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INTERNATIONAL NEWS

US textiles & apparel imports up 30.97% in January-June 2022

The import of textiles and apparel by the US continues to grow at high rate and it rose by 30.97 per cent to $66.308 billion in the first six months of 2022, compared to $50.626 billion in the same period of 2021. With 26.80 per cent share China continues to be the largest supplier of textiles and clothing to the US, followed by Vietnam with 13.87 per cent.

Apparel constituted the bulk of textiles and garments imported by the US in January-June 2022, and were valued at $49.578 billion, while non-apparel imports accounted for $16.729 billion, according to the latest Major Shippers Report, released by the US department of commerce.

Segment-wise, among the top ten apparel suppliers to the US, imports from Bangladesh and Indonesia shot up by 60.30 per cent and 60.27 per cent year-on-year respectively. Imports from India and Cambodia too grew 57.27 per cent and 52.52 per cent respectively.

Additionally, imports from Pakistan, which is among the top 10 suppliers, registered a growth of 49.99 per cent compared to the same period of the previous year.

In the non-apparel category, among the top ten suppliers, imports from Cambodia soared by 73.09 per cent year-on-year. Imports from Vietnam and Italy too climbed 29.02 per cent and 27.54 per cent respectively. On the other hand, imports from Turkey dipped by 8 per cent.

Of the total US textile and apparel imports of $66.308 billion during the period under review, cotton products were worth $29.541 billion, while man-made fibre products accounted for $33.396 billion, followed by $1648.531 million of wool products, and $1721.557 million of products from silk and vegetable fibres.

In 2020, the US textile and apparel imports had decreased sharply, mainly on account of the COVID-19 pandemic induced disruption, to $89.596 billion compared to imports of $111.033 billion in 2019.

But imports rebounded again in 2021 to surpass pre-pandemic level and ended at $113.938 billion.

The latest import figures indicate that US economy is witnessing fast recovery, and the world's largest economy is continuing to support economic recovery in developing countries.

Source: fibre2fashion.com– Aug 10, 2022

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China Continues to Lead Global E-Commerce Market with over $2 tn Sales in 2022

China's e-commerce market, the world's largest, is expected to register a strong growth of 10.4 percent in 2022, as consumers are increasingly shifting from offline to online. The market is expected to grow by 10.4 percent in 2022 to reach CNY14.5 trillion ($2.3 trillion), forecasts GlobalData, a leading data, and analytics company.

According to GlobalData's E-Commerce Analytics, e-commerce sales in China grew at a compound annual growth rate of 13.3 percent between 2018 and 2021 to reach CNY13.1 trillion ($2.1 trillion) in 2021.

China accounted for over 37 percent share in the global e-commerce market, in terms of payments value in 2021. The country was followed by the US with $1.5 trillion, while the UK stood at a distant third with $292.1 billion in 2021. The global e-commerce landscape is unlikely to change in 2022 with China expected to retain its top position.

Ravi Sharma, Banking and Payments Lead Analyst at GlobalData commented, "The Chinese e-commerce market evolved rapidly during the last five years, supported by the rising internet and smartphone penetration, increasing consumer confidence in online shopping, the emergence of e-commerce platforms, and the availability of popular alternative payment solutions such as Alipay and WeChat Pay."

"The COVID-19 pandemic has further accelerated the e-commerce activities in China, as wary consumers are increasingly using the online channels for purchases to avoid getting exposed to disease vectors, a trend that continues beyond pandemic."

The growth in the e-commerce market is also supported by improving e-commerce activities in rural areas. According to China's Ministry of Commerce, online retail sales in rural village communities increased by 35.3 percent year-on-year in Q1 2021.

Online shopping events such as Singles' Day (or Double 11) also contribute considerably to the overall online sales. Chinese e-commerce giants including Alibaba and JD.com collectively registered a massive sale of $139 billion during the Singles' Day event in 2021, registering a jump of 8 percent and 28 percent, respectively, over the previous year.

Sharma concluded, "The Chinese e-commerce market will continue to grow supported by the rise in consumer preference for online shopping, improved payment infrastructure, and proliferation of payment tools.

The e-commerce market is expected to grow at a robust CAGR of 8.7 percent between 2022 and 2026 to reach CNY20.2 trillion (US$3.2 trillion) in 2026."

Source: indianretailer.com– Aug 09, 2022

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Strike at Britain's Biggest Container Port Poses New Supply Chain Blow

Contract talks on Monday failed to reach a resolution on wages for nearly 2,000 dockworkers at the Port of Felixstowe as shippers and carriers brace for an eight-day strike later this month.

Companies now face yet another wrinkle in global supply chains with the strike, the first at Felixstowe since 1989, scheduled for Aug. 21-29 at Britain's largest container port.

"We are disappointed and regret that, despite our best efforts, we have still been unable to reach an agreement with the hourly branch of Unite [union]," the port said in a statement Tuesday.

The port sweetened its offer on wages to include a 500-pound ($604.35) lump sum increase, in addition to an existing offer of a 7 percent hike in pay.

"We urge them to consult their members on the latest offer as soon as possible," the port said. "There will be no winners from a strike, which will only result in their members losing money they would otherwise have earned."

The union has repeatedly cited an 11.8 percent real inflation rate in calling out the port's offer and has been critical of the 1.4 percent increase given to workers last year.
As talks continue, shippers and carriers are preparing for another potential disruption to the global movement of goods.

Felixstowe handles about 4 million twenty-foot equivalent units (TEUs) annually, according to the port, which is owned by CK Hutchison Holdings Ltd.'s Hutchison Ports subsidiary.

"In cases of previous congestion or capacity issues at Felixstowe, shippers have historically relied on cargo diversions to the Port of Tilbury or London Gateway," said Jena Santoro, Americas supply chain risk intelligence manager at supply chain tech firm Everstream Analytics.

Santoro pointed to container yard capacity constraints at the port last year that forced Maersk, CMA-CGM and Evergreen to send empty containers to Tilbury. A truck driver shortage only further exacerbated the issue later on in the year, causing the port to halt the return of empties during the busy holiday season. Diversions at Felixstowe also occurred in 2018 when IT disruptions caused delays, forcing shippers to use alternative ports, Santoro added.

ITS Logistics, a Reno, Nev.-based transportation services company, is already alerting shippers to what the implications of Felixstowe could have on U.S. ports, particularly on the already congested East and Gulf coast.

Shippers have for some time now been diverting cargo away from the West Coast ports in favor of the East and Gulf coast ports, causing a shift in congestion. An influx of container cargo from Europe once the strike ends would present another supply chain headwind, ITS vice president of drayage Paul Brashier said.

“Think about it as a rubber band,” Brashier said. “You’ve taken the tension to the max and then you just put a slight disruption on there, be that AB5 [protests] in California last month, be that the strikes that we’re seeing in other European ports as well. Something even as insignificant—what would be perceived as insignificant—as the saber-rattling going on between China and Taiwan and the military tension going on in the Strait of Taiwan, that limits the amount of cargo that can leave China. Any time you’re adding any kind of stress to an already stressed-out situation, you’re going to have to be able to pivot. And it’s something that’s been going on for a while now.”

Stateside, ports in Houston, Mobile, Savannah and New York/New Jersey have already been inundated with cargo.

The Port Authority of New York and New Jersey last week said it’s preparing to implement a container fee program set to begin Sept. 1 in response to the empty container pile-up. The situation there warranted a visit from Federal Maritime Commission (FMC) chair Daniel Maffei last week as the FMC broadens its investigation into carrier charges and ocean liners’ role in terminal congestion.

Companies such as ITS are now asking the question of how they can help their customers manage through the potential glut of containers that are already stacked up in Europe and will continue to be stacked up should the strike go forward.

“Europe has got a lot of freight sitting on the docks in a general sense because of labor disruptions,” Brashier said. “When that stuff starts shipping, how’s that stuff going to affect the East Coast?

Source: sourcingjournal.com– Aug 09, 2022

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'Now Is the Time' to Explore Non-China Alternatives, Experts Say

Brands reliant on China imports should considering diversifying, experts at the Sourcing at Magic trade show said on Monday.

Panelists offered a look ahead at the 2023 sourcing landscape, which they expect will bring continued supply chain challenges and trade headwinds.

"If it's coming from China, you're going to have a problem—at least for the next year," California Fashion Association president Ilse Metchek told attendees. "Politics be damned, there's nothing you can do about it. So as for alternatives, now is the time to explore them."

The passage of the Uyghur Forced Labor Prevention Act, signed into law by President Joe Biden last December and implemented June 21, could throw up unforeseen hurdles for brands doing business even outside of the Uyghur Autonomous Region of Xinjiang. "You cannot have a trace of fiber or filament, any yarns—nothing" from the region in a product being brought into the U.S. from China, said Vince Iacopella, executive vice president of growth and strategy at customs broker Alba Wheels Up.

That means that brands and suppliers sitting on cotton purchased before the law's enforcement will be unable to use that raw material to produce finished goods for the U.S. market. "Customs has basically said, 'That's a private-sector problem,'" he added, noting that American companies won't find a sympathetic ear at CBP. The agency is implementing fiber testing technology that can trace the provenance of raw cotton back to compromised regions, even if finished goods were produced in other countries. "The government has the means to lab test it, so they'll figure it out," he said.

Companies also continue to contend with high shipping costs. "Everybody knew there would be a correction—either a correction inventory, or correction in pricing," Iacopella said. While ocean freight prices have come down since the same period last year—up two to three times pre-pandemic rates, as opposed to five times the cost of shipping in 2019—"bookings and orders in Asia after August 15 are up" from 2021. "As long as consumer demand is high, we'll have a lot of pressure on transpacific pricing," he said.

One insider said Covid-19 presented a unique moment of time for brands in search of alternatives.

“Since the pandemic there’s been a window of opportunity—everybody is looking for other options besides Asia,” Sebastian Echavarria, West Coast trade representative for Colombian trade group ProColombia, said. Nearshoring has become more relevant to potential partners in light of supply chain slowdowns and U.S.-China trade tensions.

The U.S. is Colombia’s largest commercial partner, with 40 percent of the country’s exports destined for the American market. But Echavarria believes that number could grow exponentially with more awareness about the country’s sourcing and manufacturing capabilities, as well as its status as a free-trade partner under the Colombia Trade Promotion Agreement (TPA). The country has yarn-forward duty-free status, and specializes in performance apparel and textiles made for sport, like compression garments, shapewear, intimates, denim and uniforms, and suppliers count Nordstrom, Genesco, Columbia Sportswear and Anthropologie as clients.

While it may not benefit from proximity to the U.S. market, Egypt also represents a largely untapped sourcing market for U.S. brands, according to Sherin Hosni, executive director of the Egypt Apparel Export Council. “Egypt is a vertically integrated industry,” she said, noting that the sector has been heavily focused on enhancing production quality by soliciting international investments in building a full and robust supply chain. “We’ve been seeing a lot of investment in spinning, weaving, and opening new mills so that manufacturers are integrated” with their upstream partners, which “helps a lot for shorter lead times.”

The country also benefits from the Qualifying Industrial Zones (QIZ) Free Trade Agreement, which allows Egypt and Jordan to export products to the U.S. duty free if they contain inputs from Israel. Egyptian suppliers are well versed in the agreement and have developed relationships with Israeli partners, Hosni said.

Iacopella urged brands to explore these opportunities with the help of their partners. “If you are pricing goods from any country, you have to really proactive with your customs broker, your freight forwarder, your attorneys, your compliance, to see if you’re eligible for [trade] preference, to talk about the duty-free eligibility for direct-to-consumer, and also to be really proactive on your shipping strategy,” he said.

Source: sourcingjournal.com– Aug 09, 2022

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China's foreign goods trade reaches $3.5 trn in first 7 months: GAC

China's foreign trade of goods saw an increase of 10.4 per cent year-on-year to around $3.5 trillion during the first seven months of the year, as per the data released by China's General Administration of Customs (GAC). While exports soared to 14.7 per cent year-on-year to 13.37 trillion yuan, imports grew by 5.3 percent from last year to 10.23 trillion yuan.

China's trade with the European Union, the US, and the Association of Southeast Asian Nations extended by 8.9 per cent, 11.8 per cent, and 13.2 per cent from last year, respectively. Moreover, China's trade with Belt and Road countries and other members of the Regional Comprehensive Economic Partnership (RCEP) increased by 19.8 per cent and 7.5 per cent year-on-year in the first half of 2022.

Trade with RCEP partners jumped to 18.8 percent year-on-year, touching 1.17 trillion yuan. This enhanced overall foreign trade growth by 5.6 percentage points, according to Li Kuiwen, spokesperson for the GAC.

Source: fibre2fashion.com- Aug 08, 2022

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Australia's business confidence rises back above average in July

Australia's business confidence rose back above average and conditions improved in July as businesses reported new record levels of capacity utilisation, cost growth and price rises, according to NAB Group Economics, which said conditions remain well above average after rising 6 points in July, with trading conditions, profitability and employment all higher.

Overall, a survey by the group suggests that despite global and domestic economic headwinds, demand has remained strong, and inflationary pressure continues to build suggesting that inflation is yet to peak.

After a steady decline over recent months, confidence rose to +7 index points—a marked rally in the face of headwinds from inflation and rising interest rates, as well as a deteriorating global economic outlook the group said.

The strength in conditions remained broad-based across states and industries, with a notable pickup in the construction sector.

Capacity utilisation rose to a record 86.7 per cent—well above the long-run average of 81.1 per cent, suggesting the economy could be running up against capacity constraints. It was 84.9 per cent in June.

Further evidence the economy is reaching its limits comes from cost indicators, which jumped higher again in July after hitting new records in June.

The strength in demand continues to allow firms to pass higher costs onto their customers, with overall product prices growing at 2.7 per cent and retail prices growing at 3.3 per cent—both at new highs.

"Businesses are continuing to report that conditions are really strong," said NAB Group chief economist Alan Oster.

"While some of the real time data we look at is showing signs of softening, there are no signs of that in the survey with demand at a really high level.

Importantly, the strength is showing up across the board in terms of industries and across the country," he said.

"Inflation and rising interest rates are clouding the outlook, and there are growing concerns about the global economy, but businesses seem to have a fairly positive outlook at the moment. Forward orders are also fairly strong at +10 index points which also supports the outlook," Oster said.

"After a record quarter of inflation in Q2, the survey suggests cost and price growth have escalated further in July. For now, it appears firms are still finding that they can pass on higher costs to their customers, but it remains to be seen how long that can last before demand starts to deteriorate," he added.

Source: fibre2fashion.com- Aug 09, 2022

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Germany would suffer losses worse than Brexit in trade war with China

A decoupling of the EU and Germany from China, which would result in retaliatory measures from the latter, would cost Germany almost six times as much as Brexit. This is the finding of a scenario analysis conducted by the ifo Institute on behalf of the Bavarian Industry Association.

“De-globalisation makes us poorer. Rather than turning away from important trading partners without good reason, companies should additionally source inputs from other countries in order to reduce one-sided and critical dependencies on certain markets and authoritarian regimes,” Lisandra Flach, co-author of the study, said in a press release.

Those in Germany who stand to lose the most in a trade war with China would be the automotive industry (–8.47 per cent loss in value added; –$8,306 million), companies producing transportation equipment (–5.14 per cent; –$1,529 million), and manufacturers of machinery and equipment (–4.34 per cent; –$5,201 million), added the release.

“If Germany, as an export nation, wants to realign its business model, then onshoring supply chains isn’t a solution that will help the economy. A more promising option would be to establish strategic partnerships and free trade agreements with like-minded nations, such as the US. That should be the objective of German and European economic policy,” said Florian Dorn, co-author of the study.

The ifo Institute applied its trade model to the simulation of five scenarios, including the decoupling of Western countries from China, combined with a trade agreement between the EU and the US. The EU–US trade agreement could cushion the negative effects of the decoupling on the German and US economies, but not offset them completely. Given the expected gains in the trade relationship with the US, the net costs would be similar to the projected costs of Brexit.

Source: fibre2fashion.com- Aug 09, 2022

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Vietnam's economy to rise by 7.5% in 2022: World Bank

Vietnam's gross domestic product (GDP) is predicted to jump from 2.6 per cent in 2021 to 7.5 per cent in 2022 thanks to its robust manufacturing and services sectors. Moreover, inflation in the country is expected to average at 3.8 per cent over the year, according to a report released by the World Bank. Vietnam's economy has grown by 5.2 per cent in Q4-2021, 5.1 per cent in Q1-2022, and 7.7 per cent in Q2-2022.

However, there are several factors that may threaten Vietnam's positive economic outlook such as growth slowdown in main export markets, more commodity price shocks, continued disruption of global supply chains, constant labour shortages, higher inflation and financial sector risks, or the emergence of new COVID-19 variants, according to 'Taking stock: Educate to grow,' the World Bank's bi-annual economic outlook for Vietnam.

Given the nascent domestic recovery, the weakening global demand outlook, and heightened inflation risks, the report suggests a proactive response by the authorities. In the short run, on the fiscal front, the focus should be on the implementation of the Recovery and Development policy package and expanding targeted social safety nets to help buffer the poor and vulnerable from the effects of the fuel price shock and rising inflation. In the financial sector, close monitoring and strengthening non-performing loan reporting and provisioning as well as adopting an insolvency framework would be recommended, the World Bank report said.

If upside risks to inflation materialise — with core inflation accelerating and the consumer price index moving above the 4 per cent target set by the government — the State Bank of Vietnam should be ready to pivot to monetary tightening to quell inflationary pressures through interest rate hikes and tighter liquidity provision.

"To sustain economic growth at the desired rate, Vietnam needs to increase productivity by 2-3 per cent every year," said Carolyn Turk, World Bank country director for Vietnam. "International experiences have shown that higher workers' productivity can be achieved by investing in the education system, as an important part of a basket of investments and reforms. A competitive workforce will generate much-needed efficiency for Vietnam in the long term.

Source: fibre2fashion.com– Aug 08, 2022

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Vietnam needs to nurture efficient logistics sector, adapt modern tech

A growing need is being felt in Vietnam to develop an efficient logistics industry by grabbing opportunities arising from e-commerce and adapting modern technology. As logistics costs in the country are high, Tran Thanh Hai, deputy director of the import-export department, said it is necessary to use technology to improve the sector's efficiency.

With a digital economy market projected at more than $50 billion, the country offers tremendous opportunities for e-commerce and related logistics, said Hai, pointing out problems in the logistics sector, including weak linkage of the transport infrastructure system and heavy dependence on roads.

The logistics cost in the country was more than 20 per cent of the gross domestic product (GDP) compared to the world average of 11 per cent, according to a report released last year by global supply chain service provider Aligity.

Some technology like apps, artificial intelligence and platforms to share transport vehicles and optimise warehouse usage have been applied in logistics activities in the country. But automation would help increase efficiency, reduce time and increase accuracy, Hai stressed.

The cost factor may not be linked to the success rate of the first delivery, but to the distance travelled, Hai said, and hence, enterprises could cooperate to build warehouses in nearby districts in rural areas.

Source: fibre2fashion.com– Aug 09, 2022

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Bangla macroeconomic policy response much better during COVID: Expert

The macroeconomic policy response in Bangladesh was much better during the pandemic compared to those in several developed nations, though many challenges were evolving into new ones, Iyanatul (Yan) Islam, adjunct professor at the Griffith Asia Institute and former branch chief of the International Labour Organisation in Geneva, told a recent seminar in Dhaka.

The seminar was organised by the South Asian Network on Economic Modelling (SANEM).

Bangladesh was better than the United States, or even closer, with regards to unprecedented utilisation of core macro-policy instruments to respond to the pandemic-induced recession, fiscal stimulus, monetary policy easing, labour market and social protection policies, he claimed.

The medium-term projections for the 2022-2027 period for growth and inflation appear rather robust relative to its South Asian neighbours like Pakistan and Sri Lanka, he pointed out. Bangladesh is still comfortably placed with its foreign reserve compared to the two neighbours, said Bangladeshi media reports quoting Islam.

Source: fibre2fashion.com– Aug 09, 2022

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Bangladesh mulls zone-wise weekly closure of factories to save power

Bangladesh is planning to introduce an industrial zone-wise weekly closure to cope with a power crisis. Factory owners, however, fear the move may intensify their burden to keep production units up and running amid the power crunch. Industries stay closed only on Fridays now, but different closure days are being planned in different industrial areas.

Around 490-500 MW of power is expected to be saved daily with this measure, Nasrul Hamid, state minister for power, energy and mineral resources, told business leaders recently.

It will be possible to provide uninterrupted power supply across the country from October by importing more gas and increasing power generation, he said.

Many factory owners and investors, however, fear they will still face production loss as businesses are already overwhelmed after the gas and oil price hike followed by power and gas supply shortage.

"The garment industry is reeling under two-pronged pressures. On the one hand from gas and power shortages and on the other hand, declining consumer demand due to inflationary pressures in key export destinations of the garment industry," Bangladesh Garment manufacturers and Exporters Association (BGMEA) acting president Shahidullah Azim was quoted as saying by Bangla media reports.

"Now with the increase in the price of fuel, the system of generating electricity with its own generator has also become expensive. Therefore, it is now challenging for the industry to ship exports on time," he added.

He urged the government to keep captive power plants out of the scope of fuel price hike to relieve the garment industry from additional pressure.
Some factory owners, including those from tanneries, jute units, leather factory and apparel units, however, said that there will be no impact of the area wise once a week factory closure for them.

Source: fibre2fashion.com– Aug 09, 2022

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NATIONAL NEWS

The world sees India as an engine of economic growth: Shri PiyushGoyal

Union Minister for Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said that the world now sees India as an engine of economic growth. He was addressing the gathering at the Vyapari Udyami Sammelan in New Delhi today.

Stressing that India enjoyed the confidence of the world today, Shri Goyal said that developed countries very keen to sign trade deals with India now. He added that before 2014, Indian economy was considered to be fragile and investors had their doubts bout doing business with India.

Stressing upon the need for transparency and ease of doing business, the Minister assured traders and entrepreneurs that the Government will fully support traders who raise their voice against harassment by any authority.

He called upon traders to work with the Government to reduce compliance burden of people and businesses, but asked that they strictly follow ethical trade practices. Unnecessary, cumbersome and counter-productive laws and regulations must be uprooted to improve ease of doing business, he added.

He asked traders to give priority to the quality of goods and services that India offered. He also underscored the need to encourage youngsters to come forward and lend a youthful energy to India's growth story with new ideas. The clarion call of 'vocal for local' given by the Prime Minister, Shri Narendra Modi must be taken up by the youth of the nation, the Minister said. He added that we must also encourage more and more women to become traders and entrepreneurs.

Applauding Prime Minister's visionary welfare policies, Shri Goyal said that these policies have been helping the poor emerge as consumers and have successfully transformed India's population into its greatest strength. He added that the Prime Minister's tireless work had ensured that every household in the country gets access to basic amenities such as cooking gas, drinking water, electricity and toilet and every village gets access to the internet. Shri Goyal said that the policies of the government had also given every Indian the courage to be ambitious and the confidence to aspire to become entrepreneurs.

The Minister also emphasized that traders and Micro, Small and Medium Enterprises (MSMEs) should benefit from demand of goods by beneficiaries of the Prime Minister's welfare schemes. He asked all traders, entrepreneurs, and businesses, both big and small, to take a collective resolve to work together to take forward the dream of a self-reliant India by promoting more and more Indian products.

Source: pib.gov.in– Aug 09, 2022

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RBI took steps to promote rupee as preferred currency for global trade: FM

Finance Minister Nirmala Sitharaman on Monday said the Reserve Bank of India (RBI) has taken steps to promote rupee as the preferred currency for global trade in order to promote exports.

Last month, RBI asked banks to put in place additional arrangements for export and import transactions in Indian rupees in view of increasing interest of the global trading community in the domestic currency.

"RBI has put in place the arrangement for invoicing, payment, and settlement of exports/imports in INR in order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR," she said in a written reply to the Lok Sabha.

According to the minister, the central bank has put in place the arrangement in order to promote growth of global trade by reducing the dependence on hard currency, with emphasis on exports from India and to support the increasing interest of global trading community in INR.

She also noted that an increase in exports may help reduce the trade deficit.

The framework allowing invoicing and payments for international trade in INR is applicable for any partner country seeking to undertake trade with India in INR in terms of RBI circular.

As per the RBI circular, the approval process is that for opening of Special INR Vostro accounts, banks of partner countries may approach Authorised Dealer (AD) banks in India which may seek approval from RBI with details of the arrangement.

In another reply, Sitharaman said the Pradhan Mantri Suraksha Bima Yojana (PMSBY) is a one-year personal accident insurance scheme, renewable from year to year and is available on pan-India basis to bank or post office account holders in the age group 18 to 70 years who give their consent to join and enable auto-debit.

The scheme offers coverage for Rs 2 lakh in case of accidental death or total permanent disability and Rs 1 lakh for partial permanent disability due to an accident, she said.

The minister said the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a one-year life insurance scheme, renewable from year to year and is available on pan India basis to bank or post office account holders in the age group 18 to 50 years who give their consent to join and enable auto-debit.

The scheme offers coverage for Rs 2 lakh in case of death due to any reason.

Source: business-standard.com– Aug 08, 2022

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Indian economy expected to grow by 7.1% in FY23: CareEdge Ratings

Indian rating agency CareEdge Ratings recently said the domestic economy is expected to grow by 7.1 per cent in this fiscal due to steady performance by services, manufacturing and the farm sectors. Government investment will play a key role in the growth rate boost and improving industrial capacity utilisation levels will help boost private investment cycle, it said in a report.

“The main challenge to India’s GDP [gross domestic product] growth projection would be any further deterioration of the global environment, which will impact India through exports and investment routes,” the CareEdge report said. Several high-frequency economic indicators like goods and services tax collections, E-way bill registrations and credit growth have performed well in the first four months, reflecting an improvement in economic activity.

CareEdge expects the industrial sector GDP to grow at a pace of 5.4 per cent in fiscal 2022-23 (FY23). India’s manufacturing sector has been reeling under pressure due to high input costs due to which the sector witnessed a contraction in the fourth quarter of FY22. “The recent easing of metals and fuel prices if sustained along with improved economic activities could aid the sector’s growth in the coming months. However, the revival of consumption demand would remain a crucial factor,” the report added.

Fears of global growth slowdown could hamper India’s export outlook, observed CareEdge, whose analysts believe the services sector will drive growth. They expect the agriculture sector to grow at a steady pace of 3 per cent in fiscal 2022-23 assuming monsoon is normal. Rainfall has gathered pace in July supporting the sowing of crops like pulses, oilseeds and cotton, the CareEdge report noted.

The report highlighted that the sowing of crops like rice and sugarcane is still lagging compared with last year’s level due to a shortfall of rains so far in major rice producing states, according to Indian media reports.

Source: fibre2fashion.com– Aug 09, 2022

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India-EU FTA to make trading system more fair and sustainable: Euratex

The current trade balance between the European Union and India in textiles and clothing is hugely tilted in India's favor. The EU annually imports clothing and textiles worth over €6 billion from India while exporting just half a billion worth of these products to India. India can leverage this opportunity by entering a free trade agreement with the EU. This agreement will enable the Indian market to acquire high-quality and innovative products from the European textile and clothing companies besides solutions to reduce the environmental footprint of the textile industry.

Explore new open and efficient markets

The India-EU FTA also offers an opportunity to the Union to make its trading system more fair and sustainable, introduce new rules and environmental and social standards that are respected by all. According to Euratex, the India-EU FTA will enable textile and clothing companies to explore new open and efficient markets besides introducing effective control where necessary. It opines, the FTA will provide EU producers the same level of access to Indian market – both in terms of tariff and non-tariff barriers. European companies today face non-tariff barriers while accessing the Indian market. They have to also deal with national or state-level support programs that are more favorable for Indian companies than EU.

Aligning with India's sustainability goals

Euratex also recommends applying level playing field to sustainability targets. It recommends aligning the India-EU FTA to EU Textile Strategy. Dirk Vantyghem, Director General opines, the FTA provides EU an opportunity to align its sustainability goals with Indian industry and create a regulatory framework for companies to compete in a free and fair environment.

With around 154,000 companies employing 1.47 million workers, the EU textile and clothing industry drives local economies across many EU regions. The industry has commercialized several high added value products in growing markets around the world.

Creating a favorable environment for companies

The voice of the European textile and clothing industry, Euratex strives to create a favorable environment within the European Union for design, development, manufacture and marketing of textile and clothing products.

The organization works with EU institutions and other European and international stakeholders to develop an ambitious industrial policy, effective research, innovation and skills. It also aims to ensure free and fair trade, and sustainable supply chains.

Source: fashionatingworld.com– Aug 08, 2022

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Textile industry pins hope on festival season for demand revival

The upcoming festive season and exports opportunities emerging from the crisis-ridden textile sectors in neighbouring countries may help the textile industry in India battle the declining global demand.

Chintan Parikh, chairman of Ahmedabad-based Ashima Group, said, “Textile industries of Bangladesh and Sri Lanka are in complete doldrums both on account of political instability and their complete reliance on exports for survival. This is a great opportunity for the Indian textile industry.” According to him, textile units in neighbouring Bangladesh, Sri Lanka and even China are facing challenges of slowing global demand, energy crisis, political instability and new policy of China plus one strategy adopted by the US and Western European nations.

In this situation, textile players in India foresee huge opportunities on the exports front too. “The USA and Western European nations are exploring alternatives post the Covid-19 outbreak in order to reduce their exposure on Chinese exports. Sri Lanka and Bangladesh garment industries, too, are in deep trouble. Fortunately the Indian textile industry will be able to tide over the problem of slowing global demand due to a huge domestic buying in the coming festive season,” Parikh says.

He, however, strikes a cautionary note on rising costs of energy and inputs. “Bangladesh textile industry enjoys the advantage of zero duty in the Europe and US market while Indian exporters have to pay up to 14% duty. The government of India needs to raise this issue with these nations,” he added.

Chintan Thaker, chairman, Assocham Gujarat, and also group head, Corporate Affairs, Welspun group, also feels the upcoming festive season would definitely help Indian textile industry to overcome the challenge of muted global demand by the end of the third quarter of current financial year. “As far as intermediate and low-cost textile products are concerned, there would be a huge domestic demand. However, high-end textile product makers will have to wait for improvement in global demand,” he says.

Thaker, however, also urges the government to "stand by the side of exporters in this unprecedented phase when, for the first time in the history of the textile industry, we are witnessing peak cotton, power and container prices simultaneously.

All these factors are directly connected with the exports of high-end textile products ranging from fabrics, garments, bedsheets and towels. Hopefully, things will start improving once fresh arrival of cotton starts in October and prices of the important input for textile industry would become affordable."

Source: financialexpress.com– Aug 10, 2022

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Address the GST challenges

The introduction of the Goods and Services Tax (GST)—with the promise to meet the challenges of legacy taxes, multiple laws and varying rates across geographies—was a watershed moment in India's tax policy. GST transformed the indirect tax landscape with a common law, uniform compliance procedures, reduced tiers of administrators, and technology-driven automated compliance and tax administration.

While the first five years of GST focussed on ironing out the teething troubles, the focus now shifts to the process of rationalisation of rate structure to take the effective tax rate closer to the Revenue Neutral Rate (RNR), remove the inverted tax structures, prune exemption lists, and ensure no revenue leakages due to tax evasion by continuing on the path of complete automation of the compliances. The recommendation of the 47th meeting of the GST Council, which was implemented in July 2022, indicates this process.

The indirect tax law reform process significantly accelerated the country's march towards the formalisation of the economy and a more compliant tax environment. Being GST compliant became a business imperative, leading to a spurt in tax revenues not only under the GST law but other tax laws as well.

Another impact area for businesses has been the embracement of technology and automation of compliance processes, thanks to the use of advanced technologies and automation of the tax administration. Automation helped businesses to generate quality data to conduct comprehensive evaluations of business processes and improve internal controls.

Importantly, uniform tax rates resulted in the elimination of arbitrage on account of differences in state-level tax rates under legacy laws and created a single national market, where buyers' focus rests on quality and economy, rather than mere tax arbitrage.

Viewed from the tax administrator's perspective, the transition to a technology-backed compliance process and the introduction of e-way bills and e-invoicing systems, resulted in a generation of a significant volume of data, which can be analysed to identify any potential tax evasion.

The information flow, coupled with stringent actions against evaders, has dissuaded tax frauds.

GST witnessed significant revenue growth in the first three months of FY23. Such an upward trend in revenue was recorded in FYs19 (19%), 20 (4%) and 22 (31%), albeit with a negative growth (7%) in FY21. This shows that GST collections are on an upward trend, except during the pandemic-induced lock-down period.

The GST Council formed a Group of Ministers (GoM) for looking into GST rate rationalisation. Basis the GoM's interim recommendations, the Council, in July, increased tax rates on certain products and removed certain exemptions. In a few cases, the tax rate was increased to address inversion of taxes also, where the input tax rates were higher than the output tax rate leading to input tax credit build-up.

These measures would help achieve the long-term policy objective of the tax rates moving closer to the RNR and converge a number of tax rates into a two (or three) rate structure progressively, as against the present 6-7 along with compensation cess.

However, there are still open issues from an industry perspective. It requires a shift in mindset within the tax administration, which continues to express a bias towards revenue.

Advance Ruling Authorities seem inclined to take a position favouring revenue, despite reasonable interpretation or judicial precedents supporting the taxpayer's position, leading to a dent in the image of the advanced ruling process. Mechanical and rampant rejection of refund claims, investigations for an alleged incorrect claim of tax credits, blocking of credits, etc., reflects revenue bias, where even the courts have made adverse remarks on the administration.

The return filing platform sculpted for compliance has been another cause of concern due to frequent glitches and delays. Frequent amendments in law and the introduction of a newer compliance protocol necessitates continuous tinkering with the accounting/ERP systems of the taxpayer. The government has again proposed to amend form GSTR 3B (monthly return) and has invited suggestions for the same.

To add to the woes, the GST Appellate Tribunals are yet to be constituted, due to various challenges and the disputes adjudicated by first appellate authorities are pending resolution to endure the uncertainty, thus often prompting taxpayers to approach high courts, which have little room to manage long-pending litigation. Industry-government interactions through continuous dialogue seem to have lost steam and it is expected that these forums are better used to proactively address contentious issues.

As a way ahead, it is expected that petroleum products should be brought within the ambit of GST levy without much delay, even if it is in a phased manner to address concerns of the central/state government who garner significant revenue by way of tax. Convergence of GST rates slabs to two or three and the early phase-out of compensation cess are immediate expectations.

Source: financialexpress.com– Aug 08, 2022

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A poorly-stitched incentive

India is considered as one of the world's leading textile producing and exporting nations. The textiles industry here is extremely varied, with hand-spun and handwoven textiles at one end and capital-intensive, machinery-generated ones on the other. The industry has innate capabilities to cater to different segments of the market, both within India and globally. The country today exports textiles worth more than $44 billion, of which nearly $16 billion is generated from apparel and garments exports alone. Further, it has emerged as one of the largest employers, with around 4.5 crore workers being employed. The growth rate is exponential, and the value of total exports is expected to climb to a little over $209 billion by the year 2029. However, there are certain challenges that need to be addressed urgently, especially in the export space.

In order to boost employment in the textiles and apparel sector, the government launched the Rebate of State Levies (RoSL) scheme in 2016. Under this, an exporter of garments was refunded levies such as VAT/CST in inputs including packaging, fuel, duty on electricity generation, and duties on grid power accumulated from yarn stage to finished goods. Benefits included cash refunds of certain percentage of the free on board (FOB) value of exports by the exporter.

In March 2019, the RoSL scheme was replaced by the Rebate of State and Central Taxes Levies (RoSCTL) scheme, in recognition of the economic principles of zero rating of exports, and provided rebate on central taxes, levies and embedded GST on various services.

In April 2020, the RoSCTL scheme was merged with the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. Further, in August 2021, the government decided to continue RoSCTL till March 2024 for apparels, garments and made-ups, in exclusion of the RoDTEP.

The various new scheme notifications later stated that the provision of issue of rebate under RoSCTL was implemented in the form of freely transferable duty credit scrips, to be issued electronically to exporters on the Customs systems as against cash under the earlier system. The exporter could freely transfer the scrip to the buyer—mostly, importers—for consideration that could then be used by them for payment of Customs duty.

However, these scrips, despite the good intent backing them, have unfortunately begun to create an imbalance in the ecosystem, which has significantly eroded margins and proven to be counter-productive.

While the intent of the government was to strengthen the country's textile exports, the limited usage of these scrips—to pay only Customs duty—led to limited use and resulted in decreased demand, thereby leading to a situation wherein these scrips are being sold on discount of even 20%. To illustrate, while the embedded amount of central and state taxes and levies would be 100, exporters would be able to recover only 80, while the scrips end up benefiting the importer who can avail 100. Added notifications in September 2021 put forth certain conditions around their use-cases that further lowered the scrips' value.

That said, despite the socio-economic value that the Indian textiles industry offers, there are multiple imbalances that are severely impacting the industry's competitiveness, which are stemming from the RoSCTL scheme. Export margins are depleting dramatically, resulting in importers becoming the unintended beneficiaries of this anomaly.

The RoSCTL scheme extends rebates against the taxes, levies, etc, already paid by the exporters on the inputs. This rebate has been converted into scrips that are tradeable, i.e., exporters can sell these scrips to the importers, and importers, in turn, can pay import duty with these purchased scrips as an alternative to cash import duty payments. While discounts were offered on the sale of these scrips earlier too, with a recent amendment that allows the Customs authorities to recover from the subsequent buyers of the scrips (transferees) amounts due for the non-realisation of sale proceeds by the exporter to whom the scrip was originally issued, the risks associated have significantly risen.

Even though the scheme was launched with the intention of making India's textile industry competitive and bolstering the exports, these changes are acting against the government's intention of benefitting exporters and are instead benefitting importers. This, in essence, also defeats the very purpose and intent of this scheme that was perhaps envisioned promote the government's stated policy of 'Make in India, for the world'.

Consequently, exporters are looking at losses of Rs 1,500 crore, a number which shall see a steep rise if the government does not introduce corrective measures. Broadly speaking, the eroded attractiveness due to such risks associated with these scrips has led to heavy discounts being offered, which has had a direct hit on the margins of companies—many of which are start-ups—operating in the apparel sector.

Given the multi-faceted challenges associated with the RoSCTL, there is an emergent need for the government to restart cash reimbursements as an alternative, instead of these tradeable scrips.

In the event this takes time, ideally, the government should immediately broaden the scope of usage of such scrips for payment of other duties, from SEZs to DTA, IGST on import of goods or services, GST on supplies within India, etc. Also, certain provisions, like making the transferee being fully liable for scrips, need to be changed to a mechanism whereby scrips already issued could be endorsed based on the exporter submitting proof of realisation of the export proceeds.

It is therefore essential that the government issues necessary clarifications to prevent damage to the exporters and increase operational efficiency of this system, which has a greater potential if its use cases are extended to grant better value to such scrips.

Source: financialexpress.com– Aug 09, 2022

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Cotton acreage gains after farmers fetch record prices

Weather holding good, production could top 375 lakh bales, say stakeholders

Backed by a five-year high acreage, India's cotton production in the coming season (October 2022-September 2023) will likely be around 375 lakh bales (of 170 kg each) but the weather Gods will have to be kind for that to happen.

Record prices for kapas (raw cotton) right from the beginning of the current season have attracted more farmers to the natural fibre. Against the minimum support price (MSP) of ₹5,726 a quintal, farmers received as high as ₹12,500 at one time. However, for the most part of the season, prices have hovered around ₹9,000. For the next season, the MSP has been fixed at ₹6,080.

According to Ministry of Agriculture and Farmers' Welfare data, the area under cotton as of August 5 was 121.13 lakh hectares (lh) compared with 113.51 lh during the same period a year ago.

Unseasonal rains impact

This sets the tone for cotton production to be higher but stakeholders are a little wary of rains during October-November. Last year, unseasonal rains during October-November resulted in the crop being affected and its quality deteriorating. There is a lurking fear of pest attacks, too.

Jagdish Magan, a farmer from Morbi district in Gujarat, has increased his cotton acreage by 1.5 times this year. "We got good returns last year. This year the climate has been supportive so far. And if it remains good throughout, we expect good returns," he said, adding that he has cultivated cotton on 35 bigha (about 17 acres of land) this year against 20 bigha (about 10 acres) last year.

It is the record high prices of ₹12,500 per quintal that farmers fetched some time this season the reason for their preference for cotton over other crops. Though prices looked like dropping a couple of weeks ago, defaults in imports have resulted in domestic prices heading north again. Currently, prices of Shankar-6, the benchmark variety for exports, are quoted at ₹94,000 a candy (of 356 kg each).

100% higher than MSP

Atul Ganatra, President of the Cotton Association of India (CAI), said: “Cotton prices this season were about 100 per cent higher than the MSP. There is no such crop where farmers will get a price 100 per cent higher than MSP.

“Even though there was a setback to the output, the returns were very high. Farmers got attracted to the high returns,” Ganatra said, adding that the crop appears “fantastic at present,” with a likelihood of a crop size to be about 375-380 lakh bales (each of 170 kg).

“The crop will be higher this year, but there should not be any heavy rain in October like last year. If such a thing recurs, then it could damage production prospects,” said K Venkatachalam, Chief Advisor, Tamilnadu Spinning Mills Association (TASMA).

“The area under cotton should comfortably be above 128 lh. In Gujarat, it will top 25 lh,” said Anand Poppat, a Rajkot-based trade in cotton, yarn and cotton waste.

Damage in Maharashtra

Origo E-mandi said in its outlook that the area under cotton could increase by 4-6 per cent to 125-126 lh in view of the better realisation that farmers got over the last two years.

Initial reports say the crop condition in central, western and southern regions is robust. However, in Maharashtra and parts of the northern States of Punjab, Haryana and Rajasthan there are concerns over some damage following extended moist weather and the appearance of pink bollworm.

Origo E-mandi said about 8.5 lh had been affected due to rains in Maharashtra and the area includes soyabean. The actual report on the rainfall impact was awaited, it said.

Poppat said the damage due to excessive rainfall may be minimal and in some areas, farmers could go in for resowing. “If the farms have been affected by floods, farmers may need to resow. Otherwise, the planting is almost complete,” he said.

In Gujarat, the country's largest producer, the area under cotton is 25.04 lh, up 13 per cent against 22.22 lh a year ago. The cotton acreage in Andhra Pradesh has jumped by 31 per cent to 4.67 lh, whereas in Karnataka the coverage has surged by 46 per cent to 7.39 lh. In States such as Gujarat, farmers have switched over from groundnut and sesame seeds to cotton in view of the fibre crop providing attractive returns.

Outlook positive

"In Tamil Nadu, too, the scenario is fast changing in favour of cotton," said Venkatachalam.

"What we need now is favourable weather with good sunny days in the North and no rains during October-November," said Ganatra.

In Karnataka, where there has been a sharp rise in acreage, sowing has increased for both long staple and medium staple varieties.

"Looking to the present scenario of the overall crop sowing pattern, the state-wise area covered under the cotton seems to be very positive and the present status of the crop prospects is very much encouraging. If everything goes well and climatic conditions favour, we feel this year we will get a record crop," said Ramanuj Das Boob, of Bankatlal Boob Cottons Pvt Ltd in Raichur, Karnataka.

In Telangana, the third-largest grower, farmers are expected to take up cotton crop in about 24.30 lh — occupying half of the total Kharif acreage of 48.50 lh in the State.

Sowing has been completed on about 18.40 lh so far, even though it appears a tad lower than 20.23 lh a year ago. There is a likelihood of farmers going for more planting once the rains and floods abate.

Pink bollworm concerns

In Andhra Pradesh, the State Government has marginally increased the target for cotton acreage to 6.15 lh against 6.10 lh of the normal area.

"Farmers have crossed the normal sowing numbers as they planted the crop on 4.67 lh against the as-on-date acreage of 3.56 lh," an official of the Andhra Pradesh Agriculture Department said.

In Maharashtra, the second largest in cultivating cotton, Marathwada and Vidarbha are the two major cotton-growing regions. The first round of sowing was affected by heavy monsoon rains. According to primary estimates, a majority of the over 8 lh area affected by the heavy rain has been under cotton. The second round of cotton sowing is underway, but in some places, sowing has not been possible due to inundation. The State Agriculture Department officials say the government is providing all support to cotton farmers.

In North India, concerns over the cotton crop have been raised over extended moist weather and pink bollworm attack. Sushil Phutela, director, Indian Cotton Association Limited, said an extended rainfall in Punjab, Haryana and parts of Rajasthan was spoiling the cotton crop prospects. "Punjab has big worry on pink bollworm. There is a widespread presence of the pest. Also, we don't need rain now, but it is raining. So, we are fearing damage to the cotton crop," said Phutela. He, however, added that fresh arrivals have started for a week now and the quality of the crop currently appears normal.

Poppat said the pink bollworm may have a minimum impact only as there is widespread awareness of its menace and the Centre has come up with solutions to tackle it.

Realisation could be lower

One of the advantages cotton growers is enjoying currently is that domestic prices are ruling well above global rates. This is hindering exports. International cotton prices hover around 90-95 cents per pound, whereas Indian cotton price works out to about 145-150 cents, which is costlier in comparison. "There are currently no export inquiries and we don't see exports happening at this rate," said Phutela. Poppat said prices next season would be lower than this season, though some global firms have sold cotton at ₹65,000-70,000 a candy for the November-January period. "Imports this season will also have some impact, though only 17 lakh bales have been contracted so far," he said. Venkatachalam said if speculation in cotton takes place like this year, then prices could head north.

Source: thehindubusinessline.com- Aug 08, 2022

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Skilling for atmanirbharta

In order to capitalise on the demographic dividend, become atmanirbhar, graduate from “Make in India” to “Make for World” and achieve several Sustainable Development Goals, there is an apt and aggressive focus on the quality education, along with vocational training, on the part of the government. There is a dedicated ministry of skill development and entrepreneurship, formed in 2014, which looks after and coordinates all skill development efforts across the country.

Several schemes under this ministry aim to encourage skill development, including Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Skill India Mission, National Policy on Skill Development and Entrepreneurship, Indian Skill Development Service (ISDS), Jan Shikshan Sansthan (JSS), SANKALP and so on. The New Education Policy (NEP) 2020 also calls for focusing on skill-based education along with learning-based education, to address the skill gaps in the country, and is in line with the Sustainable Development Goals 4.4 and 8.6.

TargetsWhen it comes to the targets, National Skill India Mission, launched in July 2015, aims to impart employable skills to 10 million youth every year, through long- and short-term training. Long-term training is imparted through a network of about 15,000 Industrial Training Institutes (ITIs) across the country.

For short-term and domain training, over 11,000 Skill Centres are designated to provide training to youth to take up industry-relevant skill training; 300 JSSs target non-literates, neo-literates and school drop-outs in rural areas; and 14 India International Skill Centres impart training to youth seeking global mobility. NEP 2020 sets a target of 50% enrollment in vocational education in school and higher education.

However, as per the latest Periodic Labour Force Survey (PLFS-2020-21), only 13.8% of Indian youth are vocationally trained—a mere 4.1% through formal and 9.7% from informal sources. Clearly, there is a lot that needs to be done to catch up with countries like Korea, where the proportion of vocationally-trained youth stands at over 90%, the US (at 50%), Germany (at 75%), and many others.

OutcomesThe questions pertaining to the outcomes of the skilling initiatives are many. How far have these initiatives achieved the overall skilling target? What has been the contribution of these initiatives to total trained persons, which also includes those trained through informal sources? Are formally-trained persons more likely to get a job than others? Are the training programmes gender-inclusive? There are many more such questions. PLFS 2020-21 answers a number of these questions, and the answers are not so reassuring.

The data finds that of the total estimated youth population (15 to 29 years) of 301 million, only 13.8% received vocational or technical training. Less than one-third of vocationally trained persons received training from formal sources. Rest received from informal sources, that is, either through already trained family members or on their own or learnt on the job.

The work participation rate of formally trained youth persons is higher than those with no training at all, but much lower than those with informal training. Of the total persons with no training, 27.1% are employed and an additional 5.6% are seeking work, whereas, in the pool of persons with formal training, these proportions are 41.6% and 18.9%. In sharp contrast, however, 79.4% of informally trained persons are employed and only 2.6% are unemployed or seeking work.

As many as 27.3% of the youth are Not in Employment, Education or Training (popularly referred to as NEET youth). These are the potential entrants to labour-force. The youth NEET rate is 9.6% for boys and 47.6% for girls as against the world average of 13% and 30%, respectively (World Youth Report, 2020, United Nations).

Fortunately, the training opportunities are fairly gender-inclusive. The proportion of formally trained boys versus girls is somewhat in tandem at 56 to 44, unlike for informally trained space, where this is 70 to 30.

However, there is a huge disparity with respect to their work participation rate. While 52.7% of formally trained boys are employed and 23.8% are out of labour-force, mostly to pursue higher education, only 27.2% of trained women work and as many as 60% opt out of the labour-force, mostly to attend domestic duties.

This suggests not only is the overall female labour-force participation shrinking, trained female labour-force participation is also collapsing. While there are a number of courses or fields of training that are offered by ITIs, Skill Centres or even schools and skill hubs meant for school-going children, the data suggests that as many as half of the trained persons are skilled in one of just three fields, viz IT/ITeS, textiles/handloom and electrical/electronics.

This is despite the fact that, for these fields, the youth unemployment rate is 31%, 6.7% and 36.2%, respectively. This may perhaps indicate that one, the employment opportunities for these popular fields are not adequate enough to meet the supply; two, youth pick the courses having little awareness about their prospects and perhaps out of peer pressure; and three, these are the most commonly offered courses in the training institutes, leaving little options to choose from.

Hence, the government schemes and initiatives should not just aim to achieve the targets in terms of number of people trained but also ensure quality, diversity, and pathway to employment or entrepreneurship. We are on the edge of losing the benefit of demographic transition soon, something that we cannot afford as nation. There is a huge chunk of youth, especially NEET youth, out there who, if provided with an employable skill, may not just become self-reliant themselves but also contribute to the country's aim to become atmanirbhar.

Source: financialexpress.com- Aug 08, 2022

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Cotton yarn gains up to ₹8/kg in South India on better demand

Cotton yarn prices gained in south Indian markets today as buyers were keen for fresh buying. The prices went up by ₹2-5 per kg in Tiruppur since last week, and by ₹5-8 per kg in Mumbai. Traders said that the prices increased last week due to better buying, but they steadied in this week. Traders expect further improvement in second half of this month.

Tiruppur market noted uptrend in cotton carded yarn prices. Traders said that demand was slightly better for carded yarn. The prices gained by ₹2-5 per kg in south India's major yarn market. A trader told Fibre2Fashion, "Current movement of the market indicates strong demand after mid-August. Cotton yarn prices are expected to rise on higher demand in second half of this month." Today, 30 count combed cotton yarn was traded at ₹350-355 per kg (GST extra), 34 count combed at ₹362-367 per kg and 40 count combed at ₹365-370 per kg in Tiruppur market. Cotton yarn of 30 count carded was sold at ₹315-320 per kg, 34 count carded at ₹322-327 per kg and 40 count carded at ₹330-335 per kg, according to Fibre2Fashion's market insight tool TexPro.

Mumbai market noted steady trend in prices, but the prices gained in last days of previous week. Traders said that buying was slightly better, so prices gained by ₹5-8 per kg in last week. But demand was not supportive today and yesterday at higher prices. A broker said that buyers were facing cash crunch as demand in fabric is yet to pick up. 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,900-1,950 and ₹1,800-1,850 per 5 kg (GST extra) respectively. 80 carded (weft) cotton yarn was sold at ₹1,760-1,780 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at ₹365-375 per kg. 40/41 count carded cotton yarn (warp) was sold at ₹340-345 per kg. 40/41 count combed yarn (warp) was priced at ₹410-440 per kg, as per TexPro.

In Gujarat, cotton prices continued to see upward trend due to negligible arrival in the mandis. According to traders, prices are gaining despite limited buying because of nominal availability of cotton. Cotton prices increased by ₹1,000-1,500 per candy of 356 kg since last week. Cotton was traded at ₹88,000-95,000 per candy in spot market of Gujarat.

Source: fibre2fashion.com- Aug 09, 2022

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National child labour project scheme

As per the information received from District Project Societies, the number of child labourers/beneficiaries rescued/ withdrawn from work, rehabilitated and mainstreamed under National Child Labour Project Scheme (NCLP) since 2017 -18, State-wise, is at Annexure-I.

The objective of National Child Labour Project (NCLP) Scheme was to rescue and rehabilitate the child labourers. Under the NCLP Scheme, the working children in the age group of 9-14 years are rescued/withdrawn from work and enrolled in the NCLP Special Training Centres, where they are provided with bridge education, vocational training, mid-day meal, stipend, health care, etc. before being mainstreamed into formal education system.

National Child Labour Project (NCLP) scheme was approved for continuation up to 31.03.2021 and since then has been subsumed / merged with Samagara Shiksha Abhiyan (SSA) Scheme of Ministry of Education.

A total of 254 number of Special Training Centre (STC), which had been approved by the Ministry of Labour & Employment prior to 31.03.2021, and which have not yet completed two years as per NCLP Scheme guidelines, are operational in the States of Madhya Pradesh, Odisha, Assam and West Bengal only as on 31.07.2022.

NCLP scheme is not operational in any district of the State of Maharashtra currently. The details of number of children enrolled in STC, districts, states where NCLP is operational during 2022 -23 and amount released during 2021-22 and 2022-23 is at Annexure II.

NCLP Scheme has been appraised for its continuation beyond 31st March 2021 in terms of relevant instructions of Ministry of Finance and it has been decided to subsume / merge the scheme with Samagara Shiksha Abhiyan (SSA) Scheme in phased manner as under:-

- Project Society, currently operational, to be allowed to continue till enrolled children are mainstreamed in formal education system.
- The pending/committed liability for grant in aid and stipend to be cleared.

- No permission to be given for opening of new Special Training Centre (STC) under NCLP Scheme.
- No fresh enrolment of children in STC under NCLP.
- The survey report, received in the Ministry of Labour & Employment, to be forwarded to Department of School Education and Literacy for enrolment of children in the concerned STC.

This information was given by the Minister of State for Labour & Employment, Shri Rameswar Teli in a written reply in Lok Sabha today.

Click here for more details

Source: pib.gov.in- Aug 08, 2022

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Implementation of Schemes for MSMEs Under Atma Nirbhar Bharat

The Government has taken a number of initiatives under the Aatma Nirbhar Bharat Abhiyan to promote the Micro, Small and Medium Enterprises (MSMEs) sector in the country. The details of two major schemes are as under:

i. Emergency Credit Line Guarantee Scheme (ECLGS): The Emergency Credit Line Guarantee Scheme (ECLGS) was announced as part of the Aatma Nirbhar Bharat Package in May, 2020 to support eligible MSMEs and other business enterprises to meet their operational liabilities and resume businesses in view of the distress caused by the COVID-19 crisis. This scheme covers all the sectors of the economy. Under this, 100% guarantee is provided to Member Lending Institutions (MLIs) in respect of the credit facility extended by them to eligible borrowers. The scheme is valid till 31.03.2023.

ii. Self Reliant India (SRI) Fund: The Government of India has announced Fund of Funds with the nomenclature Self Reliant India (SRI) Fund to infuse equity funding in MSMEs which have the potential and viability to grow. Under this scheme Government has a provision of corpus of Rs.10,000 crore from Government of India.

The Ministry of MSME on 7th September, 2021 assigned a study to Small Industries Development Bank of India (SIDBI) to assess the impact of change in MSME classification on the MSME Sector. The terms of reference of the said study inter-alia also included assessment of losses suffered by MSME sector due to Covid-19 pandemic.

The said study was based on a survey conducted by SIDBI taking a random sample pool comprising 1,029 MSMEs spread across 20 States and 2 Union Territories. The report of the study submitted on 27th January, 2022, reveals that 67 percent of the respondent MSMEs were temporarily closed for upto a period of 3 months.

The study reveals that around 65 percent of the MSMEs surveyed, have availed the benefits under Emergency Credit Line Guarantee Scheme and around 36 percent of the respondents also availed loans under the Credit Guarantee Fund Trust for Micro and Small Enterprises scheme.

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

Source: pib.gov.in- Aug 08, 2022

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Package to Support MSMEs Sector

To address the regular working capital requirement of Micro, Small and Medium Enterprises (MSMEs) the Government has taken initiatives under the Aatmanirbhar Bharat Package which inter-alia includes measures such as (i) Rs. 5.00 Lakh Crore under Emergency Credit Line Guarantee Scheme (ECLGS) for businesses, including MSMEs. The validity period of the scheme has been extended till 31.03.2023; (ii) PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) Scheme to facilitate collateral free working capital loan to street vendors.

In addition of the above, MSMEs have also been supported for working capital assistance by the ongoing schemes & measures i.e. (i) Credit Guarantee Scheme (CGS) to strengthen credit delivery system and to facilitate the flow of credit to the Micro and Small Enterprise sector without the hassles of collateral and third party guarantee up to a maximum of Rs. 200 lakh; (ii) Pradhan Mantri MUDRA Yojana (PMMY) which extends collateral free loans upto Rs.10 lakh to individuals to enable them to set up or expand their business activities.

As per Gazette Notification(S.O. 5670(E) dated 8th November, 2018, it is mandatory for all Central Government Ministries / Departments/ CPSUs to procure at least 25% of their annual procurement from MSEs including 4% from MSEs owned by SC/ST entrepreneur and 3% from MSEs owned by women entrepreneur. Micro and Small Enterprises, quoting price within price band of L1+15 % are allowed to supply a portion of requirement by bringing down their price to L1 price under public procurement policy.

In order to address the uncertainties and unhealthy competition from corporate giants, 358 items are exclusively reserved for manufacture by Micro & Small Enterprises; and No global tenders for procurement up to Rs. 200 crore.

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

Source: pib.gov.in- Aug 08, 2022

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Tiruppur dyers seek 50 per cent subsidy on power supply to Common Effluent Treatment Plants

TIRUPPUR: With the State government proposing revision of electricity consumption charges, dyeing units in Tiruppur have sought subsidy for power supply to Effluent Treatment plants.

According to revenue records, there are 360 dyeing units in the district of which 60 units have Individual Effluent Treatment Plants (IDTP) and the rest pump effluent to Common Effluent Treatment Plants (CETP)

Speaking to TNIE, Dyers Association of Tiruppur (DAT) CEO B Muruga Bhoopathy said, "Effluent treatment plants have capital costs, power and specialized manpower for operation and maintenance. Because of these constraints, small dyeing units cannot develop their own effluent treatment facilities and therefore, effluent from all dyeing units is brought to a centralized place for treatment.

The expenses for the operation and maintenance of CETP are shared by participating units. But, the cost of power is high for dyers. For example, to treat one litre of effluent, the cost is around 30 paise, but the power costs 12 paise. This is paid by the dyers. So we seek subsidy of 50 per cent."

Not just common effluent treatment plants, Individual Effluent Treatment Plants also seek subsidies. Sivasakthi Thread Partner P Sengottuvel said, "Dyeing is an essential part of the cotton and yarn industry. So, we have made it a part of the manufacturing set-up. I have an effluent treatment facility that processes 3 tonnes of effluent every day.

I have an HT transformer (250 KVA) for which I am paying demand charge of `350 per month per KVA. But the government plans to increase the charge to Rs 600 per month, per KVA. Though these are part of the business, the power tariff for effluent treatment should be offered some subsidy as it is an environment-friendly practice."

Explaining the development, former president of DAT- S Nagarajan said, "Operating effluent treatment plants is tough financially and environmentally. In terms of finance, around Rs 2 crore is needed to operate a large plant with 50 lakh litres capacity per day.

Among that, 30% of the cost goes on power alone. Since effluent treatment for zero chemical discharge is an ecological need of the hour, we request the state government to offer some kind of subsidy on electric tariffs. This will directly benefit small dyeing units, thereby reducing the cost of dyeing for the garment industry. This will be helpful to stop the discharge of effluents by some units into rivers, streams, farmland, etc."

An official from Tamil Nadu generation and distribution corporation (TANGEDCO) said, "Tariff comes under the purview of the Tamil Nadu Electricity Regulatory Commission (TNERC). We will be submitting the proposal for recommending such changes. Dyers can approach and file a petition to the commission. A hearing will be announced and dyers can explain their case and seek relief in the form of a reduction in power tariff."

Source: newindianexpress.com- Aug 09, 2022

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India's cotton sowing area up 6.72% to 121 L ha, next 2 weeks crucial

India's cotton sowing area increased by 6.72 per cent to 121.130 lakh hectare till August 5. Rajasthan, Gujarat, Maharashtra, Andhra Pradesh and Karnataka recorded higher sowing area as farmers shifted to cotton after the crop fetched record prices in last season. However, cotton acreage slipped in Punjab, Haryana, Madhya Pradesh and Telangana.

According to a report of Union Ministry of Agriculture, cotton sowing in the country was completed on 121.130 lakh ha of area till August 5, which was 6.72 per cent higher than the sowing of 113.505 lakh ha during same period of last season.

In north India, sowing area increased by 7.99 per cent in Rajasthan to 6.471 lakh ha against 5.992 lakh ha of last season. But the area decreased 2.40 per cent in Punjab (2.48 lakh ha) and 5.38 per cent in Haryana (6.510 lakh ha).

In central zone, the area where cotton is sown increased by 12.69 per cent in Gujarat (25.044 lakh ha) and 7.68 per cent in Maharashtra (41.716 lakh ha). But the area decreased by 0.17 per cent in Madhya Pradesh to 5.99 lakh ha.

In south zone, Telangana noted steep fall of 8.90 per cent to 18.383 lakh ha from 20.178 lakh ha in same period of last season. However, the area jumped 31.18 per cent in Andhra Pradesh (4.670 lakh ha), 45.92 per cent in Karnataka (7.395 lakh ha) and 86.96 per cent in Tamil Nadu (0.129 lakh ha). Cotton acreage increased 10.69 per cent in Odisha to 2.082 lakh ha.

Industry sources said that cotton crop is progressing well in all the regions. There is no report of any adversary about the crop. However, the next 15 days are considered very crucial as excessive rains in some areas may create some problems like disease and pest attacks.

A cotton trader from Punjab Bhagwan Bansal told Fibre2Fashion, "There is no problem in the crop in any region of the country, but further rains may disturb the progress of cotton if monsoon remains active. Therefore, next two weeks are very crucial."

Another trader said that delayed rains may affect progress of the crop. Therefore, crop arrival schedule may be disrupted. Any delay in new cotton arrival may further fuel prices which are already gaining amid tight supply.

Source: fibre2fashion.com- Aug 09, 2022

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