment and national development and reform commission, said Chinese media reports.

As per the plan, China will work towards developing green, low-carbon industries, advocate optimising and upgrading industrial structures, and keep a check on the development of projects that require high energy consumption and cause high emissions.

The plan will also entail leveraging digital technologies to promote low-carbon, green transformation in the industrial sector.

Source: fibre2fashion.com– Aug 03, 2022

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Inflation in Sri Lanka rises by more than 60% in Jul

Inflation in Sri Lanka rose to 60.8 per cent in July, up from 54.6 per cent in June, according to the country's department of census and statistics. Food inflation increased to 90.9 per cent year on year (YoY) in July from 80.1 per cent in June, while non-food inflation rose to 46.5 per cent YoY in July from 42.4 per cent in June this year.

The country's central bank has said inflation may peak at 75 per cent.

The monthly change in Colombo consumer price index (CCPI) was 4.51 per cent in July due to price increases observed in both non-food and food categories which were 2.31 per cent and 2.20 per cent, respectively.

Sri Lankans have faced a shortage of essentials amid the ongoing economic meltdown, the worst since 1948. The country has been negotiating a bailout package with the International Monetary Fund (IMF).

President Ranil Wickremesinghe's office in a statement last week said the negotiations with the IMF have been progressing.

Source: fibre2fashion.com– Aug 02, 2022

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Vietnamese garment manufacturers struggle to comply with U.S. ban on Xinjiang cotton

Vietnam's heavy reliance on cotton imports from China could lead it to fall foul of a U.S. ban on cotton produced by forced labor in Xinjiang province. Vietnamese manufacturers say it is hard to prove where the fabric in their garments comes from.

The Uyghur Forced Labor Prevention Act (UFLPA) came into force on June 21, after being signed into law by U.S. President Joe Biden last December.

The move has reportedly led fashion chains such as Japan's United Arrows to stop selling clothes made from Xinjiang cotton.

According to the Business and Human Rights Resource Center (BHRRC) countries such as Vietnam and Bangladesh, the world's second and third largest garment exporters, still depend heavily on imports of Chinese fabric and yarn, particularly high-end materials.

"As a result, campaign groups and some Western politicians have accused manufacturers of "cotton laundering" in places such as Vietnam and Bangladesh, for serving as intermediaries in cotton garment production," the center said.

Last month the Bangladesh Garment Buying House Association asked its members to be careful where they sourced their raw materials to avoid falling foul of the new U.S. regulations.

Last year Bangladesh's garment exports to the U.S. earned it $7.18 billion. Vietnam's garment exports to America brought in more than double that, at $15.4 billion, according to the U.S. Office of Textiles and Apparel.

The BHRRC said that one Chinese garment manufacturer who owns a factory in Vietnam said proving the origin of fabrics and threads involved a lengthy due-diligence process.

"It is hard to distinguish the cotton products entering Vietnam from different sources because they may have been mixed together while being transported at sea. Suppliers may do this so they can deceptively label

Xinjiang cotton as coming from elsewhere, to circumvent the US law," the manufacturer told the center.

RFA spoke with the director of an apparel firm in Vietnam's northern Nam Dinh province.

"My company is producing apparel products for a China-based company which uses materials from its country and exports to the U.S.," he said.

"Due to the UFLPA it has ordered less from us. It seems that our Chinese partner cannot sell its products so it has stopped ordering [so much] from us."

The Vietnam Cotton and Spinning Association referred RFA to comments given by Vice President Do Pham Ngoc Tu to China's Global Times. He told the newspaper that Vietnamese garment manufacturers will have to 'wean themselves off' raw materials produced in Xinjiang if they want to continue exporting to the U.S.

One fifth of the world's cotton comes from Xinjiang, making it hard for manufacturers to find adequate supplies from countries that do not use forced labor.

Ignoring the ban would mean falling foul of the world's biggest garment importer. The U.S. ships all but 5% of its apparel from overseas.

Source: rfa.org– Aug 04, 2022

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Pakistan's textile exports dip 10% in July as energy woes bite: APTMA

Pakistan's textile exports clocked in at a provisional $1.54 billion, a drop of 10%, in July 2022 compared to $1.71 billion in June 2022, stated the All Pakistan Textile Mills Association (APTMA) on Tuesday. On a yearly basis, textile exports were up 5%, compared to $1.47 billion recorded in July 2021, showed the provisional data released by APTMA. In July 2022, the percentage of textile exports in total exports reached 66%, it added.

"The decline in exports can be attributed to lack of energy supplies, which reduced textile export growth from double digits to single digits. If reliable and affordable supplies aren't made available, this could further contribute to negative growth in the ensuing months," said APTMA.

Just days ago, APTMA said exports in July are expected to suffer a major dent, and may drop to $1.5 billion. The development comes weeks after APTMA urged authorities to restore gas and RLNG supply of the export-oriented industry on an urgent basis, stressing that a loss of almost $1 billion in exports would take place, resulting in further damage to the economy.

Pakistan's July imports fall 37.7pc MoM

Pakistan’s textile sector accounts for a major share of country’s exports, which are vital for the cash-strapped economy. Pakistan suffers from low foreign exchange with policymakers mostly scrambling to ensure dollar inflows. In such an environment, many experts have stressed on exports, especially in a rupee-depreciating environment.

On Friday, APTMA, in a statement, also warned that Pakistan is on the brink of economic collapse.

“With depleting foreign currency reserves, rising inflation, the exchange rate in free-fall and irrationally high-interest rates, the country is headed towards a path similar to the economic downfall of Sri Lanka,” APTMA said in a release.

Source: brecorder.com– Aug 03, 2022

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Bangladesh seeks $2 billion from World Bank, ADB to boost forex reserves

Bangladesh is seeking assistance from the World Bank and Asian Development Bank amid efforts to bolster its foreign exchange reserves, according to people familiar with the matter. The government wrote letters to the two lenders seeking $1 billion each from them to help the economy cope with the ripple effects of the war in Ukraine and energy price shocks, said the people, who asked not to be named because the matter is not public yet.

The requests come days after the government sought a loan from the International Monetary Fund, in a move seen as a pre-emptive measure to shore up the country's foreign exchange reserves amid concerns over contagion risks. South Asian neighbors Sri Lanka and Pakistan are already in talks with the IMF for loans to tide over crises in their respective economies. "Not only the IMF, but we will also go to the World Bank and the ADB," Bangladesh Finance Minister AHM Mustafa Kamal said at a media briefing in Dhaka on July 27. Phone calls to Kamal, and Sharifa Khan, secretary of the economic relations division -- a government unit that mobilizes external assistance -- remained unanswered.

Bangladesh's foreign exchange reserves slipped to $39.48 billion as of July 27 from $45.7 billion a year earlier. The country's trade deficit widened to a record $33.3 billion in the fiscal year ended June. The government and the ADB opened initial discussions on at least four projects, including $250 million in loans for economic recovery from the pandemic, one of the people said.

Another project to help rebuild after floods that devastated the northeastern region is expected to receive as much as $250 million in loans. Discussions are ongoing between the government and the ADB, the person said, without giving more details. On Wednesday, Kamal told a press conference in Dhaka that the pressure on consumer prices would ease in a month, and the taka would stabilize. The economy would get back on track "very soon," he added.

Source: brecorder.com– Aug 03, 2022

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NATIONAL NEWS

INDIA'S MERCHANDISE TRADE: Preliminary Data of July 2022

India has achieved merchandise export of USD 35.24 billion in July 2022, almost at similar levels of USD 35.51 billion in July 2021. This has been achieved despite measures to control inflation (Iron Ore & Pellets, Iron and Steel, Petroleum Products, etc.) and the continued disruptions of supply chains due to Covid and Russia-Ukraine conflict.

Value of non-petroleum exports in July 2022 was 29.82 USD billion, registering a positive growth of only 0.48% over non-petroleum exports of USD29.67 billion in July 2021. The cumulative value of non-petroleum exports in April -July 2022-23 was USD 123.90 billion, an increase of 10.3% over USD 112.32 billion in April -July 2021-22.

Value of non-petroleum and non-gems and jewellery exports in July 2022 was USD 26.54 billion, registering a positive growth of 1.24% over non-petroleum and non-gems and jewellery exports of USD 26.21 billion in July 2021. The cumulative value of non-petroleum and non-gems and jewellery exports in April -July 2022-23was USD 110.39 billion, an increase of 10.73% over cumulative value of non-petroleum and non-gems and jewellery exports of USD 99.69 billion in April -July 2021-22.

India's merchandise import in July 2022 was USD 66.26 billion, an increase of 43.59% over USD 46.15 billion in July 2021. India's merchandise imports in April -July 2022-23 was USD 256.43 billion with an increase of 48.12% over USD 173.12 billion in April -July 2021-22.

Value of non-petroleum imports was USD 45.13 billion in July 2022 with a positive growth of 33.74% over non-petroleum imports of USD 33.74 billion in July 2021.The cumulative value of non-petroleum imports in April -July 2022-23was USD 174.39 billion, showing an increase of 34.35% compared to non-oil imports of USD 129.81 billion in April -July 2021-22.

Value of non-oil, non-GJ (gold, silver & Precious metals) imports was USD 38.44 billion in July 2022 with a positive growth of 42.88%over non-oil and non-GJ imports of USD 26.9 billion in July 2021.

Non-oil, non-GJ (Gold, Silver & Precious Metals) imports in April -July 2022-23 was USD 147.55 billion, recording a positive growth of 36.93%, as compared to non-oil and non-GJ imports of USD 107.75 billion in April -July 2021-22.

The trade deficit in July 2022 was USD 31.02 billion, while it was 100.01 billion USD during April -July 2022-23.

Top 10 major commodity groups covering 81% of total exports in July 2022, are –

	Value of Export (Million US$)		**Share (%)**	**Growth (%)**
Major Commodity Group	**July-22**	**July-21**	**July-22**	**July-22 over July-21**
Engineering goods	9303.21	9545.20	26.40	-2.54
Petroleum products	5427.21	5840.02	15.40	-7.07
Gems and Jewellery	3279.34	3459.67	9.30	-5.21
Organic and Inorganic chemicals	2618.54	2426.09	7.43	7.93
Drugs and Pharmaceuticals	2116.29	2145.67	6.00	-1.37
Electronic goods	1817.51	1244.20	5.16	46.08
RMG of all Textiles	**1380.45**	**1389.22**	**3.92**	**-0.63**
Cotton Yarn/Fabs./Madeups, Handloom products etc.	**943.50**	**1315.42**	**2.68**	**-28.27**
Rice	925.64	710.94	2.63	30.20
Plastic and Linoleum	801.09	832.61	2.27	-3.79
Total of 10 Major Commodity Groups	28612.77	28909.05	81.19	-1.02
Rest	6630.84	6603.77	18.81	0.41
Total Exports	**35243.61**	**35512.82**	**100.00**	**-0.76**

Click here for more details

Source: pib.gov.in– Aug 02, 2022

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India expects $8-$9 billion in trade with Russia and Sri Lanka in two months

The Reserve Bank of India last month allowed importers and exporters to pay in the partially convertible rupee, a move widely seen as making trade with Russia and South Asian neighbours easier instead of relying on dollars. "The rupee-denominated sales will be a big, big advantage," B.V.R. Subrahmanyam told reporters late on Tuesday. "I see in the next two months $8-$9 billion of trade with Russia and Sri Lanka."

He did not give a break down in trade by country. India's imports from Russia, mainly crude oil, jumped nearly five times to more than $15 billion between the end of July and Feb. 24 when Russia invaded Ukraine, compared to the previous year, according to a source with direct knowledge of the matter.

But exports fell to $852.22 million from $1.34 billion in the same period, due to the lack of a payment settlement mechanism with sanctioned-hit Russia. Latest trade figures between India and Sri Lanka, which is in economic crisis, were not immediately available.

India has refrained from condemning Russia, with which it has longstanding political and security ties, while calling for an end to violence in Ukraine. New Delhi defends its purchases of Russian goods as part of an effort to diversify supplies and argues a sudden halt would jack up world prices and hurt its consumers. India reported a record trade deficit of $31.02 billion for July, three times higher than in the same period last month, due to a fall in exports and high imports, according to the latest preliminary trade data.

Subrahmanyam said the government was working on new trade deals with countries like the United Kingdom that would boost its exports and offset demand weakness in some of its markets.

He expects India merchandise exports to jump to about $500 billion in the current fiscal year that started on April 1, from about $420 billion in the year-ago period.

Source: economictimes.com- Aug 04, 2022

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Trade imbalance

Policy intervention would be required at different levels to contain the fallout of increasing global uncertainty. Central banks in advanced economies are forced to sharply increase interest rates and tighten financial conditions to contain inflation, even as economic recovery from the pandemic-induced disruption is weakening. Slower global growth, as a result, will affect exports from a developing economy like India, while tightening financial conditions would influence capital flows.

In this context, the latest trade data underscores that the external sector will need careful management. India's merchandise trade deficit increased to a fresh high of $31.02 billion in July compared to $26.18 billion in June. The trade deficit was $10.63 billion in July 2021. While exports declined marginally compared to the same period last year, imports went up by 43.59 per cent. The trade deficit for April-July crossed $100 billion compared to about $42 billion during the same period last year.

On the export front, while electronic goods and rice showed robust growth, shipment of engineering goods and petroleum products declined. Petroleum products seem to have suffered because of the imposition of export duty. Meanwhile, imports remained stickier. Import of petroleum products increased by over 70 per cent. Analysts expect imports to soften in the coming months, partly because of the decline in global commodity prices, though energy prices are still elevated.

The import of coal should also moderate as the government has revoked the order on mandatory blending of imported coal following improvements in domestic supply. However, at the aggregate level, the deficit is likely to remain elevated. Exports would suffer because of weak global demand conditions, while imports remain at higher levels owing to higher energy prices and the ongoing recovery in the Indian economy.

Economists expect the current account deficit (CAD) to be over 3 per cent of gross domestic product in the current fiscal year. While the level of CAD is not particularly alarming, uncertainty on the capital account could create difficulties. Although foreign portfolio investors have returned to Indian markets in recent days after selling assets worth over $30 billion this year, capital flows would remain under pressure because of the given global economic and financial condition.

The external condition also suggests that the recent appreciation of the rupee against the US dollar could be short-lived. Further depreciation will help contain the CAD by pushing exports and compressing imports. It will also make Indian assets more attractive for foreign investors, encouraging capital inflows. It is worth noting here that the dollar index has gone up by about 11 per cent this year, which has put enormous pressure on a number of currencies, including the euro and yen.

The relative strength of the rupee could affect India's external competitiveness and exacerbate the imbalance. The Reserve Bank of India has been intervening in the market aggressively to contain excess volatility and the decline in the rupee. It would do well to reduce intervention and allow the rupee to depreciate, which will make external account management relatively easier.

While a weaker currency can push up inflation, normalisation of monetary policy and liquidity conditions would help anchor expectations. At the broader level, while the government is hopeful of attaining the export target of $500 billion in the current year, India needs a more pragmatic trade policy to push up exports sustainably, which will not only provide durable external stability but also increase overall economic growth.

Source: business-standard.com- Aug 04, 2022

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India, Australia may begin comprehensive FTA talks from next month

Negotiations between India and Australia towards a comprehensive trade agreement are expected to begin from September, with focus on chapters such as digital trade, government procurement, among other areas, said people in the know.

While both nations had signed an interim free trade deal — Economic Cooperation and Trade Agreement (ECTA) — in April, the ratification of the deal may take a few more months due to procedural delays caused by the formation of a new government in Australia.

The interim trade deal (or ECTA) is expected to kick in from November, informed a senior government official.

"India and Australia had decided to resume talks on the full-fledged trade deal 75 days after the signing of ECTA. However, the Parliament session of the new government started last week. It will also need approval from a parliamentary committee before the trade deal is ratified. That will take time. We expect the interim trade deal to kick in around November," the official told Business Standard.

The comprehensive economic cooperation agreement (CECA) will include chapters on government procurement, digital trade, market access for goods and services, as well as product-specific rules.

After signing the interim trade deal with Australia in April, Commerce and Industry Minister Piyush Goyal had told Business Standard that there are many areas of further development between India and Australia.

"Given India's growing strength in the information technology (IT) sector, the digital world is an area we would like to engage much more with Australia.

Then there is sustainability and environment. Our collective fight is to protect the planet from adverse circumstances of climate change. There are many areas where we are going to look for further engagement, such as education, technology, partnerships and other areas where we can work together," Goyal had said.

Under the interim trade deal, Canberra will provide duty-free access to its market to over 6,000 sectors of India and help in taking bilateral trade to $50 billion in the next five years. The deal will also offer relief to Indian IT companies operating in Australia since Canberra has agreed to amend its domestic laws to stop taxing offshore income of such companies, as part of ECTA.

A trade deal with Australia is crucial since it is among the first developed nations to finalise a trade pact with India. The deal is significant for strategic reasons as well, at a time when India has entered into a trilateral supply-chain resilience initiative (SCRI) arrangement with Australia and Japan.

SCRI aims to improve supply chains in the Indo-Pacific region and develop dependable sources of supply and explore other countries who could join the initiative, build capacity, and promote domestic manufacturing.

Source: business-standard.com- Aug 02, 2022

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Goods export growth to falter in FY23

Fears of demand slowdown in key markets such as the US and the EU, foreign exchange woes in Sri Lanka, Nepal and some African nations and persistent supply-side challenges are set to spell trouble for Indian companies, who had put up a stellar show in exports in FY22. On top of these, elevated inflation has hurt discretionary spending in some of the advanced economies.

Some exporters told FE that unless the Ukraine conflict is resolved fast and the US and the EU economies start to grow meaningfully again, India's export growth could come down to 10-15% in FY23 from 45% in the previous year (albeit on a contracted base). Exports had hit a record $422 billion in FY22, far exceeding the earlier peak of $330 billion, on the back of an industrial resurgence in advanced economies, which is now losing momentum. Goods exports fell, albeit marginally, for the first time in 17 months in June.

In a recent earning call, Arvind Ltd said: "Consumer demand in the US is showing initial signs of slowing down in response to interest rate hikes. Also, the US brands and retailers have started inventory correction and postponement of buying; though we have not seen cancellations yet."

The company expects its performance in the Q2FY23 to be marginally muted compared to Q1 and "it will depend upon recessionary situation in global markets and commodity prices going ahead".

Rakesh Sharma, executive director, Bajaj Auto, said: "We are in the midst of the storm so there will certainly be some impact on shipments during the second quarter." Currencies everywhere have tumbled against the greenback. "Over and above the devaluation, there is also a shortage of the availability of dollars. We are facing a more serious problem in the African belt, much less in Latin America or Asia," Sharma said.

Some other large companies have already flagged impact of a slowdown in the key markets on India. R Shankar Raman, chief financial officer at L&T, said last week: "All major economies are recalibrating their growth and India will be no exception. We need to wait and watch to see how the situation pans out for us."

RIL's CFO V Srikanth, too, said last week that recession fears were overtaking oil-market fundamentals, resulting in lower prices and margins.

Importantly, as some exporter said, some countries in Africa have started to cut down on discretionary imports to conserve their forex reserves at a time when the US interest rate hike has spurred a capital flight from developing economies. On top of these, crisis-ridden Nepal and Sri Lanka have restricted imports to a bare minimum. These, too, could potentially put a leash on India's export momentum, said the exporters.

The US and the EU together accounted for 33% (or $141 billion) of India's exports in FY22. Similarly, exports to Nepal and Sri Lanka were to the tune of $15.4 billion last fiscal and shipments to Egypt and Ethiopia stood at $4.4 billion. The International Monetary Fund last week trimmed its 2022 growth forecasts for the US to 2.3% from 3.7% predicted in April. The Euro zone will grow just about 2.6% and 1.2% in 2022 and 2023, respectively, down from the Fund's earlier projections of 2.8% and 2.3%.

Curbs or outright ban on a number of items, including steel, iron ore, petroleum products and wheat, will also impinge on export prospects. Sectors ranging from textiles, gems & jewellery and transport equipment to plastics to rubber products are facing a slowdown in export orders, said the exporters.

According to Ajay Sahai, director general and chief executive of apex exporters' body FIEO, with major economies facing recession, demand will take a hit and it's bound to impact new orders. "In some segments, such as steel and cotton yarn, demand has already come down. Unless the geo-political situation improves drastically, we may not see major improvement in export growth, especially on a high base," he said. However, he firmly ruled out a contraction in exports.

There is silver lining as well for some sectors, said the exporters. Sectors, such as pharmaceuticals and food and agriculture, are typically more insulated than others in times of recession. Even some segments of the engineering goods are doing well.

R Uday Bhaskar, director general at the Pharmaceutical Export Promotion Council, said recession fears may not impact pharma exports. "These are not like any other products where recession will pull down demand." "This fiscal, we were expecting the exports to go up to about $28 billion from $24.5 billion last fiscal and we will meet the target," Bhaskar added.

On Wednesday, commerce secretary BVR Subrahmanyam expressed optimism that exports, which have already hit $156 billion in the first four months of the fiscal, will likely jump to $500 billion in FY23. He conceded that any potential demand slowdown in the US and the EU due to recession is a matter of concern. However, possible diversion of orders from Covid-hit China, the benefits of trade agreements with the UAE and Australia signed earlier this year and stepped-up efforts to diversify markets will more than make up for any potential shortfall in any market, the secretary said.

Source: financialexpress.com- Aug 04, 2022

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₹1,48,995 crore gross GST revenue collected in the month of July 2022

The Central Government has initiated the One District One Product (ODOP) in different States/UTs of the country. ODOP is seen as a transformational step towards realizing the true potential of a district, fueling economic growth, generating employment and rural entrepreneurship, taking us to the goal of Aatmanirbhar Bharat. ODOP initiative is operationally merged with 'Districts as Export Hub (DEH)' initiative of the DGFT, Department of Commerce, with the Department for Promotion of Industry and Internal Trade (DPIIT) as a major stakeholder.

The ODOP Initiative is aimed at fostering balanced regional development across all districts of the country enabling holistic socio-economic growth across all regions. The objective is to convert each District of the country into a manufacturing and Export Hub by identifying products with export potential in the District. Institutional mechanism in the form of State Export Promotion Committees (SEPCs) and District Export Promotion Committees (DEPCs) have been constituted in 36 States/UTs to provide support for export promotion and address the bottlenecks for export growth in the districts.

Districts Export Action Plans are prepared for identified products and services for overseas markets, which includes specific actions required to support local exporters /manufacturers in producing/manufacturing identified products in adequate quantity and with the requisite quality, for reaching potential buyers.

These plans also include identifying and addressing challenges for exports of such identified products/services, improving supply chains, market accessibility and handholding for increasing exports. So far, in about 557 districts, export plans have been prepared and in about 218 have been adopted by DEPCs.

Products have been identified under ODOP and DEH across each district in the country. The range of the chosen products covers multiple sectors, Ministries and Departments, including products of farmers, weavers, artisans, other producers and sellers of districts. State-wise/district-wise list of products identified under 'District as Export Hub' initiative is available on the following link: -

https://exporthubs.gov.in/images/pdf/Final%20Product%20List.pdf

ODOP/DEH initiatives contribute to the goal of AtmaNirbhar Bharat, Vocal for local and Make in India, by providing opportunities for employment, through significantly increasing the manufacturing and exports of identified products.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Lok Sabha today.

Source: pib.gov.in- Aug 03, 2022

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Initiatives taken to create a conducive business environment

Department for Promotion of Industry and Internal Trade (DPIIT) is spearheading the initiatives under Ease of Doing Business and Reducing Compliance Burden which are aimed at creating a conducive business environment. The key focus areas of the initiatives are:

(i) Simplification of procedures related to applications, renewals, inspections, filing records, etc.,
(ii) Rationalization by repealing, amending or subsuming redundant laws,
(iii) Digitization by creating online interfaces eliminating manual forms and records, and
(iv) Decriminalization of minor technical or procedural defaults.

These initiatives aim to extend benefit to all entities/sectors/industries of the economy, including Micro, Small and Medium Enterprises (MSMEs). Ministry of Micro, Small & Medium Enterprises has also undertaken the following initiatives to create a conducive environment for the promotion and development of MSMEs:-

- Udyam Registration (UR) Portal has been developed to provide fully online, paperless and transparent MSME registration process. No documents or proof are required to be uploaded for registering MSMEs. Only Aadhaar Number and Permanent Account Number (PAN) is enough for registration. PAN and Goods & Services Tax (GST)-linked details on investment and turnover of enterprises are taken automatically from Government databases.
- Digital Payments have been introduced to pass on the benefits of the schemes of Ministry of MSME through digital payment gateway.
- MSME SAMBANDH Portal has been developed which helps in monitoring the implementation of Public Procurement Policy for micro and small enterprises.
- MSME SAMADHAAN Portal has been developed which helps in empowering micro and small entrepreneurs across the country to register their cases relating to delayed payments.

- CHAMPIONS Portal has been developed for speedy redressal of grievances.
- (vi) Government e-Marketplace (GeM) has been directed to further facilitate online procurement of common use Goods and Services, required by various Government Departments / Organizations / CPSEs, from MSMEs.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Lok Sabha today.

Source: pib.gov.in- Aug 03, 2022

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Steps taken for increasing exports through e-Commerce

Government has implemented several legislative and policy measures for e-commerce keeping in mind the retailers. Some of these measures are FDI Policy; Foreign Exchange Management Act, 1999; Consumer Protection (E-Commerce) Rules, 2020; Consumer Protection Act, 2019; Competition Act, 2002; Central Goods and Services Tax (CGST) Act, 2017; Information Technology Act, 2000; Payment and Settlement Systems Act, 2007; Companies Act, 2013; Copyright Act, 1957 etc.

Government has taken the following steps for increasing exports through e-Commerce:

- Central Board of Indirect Taxes & Customs (CBIC) has digitized import and export clearances of courier parcels through the launch of Express Cargo Clearance System (ECCS) at all major International Courier Terminals (ICTs). The Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 enables the electronic processing and clearances of courier imports and exports.
- With the recent issue of the Notification No. 57/2022-Customs (NT) and Circular 09/2022 both dated 30th June 2022, e-commerce exports of jewellery have been further facilitated in compliance to the budget announcement of 2022 for providing a simplified regulatory framework for e-commerce exports of Jewellery.
- Exports by Post Regulations, 2018 and Circular 14/2018-Customs both dated 04.06.2018 were issued in order to facilitate exports and specifically give a fillip to the global outreach of Indian exports via e-commerce (more so to the small & medium enterprises) through Foreign Post Offices.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Som Parkash, in a written reply in the Lok Sabha today.

Source: pib.gov.in- Aug 03, 2022

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India achieves landmark milestone, over 75000 startups recognised so far

Union Minister for Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textile Shri Piyush Goyal today announced that India has achieved a landmark milestone, wherein 75000 startups have been recognized in the country. These numbers tell the power of a vision. A vision to see innovation & enterprise drive growth, he emphasized.

The Department for Promotion of Industry and Internal Trade (DPIIT) has recognized more than 75,000 startups- a milestone which coincides with 75th year of independence. As India celebrates Azadi ka Amrit Mahotsav, the Indian startup ecosystem continues to be fuelled by innovation, enthusiasm, and entrepreneurial spirit.

During the Independence Day speech from the Red Fort on 15th August 2015, Prime Minister Shri Narendra Modi had envisioned a new India which taps on the entrepreneurial potential of its people. On 16th January of the following year, the date which has now been declared as the National Startup Day, a program was initiated to lay out an action plan to build a strong ecosystem for nurturing innovation and startups in the country.

6 years hence, the action plan has successfully guided into making India the 3rd largest ecosystem. It is also interesting to note that, while the initial ten thousand startups were recognized in 808 days, the latest ten thousand were achieved in only 156 days. With more than 80 Startups getting recognized per day- highest rate in the world, the future of the startup culture is very promising and encouraging.

Startup India program which was primarily setup to provide an enabling environment for the startups, has today evolved into the launchpad for them.

From providing funding to tax incentives, from support on intellectual property rights to eased public procurement, from enabling regulatory reforms to access to international fests and events, Startup India program has become synonymous with sustainable economic growth.

Out of the total recognized startups, around 12% cater to IT services, 9% to Healthcare and Life Sciences, 7% to education, 5% to professional and commercial services and 5% to agriculture.

An impressive, 7.46 lakh jobs have been created by the Indian startup ecosystem, so far, which has been a 110% yearly increase over the last 6 years. The fact that about 49% of our startups are from Tier II & Tier III today is a validation of the tremendous potential of our country's youth.

Source: pib.gov.in- Aug 03, 2022

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Revenue Deficit Grant of Rs. 7,183.42 crore released to 14 States

The Department of Expenditure, Ministry of Finance has on Wednesday released the 5th monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of Rs. 7,183.42 crore to 14 States. The grant has been released as per the recommendations of the Fifteenth Finance Commission.

The Fifteenth Finance Commission has recommended a total Post Devolution Revenue Deficit Grant of Rs. 86,201 crore to 14 States for the financial year 2022-23. The recommended grant is released by the Department of Expenditure to the recommended States in 12 equated monthly instalments. With the release of 5th instalment for the month of August, 2022, the total amount of Revenue Deficit Grants released to the States in 2022-23 has gone up to Rs. 35,917.08 crore.

The Post Devolution Revenue Deficit Grants are provided to the States under Article 275 of the Constitution. The grants are released to the States as per the recommendations of the successive Finance Commissions to meet the gap in Revenue Accounts of the States post devolution.

The eligibility of States to receive this grant and the quantum of grant for the period from 2020-21 to 2025-26 was decided by the Fifteenth Finance Commission based on the gap between assessment of revenue and expenditure of the State after taking into account the assessed devolution during this period.

The States who have been recommended Post Devolution Revenue Deficit Grant by the Fifteenth Finance Commission during 2022-23 are : Andhra Pradesh, Assam, Himachal Pradesh, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, Uttarakhand and West Bengal.

Click here for more details

Source: pib.gov.in- Aug 03, 2022

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Services PMI at 4-month low on dented demand, high costs

Amid an uptick in scores of economic indicators, India's services sector lost momentum in July even as it remained in the expansion zone for the 12th straight month. The seasonally adjusted S&P Global India Services PMI Business Activity Index fell from 59.2 in June to 55.5 in July, the slowest growth rate in four months. The creators of the index attributed the fall in PMI to "demand somewhat curtailed by competitive pressures", elevated inflation and an unfavourable weather.

The services activity, as gauged by PMI, had expanded at the fastest pace in 11 years in June 2022, reflecting robust demand conditions. Manufacturing activities, measured by a comparable yardstick, scaled an eight-month peak in July, as new order intakes rose substantially, recovering the growth momentum lost in June.

As per the PMI survey, service providers that reported higher sales in July mentioned favourable demand conditions and fruitful advertising.

Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said the subtle easing in cost inflationary pressures to a five-month low was also welcomed by services firms struggling to preserve margins and contributed to a softer rise in prices charged. Yet, Lima said, survey participants again reported considerable strain from food, fuel, input, labour, retail and transportation costs.

Sector experts, meanwhile, provide an optimistic outlook. As reported by FE recently, Services Export Promotion Council (SEPC) chairman Sunil Talati believes that a sharp slowdown in growth or recession in advanced economies may brighten the prospects for Indian services exporters, as these countries tend to start diverting a larger number of orders to cheaper destinations to cut down on costs.

However, in July, the domestic market remained the key source of sales growth as international demand for Indian services worsened further, the survey said.

Meanwhile, business sentiment in the service economy was subdued in July as only 5% of companies forecast output growth in the year ahead, while 94% firms predict no change in business activity from present levels.

On the prices front, services companies reported a further increase in their average expenses during July, with food, fuel, materials, staff, retail and transportation cited as the key sources of inflationary pressures. Input costs rose sharply, though at the slowest pace in five months.

“The subtle easing in cost inflationary pressures to a five-month low was also welcomed by services firms struggling to preserve margins and contributed to a softer rise in prices charged. Yet, survey participants again reported considerable strain from food, fuel, input, labour, retail and transportation costs,” Lima said.

On the jobs front, July data showed a negligible increase in services sector employment across India. The rate of job creation was fractional and broadly similar to June. The vast majority of firms left payroll numbers unchanged amid a lack of need to raise workforces.

Meanwhile, the S&P Global India Composite PMI Output Index — which measures combined services and manufacturing output — fell from 58.2 in June to 56.6, highlighting the slowest increase since March.

Source: financialexpress.com- Aug 04, 2022

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India's RMG exports feel heat of headwind, mild slippage in July 2022

India's export of readymade garments (RMG) dipped slightly in July 2022 over the same month of 2021 as exporters faced higher production cost due to costlier cotton and other inputs. They are also getting fewer orders from foreign buyers and global brands. Exports of RMG of all textiles slipped 0.63 per cent to $1380.45 million in July 2022.

The ministry of commerce and industry said in a release that India's RMG exports were $1389.22 million in July 2021. The exports had increased in previous months over the same period of last year. RMG contributed 3.92 per cent in total merchandise export of July 2022.

The export of cotton yarn, fabrics and handlooms products, etc continued to show down trend in July 2022. The export declined to $943.50 million in July 2022 which was 28.27 per cent lower than $1315.42 million of July 2021. The export of non-RMG textile products contributed 2.68 per cent in total merchandise export of July 2022.

However, RMG exports from India registered growth of 22.45 per cent year-on-year and reached at $5871.34 million in the first four months of current fiscal 2022-23. The export was $4794.93 million in April-July 2021. The export of RMG contributed 3.75 per cent in the country's total merchandise export in April-July 2022. The export of cotton yarn, fabrics and handlooms products, etc declined 12.26 per cent to $4107.66 million in April-July 2022. The export was $4681.56 million during the same period of last year. The export contributed 2.63 per cent in the country's total merchandise export in April-July 2022.

India has recorded merchandise export of $35.24 billion in July 2022, almost at similar levels of $35.51 billion in July 2021. Merchandise export in April-July 2022-23 was $156.41 billion with an increase of 19.35 per cent over $131.06 billion in April-July 2021-22. Merchandise import in July 2022 was $66.26 billion, an increase of 43.59 per cent over $46.15 billion in July 2021. Merchandise imports in April-July 2022-23 was $256.43 billion with an increase of 48.12 per cent over $173.12 billion in April-July 2021-22.

Source: fibre2fashion.com- Aug 03, 2022

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Conference on cotton in Coimbatore on August 5, 6

Nearly 400 cotton ginners, brokers, spinners, and traders from different parts of the country will be in Coimbatore on August 5 and 6 for a conference on “Cotton Challenges Ahead 2022”.

Organised by the Indian Cotton Federation and Indian Cotton Association, Bathinda, the two-day conference will discuss the current issues in cotton, crop, farm technology, quality and funding. Textile Commissioner Roop Rashi will inaugurate the conference, to be held at the Residency Towers, on August 5.

The programme would include discussions by panels of ginners, spinners, and brokers so that stakeholders from different segments of the cotton sector were able to express their views. There would be sessions on global cotton scenario, ELS cotton and spinning technologies, said J. Thulasidharan, president of Indian Cotton Federation.

“We could not have the conference earlier because of the pandemic. The response so far is overwhelming for the event,” he said.

India moved from a cotton surplus to cotton deficient country this season. This should not repeat. Similarly, if funding support was available, textile mills would buy and store cotton in the beginning of the season. If the government extended support, it would be a win-win situation for farmers and the mills. The conference would pass resolutions on these subjects and submit them to the government, he said.

Spinning mills were said to have reduced production by almost 35% because of the high cotton prices. The indicators so far on cotton sowing and rains were good and a clear picture would be available in a week. Cotton prices were likely to ease in the coming weeks, he added.

Source: thehindu.com- Aug 03, 2022

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After slow start to 2022, Surat textile industry looks for festive cheer

At his power loom unit in Pipodara on the outskirts of Surat, Kamlesh Kotadiya of Renny Fashion is churning out designer clothes, sarees, and dress material at almost 90 per cent capacity utilisation.

Over the past few months, Kotadiya has upgraded his unit by shifting from conventional power looms weaving grey cloth that require several value addition to advanced electronic jacquard machines that can churn designer clothes in large quantities.

"It was a dismal start to the year in terms of sales and orders. Every year the industry hopes to compensate for the previous or forthcoming months' losses through bumper sales during the festive season. It is with this hope that the capacity has been ramped up," says Kotadiya.

Short window

Unlike other industry clusters, Surat's synthetic or man-made fibre (MMF) textiles – the largest such cluster in the country – has a shorter order-to-product cycle of 45-60 days, especially for the festive season, which will begin from August this year and run till Diwali in October. In a normal year, the festive season forms almost 60-70 per cent of annual sales.

"However, this year, more than covering losses, it has become a matter of survival for the industry," says Jitubhai Vakharia, president of South Gujarat Textile Processors Association (SGTPA).

This is because Surat's end users largely tend to be middle and lower-income households, especially from non-metro and rural areas.

Not promising

According to industry representatives, the trend in orders so far has not been very promising. Festive orders start coming in from July 15 and pick up pace by August.

"But this year, orders till the beginning of August were down 20-30 per cent. The textile value chain, including yarn makers, weavers, processors, and textile traders have enhanced their capacity utilisation in the hope of festive demand uptick by later this month.

But only time will tell whether the gamble will pay off or not," adds Vakharia.

According to Narain Aggarwal, former chairman of The Synthetic & Rayon Textiles Export Promotion Council, the Surat industry was suffering from a slump because of multiple factors that had led to tightness in liquidity and almost 40 per cent underutilisation of capacity.

"Everyone is hoping for good business now, since the last three-four months have been dismal, leading to liquidity tightness. Demand has been slack in the past few months. But textile suppliers in Surat are trying to be ready with their products with the expectation of at least a normal festive season," said Aggarwal.

Echoing these views, Manoj Agarwal, president of Federation of Surat Textile Traders Association (FOSTTA), says: "There is a hope that even middle and lower-income households might improve their spending during the festive season. Hence, manufacturers across the textile value chain are improving their capacity utilisation. However, orders by wholesale traders from other states have not been anywhere near normal."

In addition, with imported coal prices almost doubling, input costs have spiked anywhere between 25 per cent and 40 per cent, says Vakharia.
"In addition, other input costs such as dyes and chemicals, especially sodium hydrogen sulphate and other discharging agents, have seen a price hike of 30-150 per cent, resulting in almost a doubling of input costs. At the same time, in order to make the most of festive demand, the industry has not been able to increase prices," adds Vakharia.

Source: business-standard.com- Aug 02, 2022

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Mini-textile park scheme boosts entrepreneurs in delta region

The aggressive promotion of the mini-textile park scheme by the Tamil Nadu government may pave way for the introduction of a viable industrial alternative to the traditional paddy cultivation in the delta region and Tiruvarur district, in particular.

The recent call from the district administration to entrepreneurs in Tiruvarur district to utilise the financial support extended through the scheme for setting up textile industry-related activities in the heartland of agriculture has been viewed as a promising gesture from the State government to assist them in their endeavour.

Already, a group of industrialists have ventured into apparel manufacturing and have managed to sustain the activity for the past two to three decades in spite of the perennial problem of finding the manpower to run the units, according to Ravichandran of Tiruvarur District Small and Tiny Industries Association.

In spite of the labour problems, the tiny apparel units have decided to diversify their activity by venturing into manufacturing of cotton threads by setting up small capacity spinning mills in view of a large number of farmers opting for cotton cultivation during summer in the region in the recent years.

Bright prospects of sourcing raw material and utilising the manufactured product locally have formed the basis for the spinning mill proposal mooted and forwarded to authorities for sanctioning, he added.

Hence, the State government's move to extend financial assistance of ₹2.5 crore, or 50% of the project cost, as subsidy for setting up of a mini textile park in an area of two acres with three textile-related manufacturing activities comes as a boon to the entrepreneurs. Further, setting up of spinning mills will in no way hinder or destruct the Protected Agriculture Zone status of the region since the raw material is sourced from the agriculture industry, he pointed out.

Source: thehindu.com- Aug 03, 2022

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Slowdown bites industry in Haryana; demand down 80%, 95k lose jobs: Report

Slowdown bites industry in Haryana; demand down 80%, 95k lose jobs: Report

Demand for industrial products in the national, as well as global markets has steadily come down amid an economic slowdown in the western nations. This has resulted in the industrial units in Haryana taking a big hit.

In Rohtak, the orders for automobile parts and nut-bolts from the local markets have come down by 80 per cent, while in Panipat, the foreign textiles business has come down by 50 per cent, a report by Hindi daily Dainik Bhaskar stated.

While export orders have come down to Rs 8,000 crore annually from Rs 20,000 crore, exporters now send two containers in a week instead of ten containers previously, the report added.

Meanwhile, the domestic market of over Rs 90,000 crore has now come down to Rs 54,000 crore. Dyeing units have also been mostly shut down as the textile sector has witnessed nearly 75,000 job losses while almost 90,000 people have taken a salary cut of 40 per cent, DB reported.

While the industry, which works for six days a week, is currently working five days, discussions on reducing it to only four days a week are also happening.

Nearly 20,000 people in the textile industry in Sonipat have lost their jobs, the report stated.

Due to inflation in the US and the Russia-Ukraine war, the export of home furnishing has come to a standstill, exporter Vinod Dhamija, custodian exporter of the Old Industrial Area Manufacturers Association, told the Hindi daily. This resulted in more than 30 per cent of the employees leaving the industry, and those who were retained took a salary cut, he added.

The dyeing unit has been running for only five days now, while due to the burning of the furnace, three shifts have been reduced to two, Dyers Association president Bhim Singh Rana told DB, adding that due to less work, a four-day work week is being considered.

In Sonipat, the medicine, food, and steel industries' businesses are hit as many are working one shift instead of two. This has led to 20,000 job losses.

Nischal Paruthi, a member of the Small-Scale Manufacturing Industrial Association, told DB that the raw material has also become four times more expensive.

Automobile parts and nut bolts from Rohtak are exported to 10 countries, but the demand for goods in the local auto market has dropped to 15-20 per cent, while the prices for raw materials have doubled, the DB report stated. Due to this, industrialists have stopped making goods.

A big exporter of automobiles and metals, Rewari, in July too only got a third of the export orders. The companies in Rewari have laid off 300-1400 contract employees even as metal prices have fallen by up to 25 per cent.

Source: business-standard.com- Aug 03, 2022

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