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INTERNATIONAL NEWS

Second-Half Slowdown? Apparel, Cargo Imports Cooling Off

After rising 24 percent in the first half of the year, U.S. apparel imports receded to an increase of 22.91 percent year to date through July to 19.5 billion square meter equivalents (SME), the Commerce Department's Office of Textiles & Apparel (OTEXA) reported Wednesday.

The new data also showed July imports were up 17.4 percent from a year earlier to 2.04 billion SME, down from a 19 percent year over year increase in June. Shipments from top supplier China held steady with a 22.41 percent increase for 2022 through July to 6.71 billion SME, on par with the first half. The country, still with tariffs in place against its shipments to the U.S., did see a 22.7 percent year-to-year gain to 1.27 billion SME following a 12.6 rise in June.

The rest of the Asian Top 10 producers for U.S, retailers and brands drove divergent results. Showing strong gains were Vietnam, Cambodia, India and Indonesia, while Pakistan and Bangladesh posted modest increases.

Year-over-year imports in July for Vietnam were up 17.4 percent to 422.34 million SME, India's shipments rose 52.3 percent to 121.74 million SME, Cambodia's increased 50 percent to 128.43 million SME and imports from Indonesia rose 45.8 percent to 94.8 million SME. On the other hand, imports from Bangladesh inched up 4.4 percent in the month to 203.34 million SME and shipments from Pakistan were up just 4.7 percent to 77.31 million SME.

Imports from Pakistan are likely to continue to suffer, as the country and its supply chain suffers through a devastating monsoon season.

The death toll in the South Asian nation, a third of which is currently submerged underwater, has crossed the 1,300 mark, with more than 1 million houses damaged or destroyed and 800,000 livestock perished so far. H&M Foundation recently pledged $250,000 in disaster relief.

Though the final cost of the building, infrastructure, agricultural and livestock loss will take another six to eight weeks to determine, minister of planning Ahsan Iqbal said that it could well exceed $10 billion and take the better part of a decade to remediate.

Pakistan's monsoon rains have swept away some 70 percent of Better Cotton grown in the country. Better Cotton, which works with nearly 500,000 licensed farmers across 1 million hectares of Pakistan cropland, said last week it was still surveying the damage, but early estimates suggest that between 200,000 to 250,000 farmers have been affected.

The Western Hemisphere supplier nations rounding out the Top 10 also presented a mixed picture. With new initiatives spurring momentum, countries under the Central American Free Trade Agreement posted solid year-over-year increases in July. Imports from Honduras rose 13.2 percent to 85.69 million SME and shipments from Nicaragua increased 13.4 percent to 61.63 million SME.

North Carolina educational institutions are joining forces with a key Honduran university to educate and train thousands of students for the next-generation textile workforce to meet a rising tide of nearshoring and onshoring in Honduras, Central America and the United States.

With backing from the U.S. State Department, North Carolina State University, Gaston College and Catawba Valley Community College signed a Memorandum of Understanding last month with Honduran-based Central American Technological University.

"U.S. companies are making significant investments in developing co-production facilities that will create jobs in both the United States and Central America, which advances U.S. government efforts to create economic opportunity in the region," a State Department spokesperson said.

"This agreement will strengthen supply chain security and integration, providing benefits for producers and consumers across the Western Hemisphere. The U.S. government will continue to maintain and build upon these successes by working together with other governments and the private sector to solidify and expand these productive relationships. We all benefit when we cooperate and facilitate strong, mutually beneficial public-private partnerships."

Not faring as well was Mexico, which saw its imports into the U.S. fall 20 percent in July from a year earlier to 61.51 million SME. For the year to date, shipments from Mexico were down 19.13 percent to 393 million SME.

Cargo imports fall from last year's heights

The Global Port Tracker report also released Wednesday by the National Retail Federation (NRF) and Hackett Associates said imports at the nation's major container ports are expected to fall below last year's levels for the remainder of 2022, with inflation continuing and the Federal Reserve hoping to cool demand through higher interest rates.

"Consumers are still buying, but the cargo surge we saw during the past two years appears to be slowing down," Jonathan Gold, vice president for supply chain and customs policy a NRF, said. "Cargo volumes are solidly above pre-pandemic levels, but the rate of growth has slowed and even slid into negative numbers compared with unusually high volumes last year. The key now is dealing with ongoing supply chain issues around the globe and with labor negotiations at West Coast ports and freight railroads. Smooth operations at the ports and on the rails is crucial as we enter the busy holiday season."

Talks continue between the International Longshore and Warehouse Union and the Pacific Maritime Association, whose contract expired July 1. Meanwhile, the freight railroads and their unions have continued to negotiate after recommendations from the Presidential Emergency Board appointed this summer were released. Both dockworkers and railroad workers remain on the job, but there are concerns about potential disruptions.

"The number of vessels waiting to dock on the West Coast has been reduced to near normal," Hackett Associates founder Ben Hackett said. "But with the switch of some cargo to the East Coast, congestion and pressure on the ports has shifted to the East Coast. The inland supply chain, particularly rail, continues to face difficulties that have resulted in the delay of containers leaving ports, causing terminal congestion that impacts the ability of carriers to discharge their cargo."

U.S. ports covered by Global Port Tracker handled 2.18 million 20-foot containers or equivalent units (TEU) in July, down 3.1 percent from June and 0.4 percent from July 2021. This marks only the third year-over-year decline in two years and the first since December 2021.

Global Port Tracker projected August cargo imports fell 4.3 percent to 2.17 million TEU. September is forecast at 2.1 million TEU, down 1.8 percent; October also at 2.1 million TEU, down 4.8 percent; November at 2.04 million TEU, down 3.3 percent, and December at 2.01 million TEU, down 4 percent.

The first half of the year totaled 13.5 million TEU, a 5.5 percent year-over-year increase. The forecast for the remainder of the year would bring the second half to 12.6 million TEU, off 3.1 percent year over year. For the full year, 2022 is expected to total 26.1 million TEU, up 1.2 percent from last year's annual record of 25.8 million TEU.

Global Port Tracker provides historical data and forecasts for the U.S. ports of Los Angeles-Long Beach and Oakland, Calif., and Seattle and Tacoma, Wash., on the West Coast; New York-New Jersey; Port of Virginia; Charleston, S.C.; Savannah, Ga., and Port Everglades, Miami and Jacksonville, Fla., on the East Coast, and Houston on the Gulf Coast.

Source: sourcingjournal.com - Sep 07, 2022

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China's trade falters as demand wanes

China's exports and imports lost momentum in August with growth significantly missing forecasts as surging inflation crippled overseas demand and fresh Covid curbs and heatwaves disrupted output, reviving downside risks for the shaky economy.

Exports rose 7.1 per cent in August from a year earlier, slowing from an 18.0 per cent gain in July and marking the first slowdown since April, official data showed on Wednesday, well below analysts' expectations for a 12.8 per cent increase. Outbound shipments have outperformed other economic drivers this year but now face growing challenges as rising interest rates, inflation and geopolitical tensions pummel external demand.

The disappointing August trade figures rattled global financial markets, which have already been buckling under a surging dollar and the prospect of much higher US interest rates.

"It seems the export softness arrived in earlier than expected, as recent shipping data suggests that demand from the US and EU has already slowed as shipping prices have been falling significantly," said Zhou Hao, chief economist at Guotai Junan International.

He expects pricing effects will continue to disrupt trade and said import growth in real terms had already turned negative since the late first quarter, suggesting more headwinds for demand. Responding to the disappointing data, China's yuan extended losses, losing 0.36 per cent to 6.98 per dollar and approaching the psychologically crucial 7 mark.

Despite languishing around two-year lows, the weakening yuan has failed to give China's exports the competitive edge they need to make up for softening external demand. The slower growth is also in part due to unflattering comparisons with strong exports last year, but also worsened by more Covid restrictions as infections spiked and heatwaves disrupted factory output in southwestern areas.

Export hub Yiwu imposed a three-day lockdown in early August to contain a Covid outbreak, disrupting local shipments and delivery of Christmas goods amid the peak season.

Bucking the broader trend, auto exports remained robust in August, jumping 47 per cent from a year earlier, according to Reuters calculations based on customs data.

In the first eight months, China exported 1.9 million units of cars, up 44.5 per cent, supported by strong demand for new energy vehicles in Southeast Asia. Weak domestic demand, weighed by the worst heatwaves in decades, a property crisis and sluggish consumption, crippled imports.

Inbound shipments rose just 0.3 per cent in August from 2.3 per cent in the month prior, well below a forecast 1.1 per cent increase. Both imports and exports grew at their slowest pace in four months. China's imports of crude oil, iron ore and soybeans all fell, as the strict Covid curbs and extreme heat disrupted domestic output.

Baking temperatures, however, led to the fastest increase in coal imports this year as power generators scrambled for additional fuel to meet surging electricity demand.
"The remarkably slower imports growth indicated the sector has faced a wave of headwinds in recent months, which is not expected to ease anytime soon," said Bruce Pang, a chief economist at Jones Lang Lasalle.

"Covid outbreaks disrupted supply chains and demand, while the power rationing measures hurt production. The broad dollar strength also brings pressure on imports."

This left a narrower trade surplus of $79.39 billion, compared with a record $101.26 billion surplus in July, marking the lowest since May when Shanghai was emerging from lockdowns.

Chinese policymakers this week signalled a renewed sense of urgency to shore up the flagging economy, saying action was critical in the quarter as data points to a further loss of economic momentum.

The central bank on Monday said it would cut the amount of foreign exchange reserves financial institutions must hold, a move aimed at slowing the yuan's recent declines.

Source: thedailystar.net- Sep 08, 2022

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The National Retail Federation: Import Slowdown Continues As Fed Tries To Rein In Consumer Demand

With inflation continuing and the Federal Reserve hoping to cool demand through higher interest rates, imports at the nation's major container ports are expected to fall below last year's levels for the remainder of 2022, according to the monthly Global Port Tracker report released today by the National Retail Federation and Hackett Associates.

"Consumers are still buying, but the cargo surge we saw during the past two years appears to be slowing down," NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said. "Cargo volumes are solidly above pre-pandemic levels, but the rate of growth has slowed and even slid into negative numbers compared with unusually high volumes last year. The key now is dealing with ongoing supply chain issues around the globe and with labor negotiations at West Coast ports and freight railroads. Smooth operations at the ports and on the rails is crucial as we enter the busy holiday season."

Talks continue between the International Longshore and Warehouse Union and the Pacific Maritime Association, whose contract expired July 1. Meanwhile, the freight railroads and their union have continued to negotiate after recommendations from the Presidential Emergency Board appointed this summer were released. Both dockworkers and railroad workers remain on the job, but there are concerns about potential disruptions.

"The number of vessels waiting to dock on the West Coast has been reduced to near-normal," Hackett Associates Founder Ben Hackett said. "But with the switch of some cargo to the East Coast, congestion and pressure on the ports has shifted to the East Coast. The inland supply chain, particularly rail, continues to face difficulties that have resulted in the delay of containers leaving ports, causing terminal congestion that impacts the ability of carriers to discharge their cargo."

U.S. ports covered by Global Port Tracker handled 2.18 million Twenty-Foot Equivalent Units – one 20-foot container or its equivalent – in July, the latest month for which final numbers are available. That was down 3.1 percent from June and down 0.4 percent from July 2021 – only the third year-over-year decline in two years and the first since December 2021.

Ports have not yet reported August's numbers, but Global Port Tracker projected the month at 2.17 million TEU, down 4.3 percent year over year. September is forecast at 2.1 million TEU, down 1.8 percent; October also at 2.1 million TEU, down 4.8 percent; November at 2.04 million TEU, down 3.3 percent, and December at 2.01 million TEU, down 4 percent.

The first half of the year totaled 13.5 million TEU, a 5.5 percent increase year over year. The forecast for the remainder of the year would bring the second half to 12.6 million TEU, down 3.1 percent year over year. For the full year, 2022 is expected to total 26.1 million TEU, up 1.2 percent from last year's annual record of 25.8 million TEU.

The current decline is expected to continue in January 2023, which is forecast at 2.11 million TEU, down 2.6 percent from January 2022.

The cargo data comes as NRF continues to forecast that 2022 retail sales will grow between 6 percent and 8 percent over 2021. Sales were up 6 percent during the first seven months of the year.

Global Port Tracker, which is produced for NRF by Hackett Associates, provides historical data and forecasts for the U.S. ports of Los Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Port of Virginia, Charleston, Savannah, Port Everglades, Miami and Jacksonville on the East Coast, and Houston on the Gulf Coast. The report is free to NRF retail members, and subscription information is available at NRF.com/PortTracker

Source: textileworld.com- Sep 07, 2022

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Bangladesh: For a level playing field, textile millers demand changes in cotton rulebook

Bangladeshi textile millers are going to put forward at least seven points at a meeting with the International Cotton Association on Thursday, according to sources, seeking changes in the cotton rulebook for ensuring equal treatment for both the cotton buyer and seller.

The points include mandating written confirmation for a cotton contract, mediation before arbitration, mandating oral hearing for arbitration, payment of appeal deposit in local currencies and setting up a laboratory in Bangladesh.

Local textile millers said rules of the International Cotton Association – the apex body for cotton buyers and sellers – are currently more favourable for cotton sellers.

"If the points are addressed, the rulebook will be balanced," Mohammad Ali, president of the Bangladesh Textile Mills Association (BTMA), told The Business Standard on Wednesday.

After China, Bangladesh is the second largest cotton importer of the world. The country's textile sector accounts for around 65% of the annual export earnings. The country imports cotton from Africa, India, Eastern Europe and Asia, USA, Australia and Pakistan.

International Cotton Association President Alex Shih-Kang Hsu and Managing Director Bill Kingdon have a scheduled meeting with the BTMA board in Dhaka Thursday.

According to textile sources, for mandating written confirmation for any cotton contract, the signature of the buyer must be verified by the buyer himself. In this regard, the BTMA is positive in providing the cotton association with its member details and the signatures.

In case of any dispute between the buyer and the seller, the BTMA advocates for an initial investigation before arbitration, and recognising BTMA investigation as a key evidence in the arbitration.

In an arbitration, textile millers say oral hearing currently is an option. But it should be "mandatory for the sake of justice".

The millers also demand a testing laboratory in Bangladesh so that quality claims can be settled jointly by the International Cotton Association and the Bangladesh Standards and Testing Institution.

Engr Razeeb Haider, a director at the BTMA, told The Business Standard that currently they have to send cotton samples abroad at the association nominated labs if any dispute arises over the quality of imported cotton.

"But as a key importer, we want a laboratory in Bangladesh," he added.

BTMA President Mohammad Ali Khokon said despite being the major cotton buyer of the world, Bangladeshi millers often do not get enough space in the International Cotton Association.

According to sources, BTMA will seek at least five Bangladeshi members in the cotton association board.

Source: tbsnews.net- Sep 08, 2022

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Bangladesh bank eases rules for exporters to retain USD

The Bangladesh Bank recently allowed exporters to retain the value-added portion of export proceeds—the part of the export receipts available after import bills of exporters for back-to-back letters of credit are settled—in US dollars for 30 days instead of 15 days. The decision will help exporters tackle the losses from the USD-taka exchange rate fluctuation.

The central bank also permitted exporters to transfer the value-added portion of export proceeds to other banks for the settlement of import bills or liabilities of the Export Development Fund.

It had instructed exporters in May to sell their export proceeds to the same banks through which they ship goods as many of them sold the dollars to the lenders that offered the higher rate, creating indiscipline in the foreign exchange (forex) market.

The bank asked exporters in August not to retain the value-added portion for more than 15 days to make the domestic forex market stable.

The country's forex market has been facing an unstable situation for several months due to high import bills, prompting the bank to ask exporters to encash their value-added amount within 15 days. The measure helped the banking sector receive additional US dollars.

As the volatility has eased to some degree recently, the central bank has extended the period for exporters to retain the greenback, according to Bangladeshi media reports.

Source: fibre2fashion.com - Sep 08, 2022

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NATIONAL NEWS

New Foreign Trade Policy to focus on IT-enablement, e-commerce, R&D, export hubs

But whether it will be a full five-year policy or mid-term is to be a 'political call'

The new Foreign Trade Policy (FTP), which will come with a vision statement that will set the road-map for future export growth, is set to be announced by the month-end, but a decision on its duration—whether full-term, mid-term or even shorter—is yet to be taken, sources tracking the matter have said.

"This time the FTP will be about trade facilitation, reducing costs, IT-enablement, promotion of e-commerce and pushing district export hubs. For the first time, it will also have a vision statement. But a decision has yet to be taken on its duration and the final call will be political," the source told BusinessLine.

New foreign trade policy

An FTP is usually of a five-year duration. The existing policy, which was implemented in 2015, was extended beyond 2020 as the economy grappled with Covid-19 disruptions. The last extension was till September 30, 2022. The new FTP is to be implemented from October 1.

"The two major possibilities are that either the FTP gets announced for a full five-year period till 2027 or a mid-term FTP is announced till March 31, 2024. The main issue is the general elections scheduled for 2024," the source said.

With a slowdown in export growth registered in the last few months, the government has to be careful about fixing an export target as well. India's exports touched an all-time high of $422 billion in 2021-22, posting a growth of 44 per cent over the previous year. In 2022–23, the Ministry has a target of crossing $450 billion in goods exports, although internally efforts are being made to touch $470 billion, Commerce Secretary BVR Subhrahmanyam recently said.

New section likely

While no big-bang fiscal incentives can be expected in the new FTP, as export sops are not compatible with WTO rules, incentives related to R&D are plausible, the source said.

"A new section on R&D service exports is likely in the FTP," he added.

A chapter on e-commerce, with a focus on helping the MSME sector take advantage of online platforms, is also expected.

The FTP would also work on mapping GI products and promote the use of e-commerce to market them effectively within the country. GI products are items that have a specific geographical origin and possess qualities or a reputation that are due to that origin.

Easier credit for MSMEs by facilitating alternative credit avenues is another area that the FTP could address, the source said.

Digitisation of trade processes country-wide to save on time and cost will also be a focus area for the trade policy.

Source: thehindubusinessline.com – Sep 07, 2022

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Until we get a good deal, no trade pact with Israel, says Piyush Goyal

The proposed India-Israel trade pact should be beneficial to both nations and until New Delhi gets a good deal, it would not do an agreement, Commerce and Industry Minister Piyush Goyal said. India and Israel are negotiating a free trade agreement (FTA) since May 2010.

“With Israel, until we get a good deal, we will not do an FTA. It has to be reciprocally beneficial,” the minister said here on Tuesday while interacting with the Indian community.

In a free trade pact, two countries significantly reduce or eliminate customs duties on maximum number of goods traded between them. Besides, they ease norms to boost trade in services and attract investments. Major exports from India to Israel include precious stones and metals, chemical products and textiles and textile articles while imports include precious stones and metals, chemicals and mineral products, base metals and machinery and transport equipment.

The bilateral trade in goods between the two countries stood at about USD 8 billion in 2021-22. It was USD 4.7 billion in 2020-21. India has recently signed trade pacts with the UAE and Australia.

“We are in active negotiations with the UK, Canada, the European Union. Out of these, the UK would probably happen soon now that the new government is in place

Conservative Party leader Liz Truss was on Tuesday formally appointed as Britain’s new Prime Minister.

She is the third female premier of that country. Goyal said active negotiations are going on with several countries on trade pacts. With Canada, he said “we could possibly see early progress in trade agreement or interim trade agreement by end of the year or early next year”.

With the EU, he said as it is a 27-nation bloc, the proposed trade pact with it would probably take a year-and-half or two.

"We have three other sets of countries – the Russian group of five countries, Switzerland and a group of 3-4 countries that are very very keen to do FTA with India."I am trying to assess whether Switzerland and other countries bring something substantive to the table which is good for India. The (Swiss) minister is coming in a week or two to India, the agenda is FTA. Last time, I had kind of conclusively said we are not very keen on this. If he gives me an offer I can't refuse, may be we will do it," he said.

Talks with the GCC, he said, are at advanced stage for preparing the scope of the trade pact and negotiations for that may be launched "very soon". The Gulf Cooperation Council (GCC) is a union of six countries in the Gulf region, namely, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

The European Free Trade Association (EFTA) members are Switzerland, Norway, Iceland and Liechtenstein. The Eurasian Economic Union (EAEU) comprises Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan. Meanwhile, the minister interacted with the venture capitalists here. He encouraged them for deeper engagements and greater partnerships with Indian startups.

Replying to a question on semiconductor sector, Goyal said India offers incentives to companies to set up manufacturing units."We are in dialogue with many companies and several of them have shown keen interest in investing in India," he said.

Talking on Open Network for Digital Commerce (ONDC), he said efforts were being made to roll out the initiative in one or more cities soon. ONDC is a set of standards for voluntary adoption by sellers or logistics providers or payment gateways. The objective is to democratise the fast-growing e-commerce sector in the country to help small retailers and reduce the dominance of online retail giants.

Source: financialexpress.com– Sep 07, 2022

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India-Australia Economic Cooperation and Trade Agreement will be finalised soon: Piyush Goyal

Union Minister for Commerce and Industry Piyush Goyal said that his Australian counterpart Dan Tehan will be in India later this month, adding that the Economic Cooperation and Trade Agreement (ECTA) is expected to be in the Parliament soon.

"Dan Tehan will be in India later this month and we have had discussions. But he has already assured me when he met me at the WTO meetings that they are very pleased with the outcome of the Australian negotiations and the free trade agreement, the ECTA Agreement and that they will be putting it into Parliament soon. I am told that the tentative timelines are the end of this year," Goyal said while responding to the trade and economic cooperation with Australia.

The India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA), was signed on April 2, 2022, between Piyush Goyal and Dan Tehan, in a virtual ceremony in presence of Indian PM Narendra Modi and Australian PM Scott Morrison.

IndAus ECTA which is set to provide zero-duty access to 96 per cent of India's exports to Australia including shipments from key sectors such as engineering goods, gems and jewellery, textiles, apparel and leather.

The pact is expected to boost bilateral trade in goods and services to USD 45-50 billion over five years, up from around USD 27 billion, and generate over one million jobs in India, according to a government estimate.

The agreement will also give about 85 per cent of Australia's exports zero-duty access to the Indian market, including coal, sheep meat and wool, and lower-duty access to Australian wines, almonds, lentils, and certain fruits.

Zero-duty access for Indian goods is set to be expanded to 100 per cent over five years under the agreement.

India and Australia enjoy excellent bilateral relations that have undergone transformative evolution in recent years, developing along a positive track, into a friendly partnership.

This is a special partnership characterized by shared values of a pluralistic, parliamentary democracy, Commonwealth traditions, expanding economic engagement, long-standing people-to-people ties and increasing high-level interaction.

The India-Australia Comprehensive Strategic Partnership was initiated during the India-Australia Leaders' Virtual Summit.

Growing India-Australia economic and commercial relations contribute to the stability and strength of a rapidly diversifying and deepening bilateral relationship between the two countries.

Source: lokmattimes.com– Sep 08, 2022

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Demand slowdown, global uncertainties impacting India's exports

Subdued demand from developed countries and blocs like the US and EU is impacting exports of key sectors including engineering, gems and jewellery and may have implications on India's exports in case the global situation does not improve in coming months. Global inflation, Russia-Ukraine war, simmering China-Taiwan crisis and supply disruptions are hurting economic growth worldwide, leading to poor demand, experts say.

The world merchandise trade volume is expected to grow 3 per cent in 2022 against the earlier forecast of 4.7 per cent, mainly due to the ongoing war between Russia and Ukraine, according to the World Trade Organization forecast, released in April. Organisation for Economic Cooperation and Development (OECD), a grouping of developed nations, has stated that G-20 merchandise trade growth has slowed markedly in value terms in second quarter of 2022 (April-June).

Exporters are keeping their fingers crossed over the country's exports growth and are hopeful that the situation would improve in coming months. Dip in exports and increase in imports widens trade deficit, putting pressure on the value of domestic currency. It also has implications on jobs. In August, the country's merchandise exports declined marginally 1.15 per cent to USD 33 billion and the trade deficit more than doubled to USD 28.68 billion on account of 37 per cent rise in imports during the month.

Major sectors which recorded negative growth during August include engineering, gems and jewellery, ready-made garments of textiles, cotton yarn/made-ups and fabrics; and plastic.Exports of engineering products, which account for over 25 per cent of the country's exports of USD 419 billion in 2021-22, dipped for the second consecutive month in August by about 14.5 per cent to USD 8.25 billion.

Similarly, gems and jewellery shipments contracted by 4 per cent to USD 3.3 billion; and plastics by 1.47 per cent to USD 744.5 million during August. Commerce Secretary BVR Subhramanyam recently said : “To control inflation and ensure availability of certain products, we have put some restrictions like on wheat, steel and iron ore pellets, and export duties on some goods. All this collectively has led to a certain flattening of exports in these sectors”.

The Engineering Export Promotion Council (EEPC) said that for a number of global factors, growth in the sector has come down in the last few months."A decline in demand from China and recessionary trends in major economies in the West have contributed to the slowdown in exports. The pace of growth also slackened due to export duty on certain steel products including stainless steel products," EEPC said in a statement.

Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said September-November period would be challenging for exports as per the current trend."We need to watch the situation carefully. Demand for low value products is there but for high value goods, the demand is not good," he said.Ludhiana Hand Tools Association President S C Ralhan said that demand slowdown and inflation in the US and Europe is hurting exports.

"Exporters have orders books only for about two months. If the current global situation will continue, it will impact our exports," Ralhan added. Export sectors like cotton fabrics, cashew, carpet ceramic products, oil meals and oil seeds and iron ore are recording negative growth.

Source: financialexpress.com– Sep 07, 2022

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Finance ministry to kick-start budgetary exercise for 2023-24 from October 10

The finance ministry will kick-start the exercise to prepare the annual budget for 2023-24 from October 10 in the backdrop of revival of the Indian economy and fears of recession in developed countries.

The budget for the next year will have to address critical issues of high inflation, boosting demand, job creation and putting the economy on a sustained 8 per cent-plus growth path.

Earlier in the day, the finance minister Nirmala Sitharaman said inflation is no longer "red-lettered" and the priority for the government now is job creation and boosting growth.

"Some of course are red-lettered (priorities), some may not be. Red-lettered ones would of course be jobs, equitable wealth distribution and making sure India is moving on the path of growth.

"In that sense inflation is not red-lettered. I hope it doesn't surprise many of you. We have shown that in the past couple of months that we were able to bring it to a manageable level," she said.

It will be the fifth budget of the Modi 2.0 government and Sitharaman and the last full budget before the general elections slated in April-May 2024.

During the election year, the government presents Vote on Account for the limited period. Usually the budget is cleared till July.

"Pre-budget meetings chaired by secretary (Expenditure) shall commence on October 10, 2022," according to the Budget Circular (2023-24) of the Budget Division of the Department of Economic Affairs dated September 6, 2022.

"Financial advisers should ensure that the necessary details required in the appendices I to VII are properly entered. Hard copies of the data along with specified formats should be submitted for cross-verification," the circular added.

The Budget Estimates for 2023-24 will be provisionally finalised after completion of pre-budget meetings, it said, adding, RE (Revised Estimate) meetings continue till around mid-November, 2022.

"All the ministries/departments should submit details of autonomous bodies/ implementing agencies, for which a dedicated corpus fund has been created. The reasons for their continuance and requirement of grant-in-aid support, and why the same should not be wound up, should be explained," it said.

As a follow up action on National Monetisation Pipeline, it said, departments may be required to explain progress in asset monetisation.

The Budget 2022-23 is likely to be presented on February 1 during the first half of the Parliament's Budget session which usually begins in the last week of January every year. The Budget for the current fiscal had projected a growth rate of about 7-7.5 per cent in real terms while fiscal deficit was pegged at 6.4 per cent of the gross domestic product (GDP).

Prime Minister Narendra Modi-led government scrapped a colonial-era tradition of presenting the Budget at the end of February. The then finance minister Arun Jaitley had for the first time presented the annual accounts on February 1, 2017.

With the preponement of the Budget, ministries are now allocated their budgeted funds from the start of the financial year beginning April. This gives government departments more leeway to spend as well as allow companies time to adapt to business and taxation plans.

Previously, when the Budget was presented at the end of February, the three-stage Parliament approval process used to get completed some time in mid-May, weeks ahead of onset of monsoon rains.

This meant government departments would start spending on projects only from August-end or September, after the monsoon season ended.

Source: economictimes.com– Sep 07, 2022

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The ECTA not just a trade deal but an outcome of larger systemic confidence with Australia: S Jaishankar

A new intensity in the interactions have been on visible display from the leadership level. "In recent months, we have produced agreements ranging from maritime collaboration, defence science exchanges, mutual logistics support to cooperation in cyber-enabled critical technology, critical and strategic minerals," said External Affairs Minister, S. Jaishankar, talking about the new direction and strategic collaboration between India and Australia.

External Affairs Minister, S. Jaishankar was addressing the Australia-India Leadership Dialogue 2022 (September 05, 2022) on the 5th edition of the Australia-India Leadership Dialogue (AILD) along with, Foreign Minister of Australia Penny Wong.

"In what today seems like history, the ambitions for our ties were expressed initially by the India Economic Strategy Report 2035 released by the Australian side and the CII Australia Economic Strategy issued by India," said S Jaishankar.

A trade of US$20 billion plus and investments at the US$25 billion level stand to rapidly expand by the Economic Cooperation and Trade Agreement that was concluded in April 2022. Australia is a major educational destination for Indian students, who number in excess of 100,000. The Indian community, estimated at 720,000, is a source of strength for both societies.

He highlighted that it is really in the realm of politics and strategy that the transformation has been the sharpest. Much of the growing convergence has been driven by concerns about the region's stability, prosperity and security.

"The deficit in global goods has sought to be addressed by India and Australia working together bilaterally as well as in larger formats. This reflects their shared concerns about respect for international law and a rules-based order," Jaishankar pointed out.

Australia has been an early and vigorous supporter of India's Indo-Pacific Oceans Initiative (IPOI). In fact, the big change has been the realization that a stronger bilateral relationship today allows the two nations to contribute much more effectively at a regional and at a global level.

Jaishankar explained that the two countries may have long interacted in ASEAN-led forums, Commonwealth, Indian Ocean Rim Association, etc. But stronger leadership and more open exchanges have brought out the mutual benefits of closer cooperation and coordination.

Recalling the talks during the QUAD session, he said: "It is remarkable that the first interaction between our Prime Ministers happened literally a day after the current Australian one took office. It is equally notable that our Comprehensive Strategic Partnership now covers an annual meeting of PMs, a Foreign Minister's Dialogue, a 2+2 Defence and Foreign Ministers meeting, a Trade Ministerial Commission, an Education Council, an Energy Dialogue and sectoral Working Groups."

These milestones bring out the interactive dynamic between the bilateral and the regional facets of our cooperation.

Defense and Security

One of the important hallmarks of India -Australia bilateral relations is the Exercise Malabar. Australia's re-entry in the naval exercise led to the greater political confidence and stronger defence cooperation. Besides, both nations collaborated on space applications front which has led to the Australian support for the temporary Telemetry Tracking and Command Centre for the Gaganyaan Mission of India.

The Australia–India defence relationship now ranges almost every major function of the military: strategic dialogues, coordination, and information exchanges; military exercises involving ground, air and maritime forces; exchanges and training; and defence scientific and technological cooperation. This adds to growing interoperability that is about the advancement in security relations.

Recalling the cooperation during the Covid led crisis, EAM Jaishankar remarked: "In many ways, the fall-out of the pandemic and the demands of governance have accelerated the pace of digitization. How to optimize the opportunities and challenges that emerge is a never-ending process. It is but natural that this conference's security perspective should focus on cyber security and AI."

In June 2020, Australia and India upgraded their Secretaries 2+2 dialogue (Defence and Foreign Affairs) to the Ministerial level. Ministers from the two countries will meet at least every two years to engage on the Comprehensive Strategic Partnership. Last year also saw the first virtual summit meeting between Australia's former Prime Minister Scott Morrison and Indian Prime Minister Narendra Modi. The two leaders then elevated the relations to the level of Comprehensive Strategic Partnership.

Australia is holding a massive military exercise–Pitch Black 2022 which is is a war-gaming exercise where threats are simulated in a controlled environment to test force integration, interoperability and readiness. The exercise is underway in Northern Australia. India is participating with full contingent. India's participation was additionally significant for staging the first mid-air refuelling of an IAF combat aircraft (Su-30MKI) by an RAAF aircraft (KC-30A), revealing a degree of coordination not previously demonstrated.

The exercise is hosting about 2,500 personnel and up to 100 aircraft including participants from Australia, Canada, France, Germany, Indonesia, India, Japan, Malaysia, Netherlands, New Zealand, Philippines, Republic of Korea, Singapore, Thailand, UAE, US and UK.

Mutual Logistic Support Arrangement (MLSA)

The Mutual Logistic Support Arrangement (MLSA) was concluded in 2020 during the virtual summit between Australia's former Prime Minister Scott Morrison and Indian Prime Minister Narendra Modi. The agreement opens up more sophisticated operational cooperation, enabling increasingly complex military engagement, and greater combined responsiveness to regional humanitarian disasters. Besides, bioth countries also inked the the Defence Science and Technology Implementing Arrangement (DSTIA) facilitates interaction between our defence research organisations.

Beyond defence

A shared concern about trade reliability and economic volatility resulted in greater integration and partnership on the Supply Chain Resilience Initiative, along with Japan.

On April 2, 2022, India, and Australia signed the India-Australia Economic Cooperation and Trade Agreement (ECTA), aggreging to remove trade barriers.

"The ECTA was not just a trade deal; it was an outcome of larger systemic confidence that we now see," he remarked.

The pact is expected to increase bilateral trade in goods and services from the existing US$ 27.5 billion to US$ 45 billion in five years. Under this treaty, Australia would provide zero duty access to India amounting to 96.4 per cent of exports to Australia, for textiles, leather, furniture, jewellery, machinery and selected medical equipment; while India would offer zero duty access up to 85 per cent of Australia's export to Indian market comprising coal, wool, almonds, lentils etc. Apart from increased trade and economic cooperation, IndAus ECTA will further deepen the people-to-people contacts between the two countries by expanding work, study and travel opportunities.

The contours of Indo- Australian bilateral relations began to grow out of Tokyo Quad Summit as it provided an opportunity to confirm, if confirmation was indeed needed, that the incoming Albanese Government was just as committed to the bilateral relationship, as indeed to the Quad, as its predecessor. Ministers will soon plan to meet in New York very shortly.

The formation of the Quad has certainly a larger context for deepening relations. He sought to confirm that he Indo-Pacific, in particular, will benefit from the fruits of our collaboration. The Quad, on its part has emerged as a key platform progress, prosperity, stability and security. He also referred to advancing the Indo-Pacific Economic Framework. India, trilaterally, along with Japan, are working on supply chain resilience.

Source: financialexpress.com– Sep 07, 2022

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The Mega Textile Push Explained

In 2021, the town of Tiruppur in Tamil Nadu exported ₹30,000 crores worth of textile products. In 1985, it exported a mere ₹15 crores. In short, Tiruppur’s textile sector has grown by a staggering 23% annually every year for the past 37 years!

In fact, this growth story is so astounding that they now contribute over 50% of India’s textile exports.

And this got the government thinking—Could it replicate Tiruppur’s success in other parts of India?

So a year ago, the government decided to do something drastic. It announced plans to set up 7 mega textile parks across the country. Think huge factories encapsulating the entire garment value chain—from spinning yarn, weaving, dyeing, printing and manufacturing the final product.

All in one place.

The government called it the Mega Integrated Textile Region and Apparel scheme (MITRA) and promised to set aside nearly ₹4,445 crores to get this moving. It invited states to apply for the scheme. And it is now in the final stages of zeroing in on the first few beneficiaries.

But wait—Why is the government so keen on setting up mega parks for textiles, you ask?

For starters, textiles matter. It contributes about 2% to the country’s GDP. And as an industry, it is the second largest employer in the country—right after agriculture. And growing the textile industry could help solve the employment problem plaguing the country to some extent.

But there’s also the fact that India has lost its sheen when it comes to garment exports. Just a decade ago, India was the second largest exporter in the world. Now, our share of exports has fallen from 6% in FY10 to 4.2% in FY21. We’ve dropped in the rankings and we’re at the sixth spot in the list of top garment exporters.

So these mega textile parks are envisioned as a way for India to regain its former glory.

But will it help?

To understand that, we first need to understand what went wrong with India's textile industry.

And there's really no better way to do it than to compare ourselves with our neighbour, Bangladesh. See, over the past decade, countries like Bangladesh have raced ahead in garment manufacturing. And they've done this primarily due to a lower cost structure. Look at labour, for instance. A couple of years ago, a report showed that the average monthly wage for a worker in India's garment factories stood at ₹10,000, while Bangladeshi workers only earned half that sum. This is an exploitative practice but it also means that apparel companies would much rather ship textile products from Bangladesh as opposed to India.

But it's not just about the cost structure. We lack on the productivity front as well. Indian workers produced 10–12 pieces of garments per shift, workers in Bangladesh delivered nearly 20 pieces.

Then you add other overheads. Power tariffs in India are 30–40% higher than that in Bangladesh. This also feeds into the final cost that garment manufacturers quote. There's also the cost of freight. For instance, this is how the typical textile value chain in India works. You have cotton that's primarily grown in Gujarat and Maharashtra, which is then sent to Tamil Nadu. Here, the cotton is spun and shipped back to processing units in Rajasthan. And then the processed fabric makes its way to factories in NCR, Bengaluru, and Kolkata. And finally, export-ready products are packed and dispatched to the ports in Mumbai and Kandla. It's like an India tour with cotton crisscrossing every part of the country.

All this adds to the cost.

And that's why the government wants to set up the entire value chain in one place. Beyond this, they also want to extend benefits that could potentially reduce factory overhead. For instance, the central government wants states to commit to a power tariff with the rates locked in for 15 years. This way manufacturers can plan their operations better.

But the government also knows that this alone won't suffice.

You see, the UN has accorded Bangladesh the status of a Least Developed Country (LDC). This means they get preferential market access.

What does that mean?

Take the European Union as an example. They have something called the Everything But Arms (EBA) scheme. This program extends duty-free access to LDCs like Bangladesh. That means Bangladesh can export apparel to the European Union without paying any tariffs. On the other hand, Indian exporters face a tariff of nearly 10%.

And you can imagine how beneficial this is.

However, by 2026, Bangladesh is all set to graduate from its LDC status. It'll be classified as a "developing country". With that, it will lose its preferential access to the EU and probably even other regions. It won't have free access anymore.

And maybe India can capitalise on that when it happens.

We're already working hard to sign Free Trade Agreements (FTAs) with the EU, Australia, UK, Canada, and other countries to give our textile industry unfettered access to these markets. And maybe the economies of scale that these Mega Textiles Parks can bring will finally give a boost that the sector so badly needs.

We'll just have to wait and see whether India can regain its former glory in textiles again.

Source: finshots.in– Sep 07, 2022

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Bangladesh, India should address non-tariff barriers: FBCCI president

Bangladesh and India should address the non-tariff barriers to facilitate and boost bilateral trade, said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He also urged the Indian government for removal of anti-dumping duties on jute and floating glass.

He made the call in a meeting on "New horizons in India-Bangladesh economic relations" jointly organised by the FBCCI and the Federation of Indian Chambers of Commerce and Industry (FICCI) in New Delhi on Tuesday.

Jashim Uddin also urged the leaders of the two countries to improve trade facilities in ports, cut procedural bottlenecks, upgrade testing facilities in port areas and remove logistics disruptions in export-oriented value chain.

These steps would help the two countries to take full advantage of the South Asia Free Trade Area (Safta), he said.

The FBCCI president, in another meeting today, urged the Indian investors to utilise Bangladesh's liberal investment ecosystem, growing domestic market, international market access facilities and one-stop services offered by the Bangladesh Investment Development Authority.

A high-level Bangladeshi business delegation led by the FBCCI president is visiting India as an entourage of Prime Minister Sheikh Hasina. The delegation reached India on Monday.

The geo-political location of Bangladesh offers huge trade opportunities for various sectors and products, including ceramic and glass items, said Tipu Munshi, commerce minister, who is also now in India with the premier.

"Bangladesh has very progressive and industry-friendly policies. Business can really take us to a level where everybody can see a better life both in India and Bangladesh."

"Agriculture has been one of the many success stories of Bangladesh and in today's world after the pandemic, food security has been critical for every country," said Salman F Rahman, private industry and investment adviser to Prime Minister Sheikh Hasina.

"We want to further capitalise on our manufacturing capabilities along with agro-processing business in Bangladesh," he said.

"We need to further strengthen the relationship between Bangladesh and India in areas that will help bring benefits to the people of the two countries in a way that is long-lasting and based on respect and trust for each other," said G Kishan Reddy, minister for development of north eastern region, tourism and culture in India.

Source: thedailystar.net– Sep 07, 2022

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Labouring on reform

Prime Minister Narendra Modi has rightly called for a speedy rollout of the four labour codes—in which 44-odd central labour laws have been converted into codes on wages, social security (SS), occupational safety, health and working conditions (OSH), and industrial relations (IR)—at the national conference of labour ministers of states and Union territories.

Industry has sought greater flexibility to adjust the workforce with the ups and downs of the business cycle, while trade unions have resisted any effort to make regulations less restrictive as they considered it an unbridled licence to hire and fire!

For such reasons, successive governments at the Centre have shied away from this crucial reform, which remains a major lacuna of economic liberalisation since the early 1990s. To its credit, the NDA government has firmly grasped this nettle. However, as labour is a concurrent subject, the delay in rolling out these four codes is largely because quite a few state governments still haven't notified them.

Whether the trade unions are on board is also relevant for their successful implementation. Although these laws were passed in Parliament between August 2019 and September 2020, till now, five states still have not released draft rules under the wage code, nine for IR, 10 for SS and 11 for OSH.

However, the perception that states are laggards on labour reform is not necessarily true. Even before these four codes, certain states like Gujarat and Rajasthan pushed the envelope on reform. Eight years ago, Rajasthan passed laws that allowed employers employing up to 300 workers—from the earlier limit of 100—to reduce the workforce without government's nod. It also raised thresholds for the Factories and Contract Labour Acts, an example that was later adopted by several other states.

When fixed term employment (FTE) contracts were launched for apparel manufacturing and later extended to all sectors in 2018, virtually all states were on board. An impact assessment of such reforms in selected states by the VV Giri National Labour Institute and Indian Institute for Public Administration showed that in reforming states, average plant sizes went up, and so did formal employment in the manufacturing sector.

According to a report in FE, while FTEs have helped in creating new employment opportunities, formalisation of jobs and improving productivity, just one in five contracts were renewed for the second term while the rest graduate into unemployment. Unions, for their part, oppose FTEs.

It is therefore important for the various states to notify the four labour codes after consulting with the trade unions. This reform will certainly help Indian industry and revive investments as they provide greater flexibility to employers to cope with the fluctuating fortunes of their business while protecting the interests of workers. These codes would indeed be efficacious if they encourage retraining of workers for new jobs as also upgrading their skills to make them mobile and adaptable to change.

Above all, they would serve the cause of greater inclusion by providing a social safety net to the vast majority of unorganised workers. It is indeed a positive development that manufacturing employment increases as firms acquire scale with reform. After all, that is what modern economic development is all about—labour shifting from agriculture to manufacturing and service jobs in towns and cities. The VV Giri Institute study interestingly observes this structural transformation in the several states that it has studied.

Source: financialexpress.com– Sep 07, 2022

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SIMA seeks duty-free import of cotton

With cotton prices on a downtrend for the last few days, the Southern India Mills' Association (SIMA) has appealed to the Union government not to levy import duty on cotton during the next cotton season, which starts in October.

Ravi Sam, chairman of SIMA, said in a press release here on Wednesday that following the removal of import duty on cotton in April and changes brought about in MCX cotton trading, with the efforts of Union Textile Minister Piyush Goyal, domestic prices have softened. MCX cotton prices have reduced over 25 % in the last one week. Domestic cotton arrivals have started early and the cotton prices have reduced from nearly ₹1,00,000 to ₹ 90,000 a candy.

However, Indian cotton prices are still higher by 15 % to 20 % compared to international prices, especially with countries such as Pakistan and China. The cotton requirement by the domestic textile industry is likely to be more than the production and duty-free export of cotton that may result in 12% to 15% of good quality raw cotton going out of the country, leading to cotton shortage during the off season.

Mr. Sam said the government should not levy import duty on cotton "to enable the industry to achieve its potential growth rate and sustain its financial viability apart from protecting the jobs of over 35 million people employed in the cotton textile value chain."

Cotton prices even during the beginning of the cotton season (October 2022 to September 2023) when arrivals will be high are anticipated to be more than the minimum support price. Hence, duty free imports will not affect farmers. If needed, government can consider levying the duty only during the peak arrivals of the season (December - March) to avoid recurrence of crisis during the end of cotton season 2022-2023, he said.

Source: thehindu.com– Sep 07, 2022

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More trouble ahead for bruised Indian rupee

India's battered rupee will trade not far from its lifetime low against the US dollar into next year and remain vulnerable to a worsening trade balance and an aggressive US Federal Reserve rate-hiking campaign, according to a Reuters poll.

Sinking with other emerging currencies against a strong dollar, the rupee has hit rock-bottom multiple times this year and weakened over 7 per cent in 2022.

The Sept. 1-6 Reuters poll of 40 FX analysts expected the rupee to weaken to 80/$ in a month and remain around there until end-November, despite the Reserve Bank of India's burning through dollar reserves in active defence of the currency since May.

Although it was expected to recover slightly to around 79.74/$ by end-February and 78.50/$ by end-August, the expected 2 per cent gain over the 12-month horizon would fall well short of recouping that 7 per cent loss for the year.

Despite the median showing a marginal recovery, nearly half of analysts polled, 18 of 40, expected the partially-convertible rupee at or breaching the 80/$ mark in six months to a new record low. Fewer than 40 per cent predicted that in an August poll.

"Until the Fed puts on the brakes and prices of crude oil continue to decline meaningfully, the INR and other EM currencies will probably continue hitting all-time lows against the US dollar," said Brendan McKenna, international economist and FX strategist with Wells Fargo Securities.

"Underwhelming growth momentum and a slowdown in China are now growing on the RBI's radar screen...which could exacerbate the sell-off over the next couple of months or so."

Asked what would be the rupee's lowest point against the dollar over the next three months, 19 analysts who answered an additional question gave a median of 81, with a range of 80.00-83.34/$.

That was slightly weaker than the 80.50/$ consensus in last month's poll.

Almost a three-quarters majority, 41 of 56, who answered another additional question said emerging market currencies would fall either marginally or significantly against the greenback over the next three months.

While India's 13.5 per cent growth last quarter was the fastest among major economies it has had little effect on the rupee since base-effects were mainly responsible for the strong burst in growth.

Already shaken by higher oil prices and stubbornly-high inflation, the rupee is likely to weaken further if the Fed goes for another 75 basis-point hike at its next meeting.

That one move alone, which is likely to be followed by more hikes, would be more than the total 60 basis points worth of rate hikes expected from the RBI by end-March.

Ballooning trade and current account deficits, set to deteriorate to a decade high, were also expected to put more pressure on the rupee.

Source: thedailystar.net– Sep 08, 2022

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India's H1 2022 yarn export up in value, but down in volume

India's yarn exports declined in volume but increased in value during the first half of the current year. India exported 9.69 lakh ton yarn worth $3.472 billion during the period under review. Bangladesh remained the top buyer with 32.72 per cent share, while Turkiye stood second with import of 11.40 per cent of all Indian yarn exports during the period.

The price rise in cotton improved foreign exchange earnings but discouraged export volume. According to Fibre2Fashion's market insight tool TexPro, India exported 9.69 lakh ton yarn during the first half of the current year, which was valued at $3.472 billion. In comparison, during the first half of 2021, India exported 11.25 lakh ton yarn earning $3.144 billion. Therefore, yarn export increased in value terms in January-June 2022 over the corresponding period of the last year but declined in terms of volume.

However, the export of H1 2022 decreased in terms of value and volume both when compared with H2 2021 when 13 lakh ton yarn valued at $4.096 billion was exported. The arrival of new cotton crop in India beginning in October led to a jump in yarn export during the second half of the last year.

As per TexPro, Bangladesh imported Indian yarn of $1.136 billion (32.72 per cent) out of the total shipment from India in January-June 2022. Turkiye was the second largest buyer with import of $395.849 million (11.40 per cent) in the same period.

Egypt, Portugal and the US were the other three nations among the top five destinations for Indian yarn exports with a share of 5.47 per cent, 3.44 per cent and 2.71 per cent respectively. Other importers of Indian yarn among the top ten were Vietnam (2.69 per cent), Peru (2.59 per cent), China (2.59 per cent), Italy (2.45 per cent) and South Korea (2.26 per cent).

Source: fibre2fashion.com– Sep 08, 2022

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Punjab CM proposes 1,000-acre textile park in Fatehgarh Sahib; writes to Piyush Goyal

Punjab CM proposes 1,000-acre textile park in Fatehgarh Sahib; writes to Piyush Goyal Earlier, the textile park was proposed at Mattewada in Ludhiana, but the project was shelved following widespread protests. It has now been proposed to be set up built in Fatehgarh Sahib under the Textile Park under PM Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme.

The Punjab Government will give 1,000 acre of land for the project. CM Bhagwant Mann has already sent a proposal to the Centre in this regard. Punjab CM Bhagwant Mann said while constructing this park, all rules related to the pollution board of the Centre and the state would be followed.

He said the basic condition for this project was to have 1,000 acre of land at one place, which the Punjab Government had earmarked in Fatehgarh Sahib. Bhagwant Mann said all requirements related to the project would be completed soon.

CM Bhagwant Mann claimed that after the construction of this park in Fatehgarh Sahib, Punjab would become the textile hub of the country. This project would lead to industrial development in Punjab. This would also attract investors and employment would be generated.

Bhagwant Mann unequivocally said this project would also put the state on the orbit of a high growth trajectory of Industrial growth.

He said the Government of India (GoI) had approved the scheme for setting up seven PM Mega Integrated Textile Region and Apparel Parks (PM MITRA) across the country in partnership with the interested state governments. Bhagwant Mann said the Union Minister that under this scheme the state government is ready for setting up of Textile Park at Fatehgarh Sahib.

The Chief Minister categorically said all environmental clearances and norms as fixed by Centre and State Pollution Control Boards would be adhered to while setting up this Mega Integrated Textile Region and Apparel Park.

Source: ptcnews.tv– Sep 07, 2022

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