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IBTEX No. 166 of 2022 | **September 1, 2022**

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INTERNATIONAL NEWS

Eurozone inflation jumps to new record 9.1pc

The eurozone inflation rate hit a new record in August, official data showed on Wednesday, increasing pressure on the European Central Bank to hike rates to tame Ukraine war-fuelled prices.

Driven by soaring energy prices caused by Russia's invasion in Ukraine, the yearly inflation rate in the 19-country single currency area reached 9.1 per cent, its highest since records began, according to Eurostat.

Consumer prices had accelerated to 8.9 percent in July.

The president of Germany's powerful federal central bank, Joachim Nagel, immediately declared that the ECB should plan for a "strong rise in interest rates for September".

"Otherwise, inflation expectations could become permanently entrenched above our target of two percent," he warned.

The headline rate has been rising since November 2021, amid global supply chain stresses. War erupted in Ukraine in February and the European summer was marked by a drought that helped force up food prices.

The ECB is expected to raise interest rates at its next meeting on September 8, after first increasing them in July for the first time in a decade. Rates had been kept low as Europe emerged from its coronavirus slump.

France, which has moved to cap energy prices saw the lowest rate within the eurozone, with 6.5 per cent in August, according to Eurostat.

But powerhouse Germany was high on 8.8 per cent, Italy saw nine per cent and Spain 10.3.

Russia's neighbours on the Baltic, Estonia, Lithuania and Latvia suffered the most, at 25.2 per cent, 21.1 and 20.8 respectively.

Economist Jack Allen-Reynolds of Capital Economics warned that the eurozone inflation rate could hit 10 percent by the end of the year, even if the bank hikes rates.

"The balance of probabilities is shifting towards a 75 basis points hike next week," he said. The ECB raised rates by 50 basis points in July, from a zero interest rate to 0.5 per cent.

For Bert Colijn, a senior economist at the bank ING, the increase in the price of goods contained within the broader inflation rate should worry observers as much as the hikes in energy.

Source: thedailystar.net- Sep 01, 2022

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Cotton prices crash 24% in China after US ban in June 2022

Chinese cotton prices are adopting opposite trend from global market. Cotton prices are hovering at a high level in most countries, but the prices are falling in China. An analysis said that China Cotton Index (CCI) declined around 31.10 per cent since February 2022 when prices peaked. Prices crashed 24.13 per cent after the US ban in June this year.

According to Fibre2Fashion's market insight tool TexPro, China Cotton Index (variety 2227B) was traded at CNY 17,157 per ton in August 2021. The prices registered an upward trend till February except in December 2021. Cotton peaked at CNY 21,051.56 per ton in February this year. Chinese cotton adopted similar trend as global movement till February.

But the trend reversed in the coming months as an effective date of US ban on cotton and cotton products originating from Xinjiang region of China was nearing. Cotton slipped around 7 per cent in the next four months till June when the ban came into effect.

As per TexPro, Chinese cotton crashed to CNY 15,698.85 per ton in July from CNY 19,117.67 per ton in June 2022. It means that the prices registered a steep decline of 17.88 per cent in July. The price further dropped by 7.61 per cent to 14,503.41 per ton in August. Current prices are converted in Indian currency to ₹174 per kg (₹61,956 per candy of 356 kg).

According to media reports from China, local government and industry are taking the US ban as a hostile step in international trade activities. Chinese government and business community are trying to consume locally banned cotton and export to other countries, but market sentiments are dampened due to oversupply.

Source: fibre2fashion.com- Aug 31, 2022

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China-ASEAN trade touches $544.9 bn during Jan-Jul 2022

China continues to be the top trading partner of the Association of Southeast Asian Nations (ASEAN) for 13 years in a row as trade carried out between both the parties from January to July 2022 amounted to $544.9 billion, which was an increase of 13.1 percent year-on-year. Bilateral trade between China and ASEAN accounted for 15 per cent of the country's total foreign trade.

The cumulative investment between ASEAN and its largest trading partner had crossed $340 billion as of the end of July 2022, Chinese media reports said quoting assistant commerce minister of China Li Fei. Chinese companies have also contracted infrastructure projects in ASEAN nations with a cumulative turnover exceeding $380 billion by the end of July 2022.

China will roll out measures, including professional online and offline trade matching and investment coordination services, to facilitate cooperation with ASEAN amid the upcoming 19th China-ASEAN Expo, added Li.

China is set to offer special measures for goods from ASEAN countries regarding purchasing, transportation, customs clearance, duty-free services, and more.

The 19th China-ASEAN Expo will be held from September 16-19, 2022, in Nanning, the capital city of China's Guangxi Zhuang autonomous region.

Source: fibre2fashion.com- Aug 30, 2022

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USA: Texas Cotton Takes a Hit from Drought

Murilo Maeda, Ph.D., AgriLife Extension cotton specialist, Lubbock, said drought conditions have led to near-total failure of both regions' dryland acres, and drought and extreme heat have put much of the regions' irrigated fields in jeopardy of failure or abandonment, especially where irrigation capacity is limited.

A U.S. Department of Agriculture Farm Service Agency report indicates almost 70% of dryland and 35% of irrigated cotton acres in those two regions failed.

However, Maeda fears the report may be conservative. Most acres were clear failures, he said, but many acres produced crop stands that drought alone did not kill. Those stands are in poor shape production-wise and may not be worth harvesting, he said. Many more fields may not be harvestable due to poor plant development due to drought.

"It certainly looks like it reflects the reality in dryland fields, but it may actually be lower than what we are seeing on the ground for the rest of the acres," he said. "There's just not a lot out there, and a lot of the fields still standing may not be harvested. It's pretty brutal."

Tough Growing Season for Texas Cotton

Emi Kimura, Ph.D., AgriLife Extension cotton specialist, Vernon, said there are dryland fields in the Rolling Plains that received enough rain to survive, but yield potential is very low.

Some irrigated fields looked decent in her area, but plant development was similarly impacted by drought and heat, she said. Irrigated fields need some rainfall to meet plants' water demands, and there was very little during the growing season.

Without moisture, plant development, boll count, and fiber quality suffer, and extreme heat can exacerbate problems, she said.

Kimura said there has been one positive to the difficult drought conditions – low pest pressure. Producers have treated irrigated fields for insect pests like fleahoppers once or twice compared to several rounds of proactive sprays, which helped cut some input costs.

But now, a late-season problem – weeds – are abundant and growing rapidly in fields following good rain showers that delivered soil moisture to the region. Kimura said treatment will likely depend on the yield potential and individual producer's management routines.

"It has been a tough growing season, but we hope this rain and cooler temperatures allow some producers to end the season on a high note," she said. "Hopefully that will carry into the wheat season, and we get off to a good start."

Maeda said he worries about the regional cotton infrastructure, including gins and related businesses, that depend on production and processing. Cotton gins operate seasonally. They typically receive thousands of bales of cotton for processing following harvest. The lack of cotton production could generate a longer-term ripple effect if gins do not run, and other support businesses are not able to withstand the losses.

"My concern is for the folks in the region who are reliant on cotton," he said. "A bad season will affect producers, but the downstream impact to the infrastructure is what we're worried about, because losing that type of capacity can take longer to recover."

Source: cottongrower.com- Aug 31, 2022

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Turkiye's economic confidence rises to 94.3 in Aug from 93.4 in Jul

Turkiye's economic confidence rose to 94.3 points in August from 93.4 points in July, led by an improvement in the outlook for consumers, according to the Turkish Statistical Institute, which recently said confidence among consumers and constructors rose in the month. Sentiment among retailers, firms in the service industry and manufacturers declined.

Consumer confidence rose the most, improving to 72.2 points in the month from 68 in July and 63.4 in June.

It was the first increase in the economic confidence since May, the data showed.

The economic confidence index is a combined measure that includes previously reported indices for confidence among consumers, manufacturers, and the services, retail and construction industries.

The construction confidence index increased by 1.5 per cent to become 86.3 in August compared to the previous month. On the other hand, the real sector (manufacturing industry) confidence index decreased by 1.1 per cent to become 101.4 in the month.

The retail trade confidence index decreased by 0.4 per cent to 112.9 in August.

Source: fibre2fashion.com- Aug 30, 2022

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Fashion E-commerce in the era of Industry 4.0

As the world is witnessing the 4th Industrial revolution (Industry 4.0) in different facets of life, it is influencing fashion too. Using new technologies like augmented reality (AR), virtual reality (VR), automation, and Internet of Things (IoT), several global brands in healthcare sector, sports etc are making strides in tapping the potentials of Industry 4.0 products.

As per a McKinsey & Company report, consumers are spending more time online than ever in search of fashion products, resulting in a boost to fashion e-commerce sector. The major driving factor behind the growth of e-commerce has been the millennials and Gen Z who are the most intelligent, highest earning consumers in the history of fashion, but have the least time to shop offline. In fact, around 30 per cent of Gen Z and 36 per cent of millennials think they would purchase less at brick-and-mortar stores than they previously did, according to a report from Kibo.

Fashion e-commerce has been very dynamic in its approach and acceptance of advanced technologies at various stages to different extents. With more shoppers moving online, brands are using innovative technologies to provide more personalised and hassle-free shopping experiences in the realm of the phygital world.

A major objective of Industry 4.0 is to fill the demand and supply gap by providing more customised products to consumers, by producing in a more sustainable manner ensuring a more transparent efficient value chain and shorter supply chain.

The recent spurt in the growth of the e-commerce industry has compelled brands to provide convenient one-click payment methods, lesser delivery time, better quality assurance in order to gain more consumers' trust and ensure lasting loyalty, and use omni-channel platforms to reach audience beyond geographical boundaries.

As per the data from Statista, online sale of apparel, accessories and footwear reached $180.5 billion in 2021, which is further expected to increase till 2025.

According to McKinsey & Company, there are few digital leaders whose value chain is significantly digitised, and online and offline channels are integrated to some extent. While some other companies have low levels of digitisation, and their online and offline channels are largely separated. Below are some recent developments that point to adoption of Industry 4.0 in fashion.

• Witnessing the wave of Fashion 4.0, retail chains like Walmart collaborated with Google to provide its products to consumers using Google assistant voice shopping. Pull& Bear is using augmented mobile games to engage potential customers.

• Some innovations like virtual try-on that enables shoppers to create 3D avatars and provide better looking and better fitting outfits to the customer are provided by 3D LOOK, a B2B AI-enabled virtual try-on company.

• Big data analytics offer companies the opportunity to use information in framing the strategies in order to produce the needed quantity in the required sizes preferred by customers.

• The Fashions Story app helps in creating a more circular fashion system by helping consumer create digital versions of their wardrobe, and they are able to sell second-hand clothing to interested people.

• Features like virtual style assistants and automated chatbots help shoppers in finding their required fashion products with more ease and lesser time.

• The Yes fashion app uses AI to understand consumers' requirements and preferences better and provides very customised fashion options to users based on their style quotient and past search history.

In conclusion, focusing on values like ethical sourcing, sustainable production, higher product quality, better customer services, and gender sensitivity/inclusivity will be key for fashion brands to ensure loyalty, while reaping the advantages of Industry 4.0.

Source: fibre2fashion.com- Aug 31, 2022

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Better Cotton Loses 70% of Its Pakistani Output in Catastrophic Floods

Pakistan's apocalyptic monsoon rains have swept away some 70 percent of Better Cotton grown in the country, the world's largest sustainable cotton program told Sourcing Journal on Wednesday.

The situation is equal parts supply-chain crisis and humanitarian catastrophe. The London and Geneva-based nonprofit, which promotes cotton production based on an array of social and environmental criteria, works with nearly 500,000 licensed farmers across 1 million hectares of Pakistan cropland, most of them concentrated in the flood-hit Punjab and Sindh provinces.

Better Cotton is still surveying the damage, but early estimates suggest that between 200,000 to 250,000 farmers have been affected by the unsparing deluge, which has killed at least 1,100 people, including 380 children. One-third of the South Asian nation is currently underwater, the result of unprecedented rainfall coupled with glacier melt from an earlier—also record-breaking—heatwave.

Everything happened so quickly that no one—not the government, not the farmers—had time to react, according to Hina Fouiza, who joined Better Cotton as its Pakistan director earlier this month. "They have lost everything," she said. "They've not only lost their houses but also their livestock—everything."

Pakistan, home to 1.5 million cotton farmers, is the second-largest producer of Better Cotton after India. More than 280 brands and retailers, including boldface names such as Adidas, H&M and Gap, have adopted Better Cotton as a way to fulfill sustainable sourcing goals. In 2021, farmers in Pakistan generated more than 682,000 metric tons of Better Cotton, or 14.5 percent of the 4.7 million metric tons the organization certified globally. Better Cotton itself made up one-fifth of the world's cotton production that year.

The destruction was so acute because harvesting had only just begun. Only cotton that was picked early was able to be saved. "So the rest of the areas, it's all gone. And it's not a situation where it's recoverable," Fouiza said.

Fouiza said that Better Cotton in Pakistan will likely be able to deliver at most 45 percent of its usual quota. The shortfall won't help with global commodity prices, which have soared by as much as 36 percent this year as a result of a supply squeeze triggered by extreme weather from China to Lubbock, Texas. The country's domestic textile industry, which makes up more than 60 percent of Pakistan's exports, also relies on a steady stream of inputs.

Better Cotton is trying to strategize how best to respond to the volume decline, though Fouiza said that there are plenty of places to source Better Cotton, which has maintained a surplus from its inception as a way to remain nimble. Worldwide, the organization has licensed 2.2 million farmers in 24 countries. Its focus right now, however, is to drum up real-time figures in Pakistan with the help of its on-the-ground implementation partners, including CottonConnect Pakistan, the Rural Business Development Center and World Wildlife Fund Pakistan.

The nonprofit is also trying to pinpoint its farmers' most immediate needs. Already, Better Cotton has heard from developmental agencies such as the German Agency for International Cooperation, better known as GIZ, and U.K. Aid, though it's waiting to engage with its brand and retailer members.

Fouiza said that in addition to financial aid, would-be donors should think about offering farmers alternative ways of earning their keep. The farming community, she said, invests its entire savings into its land, so if farmers have "lost the crops, that means they have lost their livelihood for many months." A longer-term solution, such as microfinance or group loans, that could help farmers get back on their feet would be more effective in the long term than a handout. Perhaps they could be provided with the skills for a different occupation that they can begin right away.

"Once you've lost everything, you can't just keep on looking to people giving you clothes and food," she said. "You have to rebuild yourself again."

Looking further into the future, farmers need to be equipped with crop insurance as well as contingency plans for future disasters, though this is beyond Better Cotton's purview, but requires institutional and governmental intervention, Fouiza said. To tackle climate change, which scientists say is increasing the frequency of weather disasters like

Pakistan's, Better Cotton aims to halve its emissions per ton of cotton by 2030.

For now, however, Pakistan's farmers are in triage mode, requiring medical assistance, emergency housing and other forms of relief that Better Cotton's implementation partners are working to provide with its support.

"We're in the process now, step by step," Fouiza said.

Source: sourcingjournal.com - Aug 31, 2022

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Technical textile is the next frontier for the Bangladesh RMG industry

The readymade garment industry (RMG) of Bangladesh accounts for about 83% of the country's total export volume. The apparel industry of Bangladesh grew continuously in recent decades, making it the second largest in the world after China. The country exported RMG worth $42 billion in the last fiscal.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has envisioned achieving a $100 billion export target by 2030. So, for the steady growth of Bangladesh's RMG industry, we need to diversify our apparel export basket.

Technical textile is a potential segment where Bangladesh has the opportunity to explore and expand its business. The global market for technical textile is projected to reach $208.5 billion by 2024 from $178.92 billion in 2020. Its market is assumed to reach $298.1 billion by 2030. Europe represents the largest regional market for technical textiles, accounting for an estimated 28.8% share of the global total.

Technical textiles are engineered products with a specific functionality. They are manufactured using natural as well as manmade fibers such as Nomex, Kevlar, Spandex, and Twaron that exhibit enhanced functional properties, including higher tenacity, excellent insulation, improved thermal resistance, etc. These products find end-use application across multiple industries such as sports, construction, defense, agriculture, aerospace, automotive and healthcare sector.

Technical textiles are also known as smart textiles. Manufacturers of technical textiles use both natural and manmade raw materials. Manmade materials, which currently account for 40% of total fiber consumption across the entire textile industry, include items like viscose, nylon, acrylic and polypropylene.

Garments made of technical textiles can offer many qualities which traditional garments cannot; they can be antibacterial, insect repellent, flame retardant, odorless and much more, allowing the wearer to reduce risks and bodily harm.

Technical textile is far more capital-intensive and requires greater use of technology than the apparel industry. Production of high-quality technical textiles and garments made of technical textile require a more skilled workforce, especially in the fields of inspection, raw materials testing, R&D as well as quality control through the manufacturing processes.

Manufacturing processes require skilled middle management to deal with daily problems in a critical manner. Managers, such as those responsible for procurement, will also need to be well-versed in the technical specifications.

So, launching training initiatives by individual companies can fill up the dearth of skilled human resources that the Bangladeshi entrepreneurs currently face in setting up a technical textile manufacturing unit.

Depending on the category or level of staff to be trained, the companies may employ different training strategies. For example, for technical operators, where learning by doing is an important way to gain skills, newer employees can often be trained within the company, with mentoring by other more experienced technical operators.

Countries such as China and India are already producing good quality technical textiles and will be formidable competitors. Innovation will be the key to carve out our niche in the technical textile segment. The greatest competitive advantage in the technical textile sector is possessing a unique product based on proprietary technology, which comes after extensive investment in R&D and product development activities.

However, increasing prices of utilities and energy could dilute the low-cost advantage of doing business in Bangladesh particularly for manufacturers with high energy consumption, which is the case of technical textiles.

Nonetheless, now is the time to seize the opportunity in the technical textiles market for Bangladesh. With the correct combination of investment and support, the country could compete effectively in technical textiles. To acquire more knowledge about both market demand and technology related to technical textile products, the government could send trade missions on fact-finding trips to international technical textile and trade show events.

The shift from manufacturing the traditional apparel to technical textile apparel or smart apparel will require substantial efforts and effective collaboration among all key sectoral players.

The future of Bangladesh's leap in technical textile obviously lies in synergies and collaboration across the entire apparel value chain.

Source: tbsnews.net- Sep 01, 2022

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Sri Lanka's merchandise export earnings exceeds US$ 1 billion in July 2022

Major product sectors except Rubber based products, Coconut based Products and Spices & Concentrates; Apparel & Textiles, Tea, Electrical & Electronic components, Diamonds, Gems & Jewellery and Food & Beverages as shown in the table 1 below, recorded increased exports in July 2022.

Exports of Apparel & Textiles increased by 21.55% y-o-y to US$ 550.05 million in July 2022. The increase was driven by both Apparel and Textiles.

Export earnings from tea in July 2022 which made up 11% of merchandise exports, increased by 2.08% y-o-y to US$ 117.52 million. This was mainly due to the higher Export of tea packets (13.57%).

Export earnings from the Electrical & Electronics Components increased by 4.36 % y-o-y to US$ 41.18 million in July 2022 with strong performance in exports of Insulated Wires & Cables (8.26%) and Other Electrical & Electronic Products (15.5%).

However, export earnings from Rubber and Rubber Finished products have decreased by 7.67% y-o-y to $ 89.24 million in July 2022, with poor performance in exports of Industrial & Surgical Gloves of Rubber (-20.96%).

On monthly analysis, except shell products export earnings of kernel products and fiber products categorized under the Coconut based products decreased by 25.62% and 15.45% respectively in July 2022 compared to July 2021.

Export earnings from Seafood decreased by 48.99% to US$ 20.65 million in July 2022 compared to July 2021. Except shrimps, export earnings from Frozen fish and Fresh fish decreased by 59.5% and 61.36% respectively in July 2022.

Further, export earnings from Ornamental fish decreased by 72.47% to US$ 1.36 million in July 2022 compared to July 2021.

In addition, export earnings from Spices and Essential Oils decreased by 26.2% to US$ 33.91 million in the month of July 2022 compared to month of July 2021 due to the poor performance in export of Cinnamon (-17.45%), Pepper (-38.36%), Oleoresins (-4.78%) and cloves (-51.87%).

Click here for more details

Source: colombopage.com - Aug 31, 2022

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Pakistan to generate additional $2 billion through branding exports: PBF

"Various studies suggest that consumers are influenced 25pc by price and packaging and 25pc by communication and promotions, whereas the quality of a product, positioning, availability and origin each has a 12.5pc impact on consumers.

That means consumers are influenced more by branding and marketing than the quality of the product".

Speaking to a delegation of the business community, he said that Pakistan's fashion designing and textile segments had emerged as important contributors to the national trade because of their export potential.

He was of the view that the two segments possessed tremendous potential to secure a mammoth share in the international fashion market valued at billions of dollars.

"Pakistan can grab a significant share in the global fashion industry if it succeeds in attracting the attention of foreign buyers," he said. Zulfiqar recommended the government to establish five mega textile parks in special economic zones to help turn the local industry competitive at the global level.

He stressed that the government should make it compulsory for large spinning units, having more than 30,000 spindles, to grow their own cotton for manufacturing yarn.

"The country's textile exports cannot be enhanced without increasing the area under cotton cultivation and enhancing the cotton yield," he said.

He highlighted that the country's textile sector was functioned on its full capacity in 2020/21 and all major textile exporting nations, including Pakistan, were brimming with orders because stores were mostly empty due to the disruption to the supply chain of textile.

"However we haven't devise a proper mechanism to continue that trend in the long run," he said. Now again we are in sort of trouble. Despite other challenges of tariff issues which is again visible in the industry.

Similarly textile sector "is also producing artificial silk, which resembles its natural counterpart but costs less to produce", he said, adding that around 90,000 looms were working on this product throughout the country.

"The quality of fabric produced by Pakistan is better than many other countries," he emphasised. He added that the lack of brand building was limiting revenues of the country and pointed out that Pakistan could generate an additional $2 billion in exports solely by focusing on branding.

"European companies earn millions of dollars by branding merchandise that is mostly manufactured in South Asian countries."

Source: dailytimes.com.pk- Aug 30, 2022

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NATIONAL NEWS

Texprocil expects orders worth ₹470 crore from 3-day event

Cotton Textile Export Promotion Council of India held a reverse buyer-seller meet recently in Mumbai

The Cotton Textile Export Promotion Council of India, popularly known as Texprocil expects an export order of about ₹470 crore ($59 million) at the three-day reverse buyer-seller meet held recently in Mumbai.

The show had over 50 stalls of Indian suppliers displaying yarns, fabrics and home textiles, while international buyers from over twenty countries invited by Texprocil visited the event.

Manoj Patodia, Chairman, Texprocil said the exhibitors and visitors had made on-site bookings to the tune of $6.4 million (₹51 crore), while orders worth $59 million (₹470 crore) are in the negotiation phase.

Given the current global market dynamics for cotton textiles, the orders reflect encouraging business prospects in the coming months, he added.

Source: thehindubusinessline.com– Aug 29, 2022

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Efforts on to expedite FTA talks, says Goyal

Commerce and industry minister Piyush Goyal on Tuesday held a meeting to review the ongoing negotiations for free trade agreements (FTAs) with various countries in a bid to expedite the talks and boost export prospects. The meeting comes at a time when demand from India's key markets such as the US and the EU are expected to slow down due to recession there.

Exports to China, the fourth-largest destination for India, crashed 31% in the June quarter from a year before. Given the strong external headwinds, Goyal has already asked industry to study various FTAs that the country has signed and identify areas where domestic suppliers have competitive edge so that they can boost exports.

Deliberations on ways to fast-track negotiations are on "to achieve mutually beneficial FTAs, paving the way for increased exports, investments & people to people ties", Goyal's office said in a tweet on Tuesday.

India is either negotiating or planning to start talks for a flurry of high-stake FTAs with key economies, such as the EU, the UK, Canada, Israel, members of Gulf Co-operation Council (GCC) and Australia. While New Delhi has clinched an interim deal with Canberra, talks for a full-fledged FTA could start soon.

Together these economies (excluding the UAE, a part of the GCC, with which an FTA is already signed) contributed as much as $108 billion, or 26%, to India's merchandise exports in FY22. Both India and the UK are eying a deal by Diwali this year (October 24).

Also read: India seeks duty-free access for goods under trade pacts

India's merchandise export growth slowed down to just 2.1% on year in July to $36.3 billion. However, in the first four months of this fiscal, exports grew 20.1% to $157.4 billion. Goods 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.

Source: financialexpress.com– Aug 31, 2022

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India seeks duty-free access for goods under trade pacts

Commerce and industry minister Piyush Goyal on Monday said India is trying to get duty-free access for a broad range of products, which are identified under the One District One Product (ODOP) initiative, under trade agreements.

He also called for the integration of the ODOP initiative with the Open Network for Digital Commerce (ONDC) platform. This will help expand the ODOP frontiers by "bringing buyers and sellers together on a democratic platform".

Delivering a speech after launching the ODOP Gift Catalog and ODOP Storefront on the government e-marketplace (GeM) here, the minister said these products — including gold jewellery, handicrafts, handlooms and toys — present huge opportunities for exporters.

Through the ODOP initiative, the government intends to convert each district into an export hub by identifying at least one product of that district that has huge export potential.

"We are doing free trade agreements (FTAs) where we are looking at duty-free access for all these products. So we can create international acceptance of these products," Goyal said.

India is either negotiating or planning to start talks for a flurry of high-stake FTAs with key economies, such as the EU, the UK, Canada, Israel, members of the Gulf Co-operation Council (GCC) and Australia. While New Delhi has clinched an interim deal with Canberra, talks for a full-fledged FTA could start soon. Together, these economies (excluding the UAE, a part of the GCC, with which an FTA is already signed) contributed as much as $108 billion, or 26%, to India's merchandise exports in FY22.

Goyal has suggested a five-point approach for the ODOP's success. This includes developing one-stop gifting destinations with high-quality suppliers; involving students of institutions like the National Institute of Design to boost design; and imparting extensive training to artisans.

"Let us look at creating art and crafts villages at the G20 destinations across India. This can become the seed which will help artisans for years and help tourism, and will give visibility to ODOP," Goyal said. In addition to the ONDC, programmes like Startup India and Make in India would further support the ODOP initiative.

To make it a success, the commerce ministry is also addressing bottlenecks over shipping out of these products, supporting local entities to scale up manufacturing for exports, and identifying potential customers overseas.

Source: financialexpress.com– Aug 30, 2022

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Indian economy to grow over 7% in FY23, says finance secretary

Allaying concerns of high imports denting the fiscal architecture, he said the government was on course to meet the fiscal deficit target

Indian economy is on course for a 7-plus per cent growth rate in the current fiscal year, finance secretary T V Somanathan said on Wednesday. Commenting on the first quarter GDP growth rate of 13.5 per cent, he said the economy is 4 per cent above pre-Covid levels.

Allaying concerns of high imports denting the fiscal architecture, he said the government was on course to meet the fiscal deficit target of 6.4 per cent of GDP in the current fiscal year ending March 31, 2023.

Economic Affairs Secretary Ajay Seth said GST collection for August is likely to remain in the range of ₹1.42-1.43 lakh crore, showing buoyancy in the economy.

Also, gross fixed capital formation grows 34.7 per cent during April-June, the highest in ten years, he said.

Source: financialexpress.com– Aug 30, 2022

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One District One Product initiative should be integrated with ONDC: Goyal

The government's One District One Product (ODOP) initiative, aimed at promoting one product from each district for balanced regional development, should be integrated with the Open Network for Digital Commerce (ONDC), to bring buyers and sellers together on a democratic platform, Commerce & Industry Minister Piyush Goyal said while delivering his address after unveiling the unabridged ODOP Gift Catalog containing 300-plus products, and the ODOP Storefront on GeM (Government e-Market) on Monday.

ONDC is an initiative aimed at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks.

Goyal said the G20 summit, set to take place in India soon, would be a great opportunity to showcase ODOP Products. He suggested that G20 delegates be given an exposure to ODOP products through well curated exhibitions of quality ODOP products and tours of craft villages.

The ODOP storefront on GeM went live with 75 categories covering products from across states and UTs, an official statement issued by the Commerce & Industry Ministry said.

"The purpose of the storefront is to enable direct procurement of ODOP products for gifting/ office use by various line ministries, government bodies, and foreign missions abroad. This will enable an international audience for India's rich and diverse products," the release said.

On the success of ODOP in several states like Uttar Pradesh, the Minister said convergence or 'samanvay' is a critical factor that would propel the success of ODOP.

He proposed that flagship government programmes such as Startup India, Make in India and districts as export hubs be converged with the vision of ODOP. He asked all the ministries to help expand the mandate of ODOP through complementary initiatives. "The Minister asked Ministries, Departments and other government bodies to consider ODOP products exclusively for gifting purposes, both within and outside India," the release stated.

The Department for Promotion of Industry and Internal Trade Secretary, Anurag Jain, highlighted the ways in which the ODOP initiative was working to transform the lives of artisans, women, craftsmen, and farmers.

Source: thehindubusinessline.com– Aug 30, 2022

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Centre prepares to select projects for textile mega parks

The Centre, ahead of approving proposals for mega textile parks, has asked states to provide a long-term projection for power tariffs that would be charged at these parks, a government official said.

The scheme, known as Mega Integrated Textile Region and Apparel (PM MITRA), was announced in Budget 2021 to make the textile industry globally competitive. It was given a budget of ₹4,445 crore for seven years up to 2027-28. Seven such parks are due to be approved. “We have almost finalized the states where mega textile parks will be set up. But we are trying to get a few things from the states by way of concessions. We are trying to get states to agree to a better power regime. In some states, the cost of power is quite high and we are trying to get it reduced. They have been asked to give us a long-term roadmap— say 15 years—of the power tariff that will be charged at these textile parks. We are telling them to refrain from raising power charges for 15 years but we are looking for some kind of a projection regarding the same," an official said.

India’s textile and apparel exporters complain that a largely fragmented supply chain and higher logistics costs push up the cost of production—one reason export orders have steadily moved to countries such as Bangladesh and Vietnam. These mega parks, textile makers say, could help return textile orders as a result of a planned integrated textiles value chain—including spinning, weaving and processing —at a single location. Among the states that have shown interest are Andhra Pradesh, Assam, Gujarat, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu and Telangana.

“About 13 states had sent 18 proposals for the textile park. But Punjab did not fulfil the criteria of providing 1,000 acres of litigation/encumbrance-free land. Madhya Pradesh has sent four proposals, and Maharashtra and Karnataka sent two each. We will most likely select only one proposal from each state," the official added.

Last month, the Punjab government scrapped the textile park proposal near Ludhiana after locals and NGOs claimed the project would cause water pollution. CM Bhagwant Mann said the state will would provide an alternative land parcel.

Source: livemint.com– Sep 01, 2022

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Industry likely to get transition period for Labour Codes

This will ensure that it is done in a smooth manner, without too much confusion and problems on the ground

In what could help industry and employers ease into the new framework, the government is likely to provide a transition period to them for the implementation of the Labour Codes.

"The thinking is to provide about a two month switchover or transition period from the date of the notification for companies and establishments to implement the Codes. This will ensure that it is done in a smooth manner, without too much confusion and problems on the ground," said a source close to the development.

Laying groundwork

A short transition period to lay the groundwork and adapt their systems to the new laws has also been a key suggestion of the industry, in recent discussions with the Ministry of Labour.

In discussions with industry, including a recent meeting with CII, representatives have indicated to the Labour Ministry that the provision of a 50 per cent cap on wages is acceptable, but they would like more clarity on the definition of wages. It has also requested that the new calculation of gratuity should kick in from the day the law is implemented. A transition period will especially be required in case of a mid-year implementation of the Labour Codes, sources further indicated.

Implementation of codes

The Centre continues to remain keen on rolling out the four Codes this fiscal and if possible, over the next few months.

"A mid year roll out will mean that most companies will have to re-do their employment contracts. This will take some time but industry is eagerly awaiting the implementation of the Codes," said another source.

A staggered implementation of the Codes is also likely as a number of States are also ready. In such a scenario, the Code on Wages and the Code on Social Security would be the first ones to be rolled out while the Industrial Relations Code and The Occupational Safety, Health and Working Conditions Code could be implemented later.

The Centre and States have also held discussions on the four Codes in the National Labour Conference last week, where there was a separate session on framing of rules and modalities for effective implementation of the Labour Codes.

Source: thehindubusinessline.com– Aug 29, 2022

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India Inc's foreign investment declines over 50% to $1.11 billion in July

India Inc's foreign direct investment in July declined over 50 per cent to USD 1.11 billion in July 2022, the Reserve Bank data showed.

As per the RBI data, on Outward Foreign Direct Investment (OFDI), the domestic companies had invested over USD 2.56 billion in July 2021 in the form of equity, loan and issuances of guarantees.

In a breakup, the Indian businesses invested USD 579.15 million by equity infusion, USD 193.21 million as loans and USD 337.49 million infused by issuing guarantees to their overseas ventures during July 2022.

Among the major investors included Reliance Industries USD 160 million in its wholly-owned energy subsidiary in Singapore, Reliance Industrial Investments & Holdings USD 40.74 million in the fully-owned unit in retail business in the UK, and Ravindra Energy putting USD 33 million in its fully-owned unit in the UAE.

Hasham Traders invested USD 32.71 million in a joint venture in the US, which is into financial services.

Source: business-standard.com– Sep 01, 2022

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Logistics Division demonstrates a dynamic user interaction dashboard for industry for issues pertaining to logistics services

Industry associations and trade bodies will no longer have to burden themselves with paper correspondences to highlight issues and suggestions related to logistics services to the government.

A new digital initiative of the Logistics Division, Department for Promotion of Industry and Internal Trade (DPIIT) – the creation of a user-interactive dashboard – will now allow authorized user associations to log-in and lodge issues or suggestions for the government to track and resolve in a transparent manner.

It is being seen as a novel initiative for the industry that will not only allow the division to address issues related to a single Ministry/Department but also multiple ministries/departments.

A user demonstration of the system was organised recently that witnessed the participation of all major industry associations associated with logistics services in India. In the demonstration, the prototype of the system and its benefits were discussed.

This was followed by a detailed demonstration on the dashboard which would bring the industry and agencies closer with a continuous two-way communication that would help in responsive governance.

The initiative is expected to help in the identification of procedural issues that lead to lower efficiency in logistics and higher logistics costs.

Echoing the views of the government, the senior office bearers of all industry associations present for the demonstration welcomed the initiative as a much needed tool that would significantly reduce communication gap between trade and the agencies.

The user interaction dashboard is part of several initiatives being developed by the Logistics Division, DPIIT to address the technology, services, and human resource related aspects of logistics efficiency in the country.

The dashboard is expected to be launched for all authorised associations in the sector soon.

Senior officials from the Logistics Division have also indicated that to streamline the inter-ministerial coordination of service related issues in logistics, an institutional mechanism such as the Network Planning Group (NPG) under PM GatiShakti is also under consideration.

Such endeavours are expected to give a significant boost to India's logistics efficiency.

Source: pib.gov.in– Aug 31, 2022

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Nigeria seeks stronger ties with Indian textile industry

Nigeria is looking at strengthening its ties with Indian textile industry to revive its cotton integrated industry. Muhammad Bala, Deputy Director of Industrial Development Department, Federal Ministry of Industry Trade and Investment, Nigeria, and Navdeep S. Sodhi, Partner, Gherzi Textil Organisation, told The Hindu on Tuesday that a 12-member delegation was on a week's study tour to India. They are holding discussions with the industry in some of the textile hubs to learn more about the best practices adopted across the textile value chain.

On Tuesday, the delegates had a meeting with Southern India Mills' Association (SIMA) and with South India Textile Research Association, apart from visiting some of the textile industries and institutions. According to one of the delegates, Nigeria has 84 million sq.km of fertile land and nearly one million sq.km is under cotton cultivation. However, the textile industry in Nigeria, which was once a thriving sector, is facing challenges because of import of garments at low prices.

Mr. Sodhi said "influx of low cost Chinese garments through the unorganised route undermines the local industry." Mr. Bala added that the Nigeria Government was trying to address it.It has a cotton textile government policy. Indian investments in the textile sector in Nigeria is one of the highest.

"We need to modernise and upgrade this industry," said Mr. Sodhi. Hence, Nigeria was looking at strengthening cooperation with the Indian textile and garment industry in the areas of cotton production, trade, investments, and capacity building.

K.Selvaraju, Secretary General of SIMA, said India's textile and garment exports were worth $ 44 billion in 2021-2022 and is expected to touch $ 100 billion by 2030. Explaining details of cotton cultivation in south India and textile industry's growth, he said the industry is willing for better cooperation with Nigeria.

Source: thehindu.com– Aug 30, 2022

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ONDC must work with traders, industry associations to implement network at ground level, says Goyal

Commerce & Industry Minister Piyush Goyal has said that the Open Network for Digital Commerce (ONDC) – the government's initiative aiming at promoting open networks for exchange of goods and services over digital or electronic networks – must work in active cooperation with traders and industry associations to implement the network at the ground level.

"Faster scaling up can be achieved with the cooperation of these associations," Goyal said at a a meeting to review the progress of ONDC in New Delhi on Tuesday.

The Minister also directed the Department for Promotion of Industry and Internal Trade (DPIIT) to work with all States to create awareness about the utility of ONDC and devise programmes so that small traders, artisans, handicraftsmen, farmers, MSMEs from across the country are able to take full advantage of this open network, according to a statement issued by the government.

Goyal also made a case for ONDC working with start-ups to encourage and assist more entrepreneurs to develop e-commerce apps and assist their local traders, artisans, handicraftsmen, farmers and MSMEs. "All government supported Incubators and other institutions and mechanisms working for innovation and entrepreneurship should be leveraged," the release said.

The meeting was also attended by DPIIT Secretary Anurag Jain, QCI Chairman Adil Zainulbhai, and ONDC MD & CEO T Koshy.

"It was apprised that since the alpha launch in five cities in April, ONDC has been testing with a closed user group for end to end execution to understand their fulfilment. ONDC expects the number of network participants to substantially increase to more than 30 in the coming weeks. Building on this, ONDC plans to start beta-testing the network with public users in limited areas," the statement pointed out.

Source: thehindubusinessline.com- Aug 30, 2022

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Govt to take call on National Textile Corporation closure soon

Inter-ministerial consultations are underway on the likely closure of the ailing National Textile Corporation (NTC), which has 23 mills with obsolete technology and has remained non-operational. However, its land may be monetised, sources said.

Due to the unavailability of working capital and other financial constraints, operations in all NTC mill units are presently under suspension. To protect the interest and welfare of employees, they are being paid wages and statutory dues as per mutual agreement between the management and representing workers of the mill. NTC has 7,825 employees working/on the rolls at its mills.

“The Cabinet will take up the NTC closure after the consultation process is over,” an official said. Even though it made profits due to monetisation of land in FY17, NTC has been incurring operational losses since FY07. The main reasons attributed to such loss are high input cost, high worker turnover/ wage cost, lower market competitiveness, etc.

In FY20, the latest year for which financials are available, the company reported a net loss of Rs 350 crore, an increase of 13% on year. Under the Board for Industrial and Financial Reconstruction (BIFR)-recommended revival scheme, which was extended up to March 31, 2012, around Rs 5,500 crore was spent towards meeting various expenses, like clearing up outstanding statutory dues, one-time settlements (OTS) with financial institutions, interest payment, and compensation under modified VRS (MVRS).

Moreover, NTC has spent an amount of Rs 1,646 crore on the modernisation of its mills under the revival scheme. However, despite such an infusion of funds, the corporation has not been operationally profitable, partly due to the rise in raw material costs.

Source: financialexpress.com– Aug 30, 2022

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India's eB2B market to grow to USD 90-100 billion in GMV by 2030: Report

India's eB2B market may grow to USD 90-100 billion in gross merchandise value by 2030 from USD 50 billion in 2021 on the back of massive penetration and multiple favourable factors, according to a report.

The report by strategy consulting firm Redseer also forecasts that the B2B (business-to-business) retail general trade opportunity in India will reach around USD 1.2 trillion by that time with eB2B taking up a 8 per cent share.

eB2B has already captured a fair share of the offline market, and retailers are confident about increasing their spending soon, it said, suggesting that some 50 per cent of the non-users are willing to shift to such platforms in the coming year.

In order to access underserved markets, brands are turning increasingly to eB2B, either as an addition to their current distribution network or as a replacement for "ineffective" traditional distributors, Redseer said.

One of the fastest growing business segments in the world, the domestic eB2B market comprises multiple players who differ in terms of their city presence and the range of retail categories they cover.

"Retailers, brands and manufacturers have realised the eB2B market's potential and are betting on it to shape the way they do business. While manufacturers have limited competitive threat, the eB2B channel is also helping retailers and brands solve multiple problems in their day-to-day business," Mrigank Gutgutia, Partner at Redseer Strategy Consultants, said.

"India's eB2B market has scope for multiple models but, multi-category play with wide category coverage and national coverage is likely to win. eB2B is projected to reach USD 90-100 billion GMV (Gross Merchandise Value) by 2030, owing to a humongous opportunity," he stated.

While the regional market is generally restricted to metros and top tier 1 cities, the national market implies a presence across the country, as per Redseer, which also said that owing to higher opportunity size, adoption and engagement, multi-category national players are best placed to win in this market.

In India, unorganised general trade channels drive the bulk of retail and will continue to drive it in the next decade. A large pool of around 13 million retailers drive this general trade opportunity, majority of which are small-scale and concentrated in the tier 2+ markets, it said.

According to Redseer, while this market is at an early stage right now, given low adoption in lower city tiers and small stores, eB2B is emerging as a strong digital procurement solution.

eB2B platforms have been able to effectively resolve some of the pressing pain points such as higher prices, no credit option, untimely delivery, and low quality of products, among others, it stated.

Source: financialexpress.com- Aug 31, 2022

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Core sector growth slows down to 4.5% in July

The eight core industries' output growth for July 2022 came in at 4.5 per cent, much lower than the upwardly revised 13.2 per cent output growth seen in June, data released by Commerce Ministry on Wednesday showed.

In the world's fastest-growing major economy, six of the eight core sectors saw positive growth in output in July 2022. These six sectors were coal, refinery products, electricity, fertilisers, cement and steel. Only crude oil and natural gas sectors saw output contraction in July.

The growth rate of the eight sectors during April-July was 11.5 per cent, much lower than 21.4 per cent growth in the same period last year.

Meanwhile, coal production rose 11.4 per cent year-on-year in July, and electricity generation increased 2.2 per cent. Both refinery products and fertilisers output grew 6.2 per cent in July 2022 from a year earlier.

Cement production rose 2.1 per cent, while steel output gained 5.7 per cent for the month under review. Crude oil output declined 3.8 per cent from a year earlier. Natural gas output fell 0.3 per cent in July 2022.

The core sector growth for June was revised upwards from 12.7 per cent earlier.The final growth rate of the index of eight core sectors for April 2022 was revised to 9.5 percent from its provisional level of 8.4 percent.

Previously, the Commerce and Industry Ministry revised the final growth rate of core industries for March 2022 to 4.8 per cent from 4.3 per cent earlier. The output for February 2022 was revised upwards to 5.9 per cent from the provisional level of 5.8 per cent.

Previously the growth output of core industries for January 2022 was revised upwards. The core output for December 2021 was earlier revised upwards to 4.1 per cent.

Source: thehindubusinessline.com– Aug 31, 2022

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ECLGS helped MSMEs start new trades as well apart from reviving, scaling business: Report

Credit and Finance for MSMEs: The Modi government's post-Covid flagship credit scheme for MSMEs Emergency Credit Line Guarantee Scheme (ECLGS) not only helped MSMEs to revive and scale their business but also enabled them to start new trades, said a new report by credit bureau TransUnion CIBIL on Monday.

Over the course of four quarters since availing ECLGS, the average number of new trades opened per MSME borrower went up by 15 per cent compared to only 6 per cent for the eligible borrowers who didn't avail of the credit scheme, the ECLGS Insights Report said. The average number of new trades opened per borrower before and after availing ECLGS. (Q0 represent the reference point of availing ECLGS). Source: TransUnion CIBIL ECLGS Insights Report August 2022.

Among the top beneficiaries, ECLGS helped revive contact-intensive sectors such as mobility and consumption-dependent sectors like services, traders, and construction, along with labour-intensive industries like textile and food processing.

Traders had the highest share of 20.9 per cent in the disbursement amount followed by services businesses (19.2 per cent), textiles (8 per cent), food processing (5.7 per cent), construction (4.1 per cent), etc. Sectors with the lowest disbursement share were auto components, hospitality, paper and paper products, infrastructure, gems and jewellery, etc.

In terms of asset quality, the study noted that ECLGS was also able to help borrowers manage their asset credit better in comparison to those who were eligible for the credit scheme but didn't avail it. The NPA rate for MSMEs availing ECLGS was 4.8 per cent, lower than 6.1 per cent for MSMEs who were eligible but did not opt for it. Moreover, the roll forward rate from 1-89 days past due (DPD) to over 90 DPD was lower at 22. 7 per cent for borrowers who borrowed credit through ECLGS versus 27 per cent for eligible non-borrowers.

Source: financialexpress.com- Aug 29, 2022

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