TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY
IBTEX TEXTILE INTELLIGENCE CENTRE
INFORMATION BUREAU TEXPROCIL
The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 173 of 2022 September 9, 2022

NEWS CLIPPINGS

Currency Watch	
USD	79.60
EUR	80.10
GBP	92.21
JPY	0.56

10	Pakistan needs to resolve issues of textile industry to boost growth
11	Pakistan: APTMA urges govt to release imported textile machinery

NATIONAL NEWS	
No	**Topics**
1	India to seek review of trade pact with Japan: Goyal
2	IPEF to focus on facilitating trade and keeping supply chains open, especially during challenges and difficult times: Shri Goyal
3	FTA may boost India's exports to Bangladesh by $10 billion in five years
4	For India, countertrade holds promise
5	Will India-Japan CEPA review increase textile trade?
6	Need fast resolution for trade edge
7	E-way bills at all-time high in August
8	Textiles sector to grow in coming year: Rita Sahu
9	Trade Unions remain opposed to Labour Codes
10	Cotton prices start sliding!

INTERNATIONAL NEWS

How is the expectation of new cotton procurement in China?

Small quantity of new seed cotton starts to be procured in mid-to-late Aug in inland, and currently, hand-picked seed cotton prices are pegged at 7.4-8yuan/kg in inland, higher than market anticipation. Xinjiang hand-picked seed cotton for wadding can be originally procured in early Sep, but impacted by the epidemic, ginners have to put off the time, which may be delayed to around Sep 10. Machine-picked seed cotton in Xinjiang may arrive on the market in mid or late Sep. Then according to current market situation, how can we expect the purchase of machine-picked seed cotton in Xinjiang?

Ginning factories in inland have started to purchase seed cotton in mid or late Aug, and purchase prices are around 7.4-8yuan/kg, but purchasing volumes are small, and the cotton is mainly for wadding. Due to unclear cotton seed prices, the costs are uncertain. Ginners assess that the costs may be at 15,000-17,000yuan/mt.

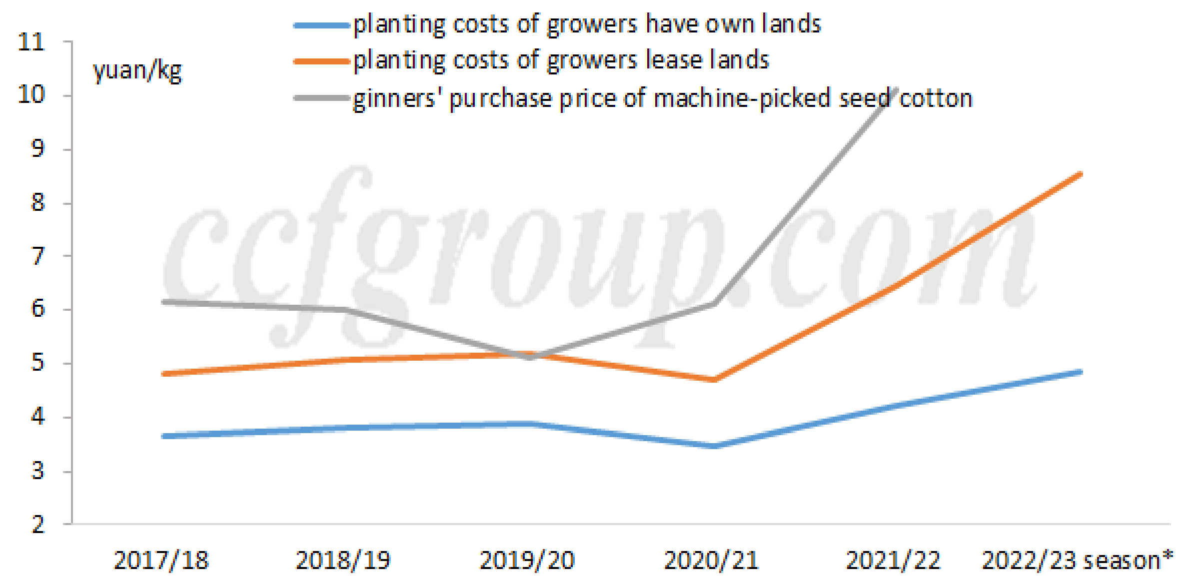
Xinjiang ginning factories have not started the procurement mostly impacted by the epidemic. In mid-to-late Aug, it was heard that the purchase prices were at 6.1-6.7yuan/kg, and recently, purchase prices were heard at 7.5-7.8yuan/kg. The purchasing prices are very limited currently. If most ginners procure at 7.5-7.8yuan/kg later, the level is also higher than market anticipation. According to our survey, Xinjiang ginners state that the prices of 8yuan/kg could be accepted, as the orders of cotton for wadding are at 17,000yuan/mt or slightly above recently.

Currently, hand-picked seed cotton prices are higher than market anticipation, so the expectation on machine-picked seed cotton is affected somewhat. However, ginners that process seed cotton for wadding have different situation with ginners that process machine-picked seed cotton, and the market operation of cotton for wadding and cotton for spinning has obvious divergence. Therefore, the machine-picked cotton that decides the new cotton costs is still unclear and shall wait till mid or late Sep. In previous years, prices of cotton for spinning were obviously lower than that of cotton for wadding.

Unit: yuan/mt	2020/9/25	2021/9/16	2022/9/6
Cotton for wadding	14000~14200	23000~23500	16,000-17,000+
Chinese cotton 3128	12890	18300	15240

Viewed from the machine-picked seed cotton prices in previous years, from 2017/18 season to 2020/21 season, Xinjiang machine-picked seed cotton prices were basically averaged at 6-6.2yuan/kg, lowly at 5yuan/kg in 2019/20 season. In 2021/22 season, prices were very high, and ginners faced heavy losses. For the procurement in 2022/23 season, some ginners expect machine-picked seed cotton at 5-7yuan/kg, but may be hard to purchase at 5yuan/kg. Looking from the chart, the expected price of ginners and the planting costs of growers that lease lands have obvious differences. The game between growers and ginners may continue.

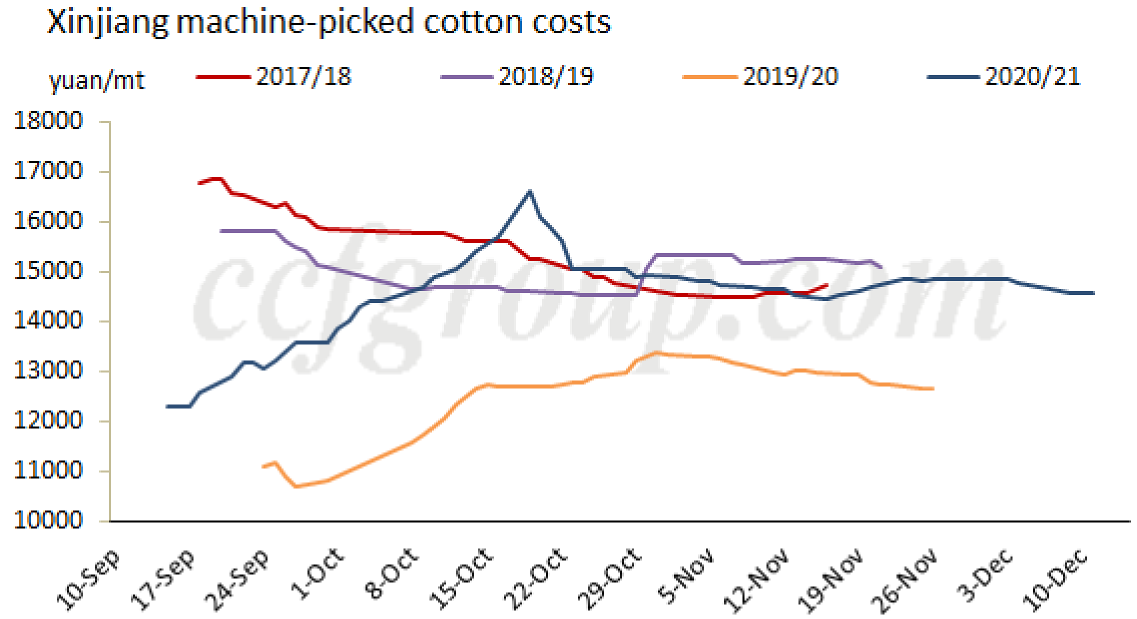
Xinjiang cotton growers' planting costs and ginners' purchase price

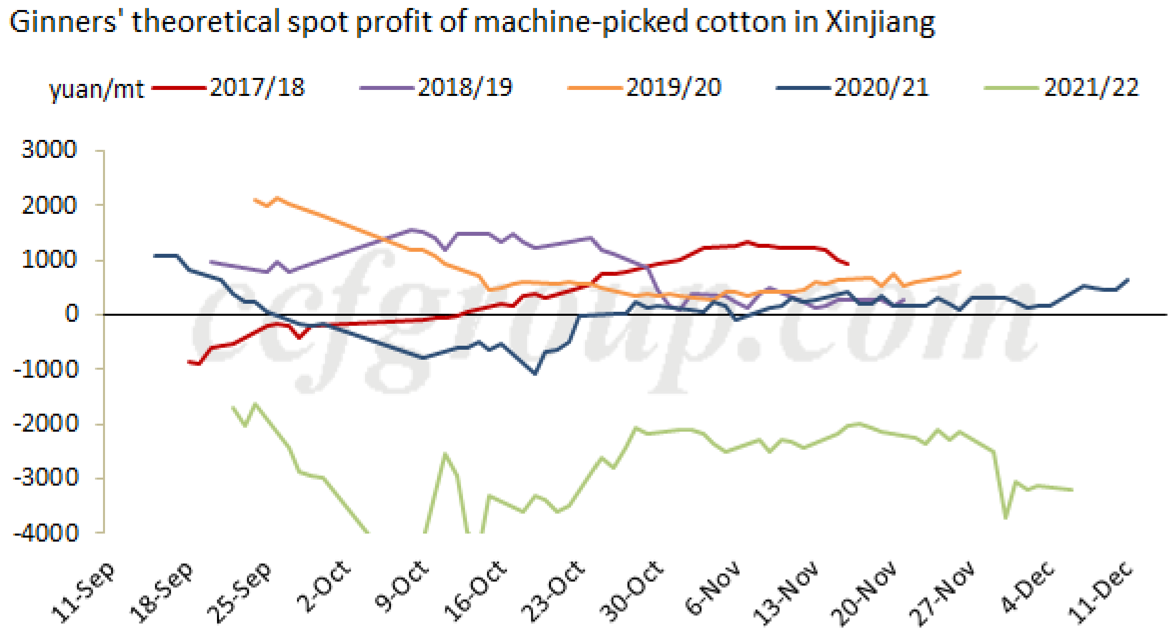


Except 2021/22 season, the machine-picked cotton costs of ginners were mainly below 17,000yuan/mt and below 16,000yuan/mt in previous seasons, which could guarantee the profits. After experiencing the large losses last season, ginners are eager to sell and not willing to stockpile, and the limited capital also restrains the stockpiling.

Therefore, even ginners and growers compete for profits, ginners have strong intention to control the costs. Therefore, seed cotton prices are likely to have the price ceiling.

Under such condition, as the subsidy can basically cover the planting costs of medium—to-low-sized growers that lease lands, growers will be easy to concede. Then ginners may procure seed cotton at a level close to ZCE major cotton contract to avoid risks, and cotton market is likely to go downward in general.





Source: ccfgroup.com - Sep 09, 2022

HOME

****

USA: Rail Strike Would Cost $2 Billion a Day, Expert Warns

Retailers expressed their concerns Thursday to members of Congress about the impacts of a possible rail strike, which a trade association said could come at a cost of about $2 billion per day.

Seven out of a dozen railroad unions have yet to sign tentative agreements with carriers, following recommendations made by the Presidential Emergency Board (PEB) last month to help resolve a nearly three-year contract dispute. The ongoing talks have raised fears of a possible service disruption that could come as early as next week.

National Retail Federation (NRF) senior vice president of government relations David French in a letter to House and Senate leaders Thursday said the organization and its members "remain concerned" about the potential for disruptions. "While the PEB has done its job, it is now time for Congress to ensure that a freight rail shutdown does not occur," French said in the letter.

He went on to urge lawmakers to use the PEB recommendations if employers and workers are unable to reach an agreement. "We are in the middle of the peak import season as retailers bring in their holiday merchandise for the all-important fourth quarter," French said. "Any rail network disruptions this month could have long-lasting negative effects on this important selling season. Product delays and shortages are correlated with inflation—an issue of great significance to Americans and the economy."

The PEB, which was established in July to stave off a strike, recommended carriers and workers agree to a 24 percent compounded wage increase over the five-year span of the contract, which would be effective from 2020. The board also recommended $1,000 bonuses for each year of the contract. The suggested increase would be the highest increase seen for workers in more than three decades.

Five unions, representing more than 21,000 workers, have so far reached tentative agreements with the National Carriers' Conference Committee (NCCC), the organization negotiating on behalf of the railroads. That leaves roughly 94,000 workers still without a new contract.

Dennis Pierce and Jeremy Ferguson, the respective presidents of the Brotherhood of Locomotive Engineers and Trainmen (BLET) and SMART Transportation Division (SMART-TD) unions, had strong words for Congress going into the Labor Day weekend when they asked lawmakers to “stay out of our dispute.”

Leadership of some of the unions that struck agreements with carriers had signaled they were unwilling to take the chance of having Congress step in and compel workers to accept the PEB recommendations, choosing instead a path that ensures their members are able to make their own choice in voting on the contract.

Congress would have the authority under the Railway Labor Act to step in after Sept. 16 to avert a rail strike should the remaining unions fail to reach an agreement with carriers by then. The Association of American Railroads (AAR), a rail research and policy organization, released a report Thursday looking at the cost of a national rail shutdown.

The association concluded a strike could drive at least $2 billion each day in damages to the economy in the form of inventory shortages, higher costs, commuter rail disruptions, declines in exports and increased reliance on alternative modes of transportation in the short- and long-term.

Shippers would likely turn to trucking, the report said. However, that industry has already been hampered by its own labor shortages.

AAR called the impact of such a strike “devastating.”

“As the freight sector heads into peak shipping season, a nationwide rail work stoppage would result in an unnecessary $2 billion daily economic hit,” AAR president and CEO Ian Jefferies said in a statement following release of the association’s report.

The AAR asked that Congress prepare for the possibility of not all unions reaching an agreement by the deadline with legislation that would use the PEB suggestions in their entirety.

Source: sourcingjournal.com- Sep 08, 2022

HOME

****

IMF raises Vietnam's 2022 growth forecast to 7% due to low inflation

Vietnam's relatively subdued inflation compared to other countries in Asia has boosted its economic outlook with the International Monetary Fund (IMF) increasing the growth forecast for the country to 7 per cent for 2022. The increase was a full percentage point from three months earlier and the only significant upward revision among major Asian economies.

The first half of 2022 saw a swift economic rebound as Vietnam's pandemic restrictions eased following the adoption of a living-with-COVID strategy and a robust vaccination drive, according to a press release by the IMF. Supportive policies such as low interest rates, strong credit growth, and the government's Program for Socioeconomic Recovery and Development have been accompanied by strong manufacturing output and a recovery in retail and tourism activity.

Vietnam's inflation pressure has been mostly limited to some goods like fuels and related services like transport. Consumers are largely insulated from the global surge in food prices because of ample domestic supplies, pork prices declining from last year's peak, and a preference for rice, which remains cheaper than other grains like wheat. Further, price gains for services, such as health and education, have also been very mild.

The IMF lowered the projection for next year by 0.5 percentage points to 6.7 per cent, but that still contrasts with dimming prospects elsewhere and would be the fastest pace among Asia's major economies. By way of contrast, growth estimates for Asia were lowered to 4.2 per cent and 4.6 per cent for this year and next in the IMF's latest World Economic Outlook Update.

Inflation, however, could pick up as economic activity gets back to full speed. Higher costs for transportation and commodities such as fertilisers and animal feed could also raise prices for a broader range of goods and services, adding inflationary pressure.

Consumer prices in the first seven months of the year rose, but remain below the central bank's 4 per cent target for the year. The economy's delayed recovery last year has kept core inflation, which strips out volatile food and energy costs, below regional peers.

Vietnam's recovery also faces headwinds from global growth decelerating from 6.1 per cent in 2021. The IMF's World Economic Outlook lowered estimates to 3.2 per cent for 2022 and 2.9 per cent for 2023 amid the effects of Russia's invasion of Ukraine, and the slowdown in China and major advanced economies. Such a slowdown implies reduced demand for Vietnam's exports, especially from key trade partners like the United States, China, and the European Union.

In addition, financial conditions are tightening as interest rates in the United States and other advanced economies rise to curb inflation. That in turn increases financing costs and can lead to capital outflows as can already be observed in many emerging markets in the region.

Finally, greater uncertainty about global trade and financial markets could impact the recovery, especially if some industries lose access to needed intermediate goods because of further supply-chain disruptions. That could curtail foreign investment in Vietnam, slowing production and technological growth.

Together, the following factors mean policymakers must be agile and make timely changes: Fiscal policy should take the lead in aiding recovery, yet flexibly adjusted to evolving economic conditions. The central bank should focus on rising inflationary risks, and communicate that it's ready to act as needed and remains committed to meeting its inflation target. Authorities should also continue addressing bad loans in the banking system and closely monitoring for potential risks in real estate markets to safeguard financial stability.

Even after decades of impressive gains, Vietnam still faces several challenges, and broad economic reforms will be needed for it to achieve its developmental goals.

For example, potential economic growth is reduced by a performance gap between highly productive firms that benefit from foreign direct investment and other less productive companies. Businesses, especially small and medium enterprises, are hampered by burdensome regulations, cumbersome administrative procedures, weak corporate governance, insufficient infrastructure, and digital connectivity gaps.

Labour markets would benefit from reducing the mismatches that result if workers don't have the right job skills, and more formal employment should be encouraged by improving skills and lowering costs for companies to formalise, added the release.

Elsewhere, social safety net coverage should be scaled up and be made more efficient. Climate-related risks can be addressed through concrete policy actions to invest in climate adaptation, reduce carbon emissions, and achieve the country's ambitious environmental agenda.

Tackling these challenges will further unleash Vietnam to its considerable growth potential and continue advancing on a sustainable development path toward higher income status. Importantly, the country's development strategy already includes reforms like these, and decisive implementation will help foster sustained, inclusive, and green growth.

Source: fibre2fashion.com- Sep 08, 2022

HOME

****

GGGI in Seoul, Cambodia ink sustainable energy pact for garment sector

Seoul-headquartered Global Green Growth Institute (GGGI) and Cambodia's ministry of industry, technology, science and innovation and the ministry of environment recently signed an agreement in Kep City to promote sustainable energy practices in the latter's garment sector to reduce environmental impact and raise its global competitiveness.

The European Union (EU)-Switch Garment Project marks an important milestone for the EU SWITCH Asia's promotion of sustainable energy practices in the garment sector in Cambodia.

The three agencies will jointly make efforts to promote sustainability and energy efficiency in the country's garment sector, according to Cambodian media reports.

The project is being implemented by GGGI with Geres and the Garment Manufacturers Association in Cambodia (GMAC).

The aim is to implement the 'Model Green Factory Programme' with a monitoring and verification scheme. This includes energy management practices and reporting, energy audits on performance standards, training factories to go green and increasing investment in sustainable energy.

Source: fibre2fashion.com- Sep 09, 2022

HOME

****

Big global sportswear brands struggle in China as cheaper local ones flourish

Adidas, the mega German manufacturer of athletic shoes, apparels and sporting goods is currently floundering in post-pandemic murky waters of China. In the second quarter of 2022, Adidas observed a revenue drop of 35 per cent in China market while dragging operating profits down 28 per cent and net sales dropped from $2.4 billion to $1.7 billion, marking a fifth consecutive quarter of losses in the huge Chinese market.
Big brands incur losses, domestic ones grow

In the first quarter, Nike reported a 55 per cent reduction in earnings before interest and taxes (EBIT) in China that converted from $691 million to $311 million.

Both Nike and Adidas have posted major revenue losses in China due to pandemic-related measures and have cut their growth outlook for the rest of 2022. But there is more to it than meets the eye, as Adidas CEO Kasper Rørsted explains, they don't understand consumers well enough, so they left room for Chinese competitors who are better off.

Interestingly, big Chinese domestic competitors like Anta and Li Ning did not record similar losses, so there is much more to it. Li-Ning for example, recorded 12.4 billion yuan ($1.8 billion) in revenue for the first half of 2022, a year-on-year increase of 21.7 per cent.

Similarly, Anta reported double-digit sales growth in the first quarter of 2022, Xtep reported a year-on-year increase in revenue of over 35 per cent in the second quarter.

To add to its woes, both Nike (which recorded its third consecutive quarter of revenue dip in the country) and Adidas were hit by consumer backlash from China over claims of abuses in the cotton-growing Xinjiang region.

China has been targeting Western clothes retailers over the last two years with international reports highlighting how mostly Muslim Uighur minority groups in China are being used as forced labor. This has caused international backlash with claims of abuses in the cotton-growing Xinjiang region.

Global brands focus on maintaining lead

However, it's difficult for local brands to beat a mega-giant retailer in brand visibility and expansion plans. Since opening its headquarters in Shanghai in 1997, Adidas has expanded to 12,000 outlets with Adidas Originals opening a flagship store in Taikoo Li Chengdu in January 2022. Its strong focus is now on reaching the Gen Z trendsetters by launching new products exclusively for China to hosting cutting-edge digital events.

In May this year, Adidas Originals teamed up with Tencent Music Entertainment to host a virtual avatar rap show that featured Jay Park and MC Jin with seven million viewers. Adidas has sought out a range of homegrown partners, from streetwear clothing companies such as Melting Sadness to ceramic design like Yeenjoy Studio. Both Adidas and Nike have to go all out to localize more by working with domestic brands, athletes, and designers. And above all keep up their main USP of stringent quality as that is what sets them apart from local brands around the world.

While economic downturn rages and rise in nationalism in China increases, the appeal of the Western sportswear brands is rapidly diminishing as the national tide of cheaper brands sweeps the country. The days of going laughing to the bank with easy money may be over but the show will go on for Adidas and Nike for some more time.

Source: fashionatingworld.com- Sep 07, 2022

HOME

****

European Central Bank raises key interest rates by 75 basis points

The Governing Council of the European Central Bank (ECB) today decided to raise three key interest rates by 75 basis points. Accordingly, the interest rate on main refinancing operations, marginal lending facility, and the deposit facility will be increased to 1.25 per cent, 1.50 per cent and 0.75 per cent respectively, with effect from September 14, 2022.

"This major step frontloads the transition from the prevailing highly accommodative level of policy rates towards levels that will ensure the timely return of inflation to the ECB's 2 per cent medium-term target," ECB President Christine Lagarde said while explaining the decision at a press conference soon after the monetary policy was announced.

Based on its current assessment, over the next several meetings the Governing Council expects to raise interest rates further to dampen demand and guard against the risk of a persistent upward shift in inflation expectations. The Governing Council further said that it will regularly re-evaluate its policy path in light of incoming information and the evolving inflation outlook.

The Governing Council took today's decision, and expects to raise interest rates further, because inflation remains far too high and is likely to stay above target for an extended period. According to Eurostat's flash estimate, inflation reached 9.1 per cent in August.

Soaring energy and food prices, demand pressures in some sectors owing to the reopening of the economy, and supply bottlenecks are still driving up inflation. Price pressures have continued to strengthen and broaden across the economy and inflation may rise further in the near term. "As the current drivers of inflation fade over time and the normalisation of monetary policy works its way through to the economy and price-setting, inflation will come down," ECB said in a statement on its website.

ECB has also revised up its inflation projections and inflation is now expected to average 8.1 per cent in 2022, 5.5 per cent in 2023 and 2.3 per cent in 2024.

Speaking about the economy, the ECB said that after a rebound in the first half of 2022, recent data point to a substantial slowdown in euro area economic growth, with the economy expected to stagnate later in the year and in the first quarter of 2023. "Very high energy prices are reducing the purchasing power of people's incomes and, although supply bottlenecks are easing, they are still constraining economic activity." Accordingly, ECB has revised down its projections for economic growth, and now expect the economy to grow by 3.1 per cent in 2022, 0.9 per cent in 2023 and 1.9 per cent in 2024.

Finally, "the lasting vulnerabilities caused by the pandemic still pose a risk to the smooth transmission of monetary policy. The Governing Council will therefore continue applying flexibility in reinvesting redemptions coming due in the pandemic emergency purchase programme portfolio, with a view to countering risks to the transmission mechanism related to the pandemic," the ECB said.

The ECB's future policy rate decisions will continue to be data-dependent and follow a meeting-by-meeting approach.

Source: fibre2fashion.com- Sep 08, 2022

HOME

****

Germany's production drops by 0.3% in July 2022: Destatis

Germany's production in industry in real terms was down by 0.3 per cent in July 2022 on the previous month on a price, seasonally, and calendar adjusted basis, following a month-on-month increase of 0.8 per cent in June 2022 (provisional value: +0.4 per cent), according to provisional data of the Federal Statistical Office (Destatis).

Compared with July 2021, the decrease in calendar adjusted production in industry amounted to 1.1% in July 2022.

The comparatively small number of school holidays and holiday leave prevented an even larger decrease in production compared with the same month a year earlier.

In July 2022, production in industry excluding energy and construction was down by 1.0 per cent in seasonally and calendar adjusted terms, compared with June 2022. Declines in production were observed in all main groupings.

The production of consumer goods fell by 2.4 per cent, capital goods production by 0.8 per cent, and intermediate goods production by 0.6 per cent.

The decrease in the consumer goods sector was mainly due to the development of non-durable goods production, which went down by 3.0 per cent. This sector includes the food industry, added the release by Destatis.

Outside industry, energy production in July 2022 was up by 2.8 per cent and production in construction by 1.4 per cent on the previous month.

In the energy-intensive industrial branches, production declined by 1.9 per cent in July 2022 compared with June 2022. This decrease was much larger than in industry as a whole.

Production in the energy-intensive industrial branches has dropped by 6.9 per cent since February 2022.

Production is still affected by the extreme shortage of intermediate products. Enterprises still have difficulties completing their orders as supply chains are interrupted because of the war in Ukraine and distortions persist that have been caused by the COVID-19 crisis.

Moreover, 73.3 per cent of the industrial enterprises surveyed complained of bottlenecks and problems in procuring intermediate products and raw materials in July 2022, according to the ifo Institute for Economic Research.

Source: fibre2fashion.com- Sep 08, 2022

HOME

****

Vietnam-UAE two-way trade crosses $3 bn during Jan-Aug 2022: VTO

Import and export activities between Vietnam and the United Arab Emirates (UAE) have earned an estimated $3.3 billion during January to August 2022.

Vietnam has attained a trade surplus of around $3 billion for the same period. The UAE offers opportunities for Vietnamese businesses to increase exports to the Middle East and Africa, according to the Vietnamese Trade Office (VTO) in the UAE.

Domestic firms set out suitable strategies for exports to the UAE which gathers many rivals due to its openness, the VTO said as per Vietnamese media reports. The VTO advised Vietnamese enterprises to carefully screen potential partners and select safe payment methods to avoid any trade frauds.

The VTO also recommended trade promotion agencies to increase investment and trade forums with the involvement of enterprises from both Vietnam and the UAE and representatives from local management agencies. The office also suggested enabling Vietnamese firms to take part in international exhibitions and fairs in Dubai.

Introducing and developing direct transport routes will also facilitate reducing transport expenses to a large extent, added the VTO.

Source: fibre2fashion.com- Sep 08, 2022

HOME

****

Bangladesh: Growth in RMG export to US in July lowest in 7 months

The growth rate of Bangladesh's apparel exports to the United States dropped sharply in July as buyers decreased orders due to a slowdown in the world's biggest economy.

Bangladesh's apparel exports to the US in July registered 22.1 per cent growth compared with that of the same month of 2021, which was the lowest in the past seven months of 2022, according to the latest US Department of Commerce's Office of Textiles and Apparel data.

Bangladesh's single-month apparel export earnings from the US in July grew by $125.44 million to $693.28 million from $567.84 million in the same month of the previous year.

The OTEXA data showed that the monthly export growth was 66.20 per cent in June, 38.59 in May, 74.34 in April, 96.09 in March, 43.17 in February and 45.48 in January.

The data showed that Bangladesh's apparel exports to the US in January-July of 2022 increased by 54.43 per cent to $5.71 billion from $3.67 billion in the same period of 2021.

Exporters said that export growth in the US, the largest export destination for Bangladesh, would decrease more in the coming months as the sales of apparel products dropped on the market due to high inflation.

Moreover, the prices of RMG products increased on the global market due to the price hike of raw materials, but the unit prices of products started decreasing as the raw material prices went down in recent months, said Mahmud Hasan Khan Babu, managing director of Rising Group.

'I think apparel export growth to the US market will decrease more in the coming months amid recession fears,' he said.

Babu, also a former vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said that most of the buyers decreased the volume of their orders and the trend might continue until December.

The data showed that the total US imports of RMG from the world in the first seven months of 2022 increased by 39.06 per cent to $58.91 billion compared with that of $42.066 billion in the same period of the previous year.

According to the US data, Bangladesh's position remained unchanged as the third-largest apparel exporters in the market with China and Vietnam occupying the first and the second highest positions respectively.

The US apparel imports from China in January-July of 2022 grew by 40.01 per cent to $12.79 billion from $9.13 billion in the same period of 2021.

RMG imports by the US from Vietnam in the seven months of 2022 increased by $35.30 per cent to $10.92 billion from $8.07 billion in the same period of the past year.

India's RMG exports to the US market in the January-July of 2022 grew by 59.39 per cent to $3.69 billion from $2.31 billion in the same period of the previous year.

RMG imports by the US from Indonesia in the first seven months of 2022 increased by 59.69 per cent to $3.41 billion while the imports from Cambodia grew by 55.90 per cent to $2.58 billion in the same period, the data showed.

Source: newagebd.net- Sep 08, 2022

HOME

****

Pakistan needs to resolve issues of textile industry to boost growth

The textile industry plays a significant role in the economic growth of Pakistan as it contributes 60% to the total exports of the country.

Tariq Tayyab, the additional secretary of the Pakistan Textile Exporters Association (PTEA), told WealthPK that the textile sector formed 8.5% of the gross domestic product of the country and its share was 1.7% of the total trade of Pakistan with the world. “This data depicts the importance of this industry for the economic growth of Pakistan,” he added.

He said that presently the industry was being affected badly by the shortage of major energy inputs including natural gas and electricity. “Both are vital for the smooth, economic and efficient operation of the textile plant. Shortage of any one of them can affect the efficiency of machinery,” he added. Tariq Tayyab said that the government had given a concession to the textile industry in bills of electricity and gas. However, he said that power and gas outages negatively impacted the sector. “We are unable to run our plants at the maximum installed capacity.

Our industry has the potential to export items worth $25 billion annually. However, we can’t achieve this target owing to the shortage of energy,” he added. He said that the textile exporters were also faced with the lengthy and complex procedure of sales tax refunds. “The long and complex procedures of the sales tax refunds cause problems in cash flow to exporters. Our exporters have to waste time and energy in completing such procedures instead of utilising the same for improvement of their products,” he added.

Tariq Tayyab said that the textile industry was dependent on the supply of cotton. “Unfortunately, research and development are not given due importance in Pakistan, particularly in the cotton sector. Due to the low quality and obviously low profitability of cotton, farmers are switching over to other crops. As a result, the textile industry faces a shortage of cotton,” he added. He said that cost of production was also increasing rapidly that is affecting exports. He said that Pakistani exporters could not compete with their rivals in the international market owing to the high cost of production.

He said that high energy tariffs, shortage of fuel for machines, high rate of taxes and lack of skilled labour were the main causes of the increase in the cost of production. “Due to these issues, our textile industry is unable to compete with our neighbouring countries like Bangladesh,” he added.

Tariq Tayyab said that Bangladesh was exporting textile products worth $65 billion annually. “It is greater than our total exports. We have the potential of doing more than $25 billion business but our utilisation is only 75% to 80% of the total capacity,” he told WealthPK. The textile industry of Pakistan is haunted by the high cost of production owing to an increase in electricity rates, a hike in interest rates, a shortage of energy, the devaluation of the Pakistani rupee, increased input costs, political unrest and the abolishment of subsidies. Pakistan is the eighth-largest exporter of textile goods in Asia. It has been ranked third in cotton consumption and fourth in cotton production. About 40% of the labour force in the country is associated with the textile sector, accounting for 46% of the entire manufacturing sector.

The global recession has also left negative impacts on the textile sector of Pakistan. The government and other stakeholders need to join hands for the resolution of these issues to enable the industry to utilise its full capacity for the economic growth of the country. According to the Pakistan Bureau of statistics, the volume of Pakistan’s textile exports rose by 25.43% in the first nine months of the financial year 2021-22 year. Pakistan earned $14.242 billion through the export of textile products in the first nine months of the financial year 2021-22 as compared to $11.355 billion during the corresponding period in the fiscal year 2020-21, according to the PBS report, available with WealthPK.

Source: nation.com.pk- Sep 09, 2022

HOME

****

Pakistan: APTMA urges govt to release imported textile machinery

Asif Inam, chairman of the southern zone of All Pakistan Textile Mills Association (APTMA), has urged the government to allow immediate release of textile machines and their spare parts that are stuck up due to restrictions on import of items covered under chapters 84 and 85 of the Customs Tariff.

Mr Inam in a statement issued on Thursday said that if import of machinery and the parts which are essential for smooth running of power plants and plants and machineries for production is halted the industry would stop running gradually.

He further said that members are facing severe problems in running their mills due to the ban.

He said that the textile industry is the major export-oriented industry of the country, earning more than 60 percent of foreign exchange revenues through exports.

He requested Prime Minister Mian Shahbaz Sharif and Minister for Finance Miftah Ismail to take notice of the situation and issue directives to the relevant authorities to allow import of textile machinery and spare parts covered under chapters 84 and 85 of the Customs Tariff without any further delay in the best interest of the economy in general and the export-oriented textile industry in particular; otherwise the production activities of the textile industry will be disrupted and as a result the country will lose the export markets.

Source: brecorder.com - Sep 09, 2022

HOME

****

NATIONAL NEWS

India to seek review of trade pact with Japan: Goyal

India will seek review of its free trade agreement with Japan during a meeting between Commerce and Industry Minister Piyush Goyal and his Japanese counterpart in Los Angeles on Thursday.

Nishimura Yasutoshi is the Japanese Minister of Economy, Trade, and Industry.

FTA review with Japan

In such reviews, two countries seek more market access for their respective domestic products and resolve issues that are hindering trade. "I think that's quite long overdue, and I am going to raise that issue with my counterpart from Japan.

He has just taken over some time back as a new minister. So, I will be taking up that issue," Goyal told reporters when asked if a review of the free trade agreement (FTA) with Japan is on the cards.

The review assumes significance as domestic steel producers have time and again complained of surge in imports of steel products from Japan.

FTA pact with Australia

On trade with Australia, Goyal said the Australian Parliament is expected to approve the trade pact by the end of this year.

Australia's new Trade Minister Don Farrell is visiting India later this month to discuss trade and other issues.

"He has assured me that they are very pleased with the outcome of the Indo-Australia negotiations and the free trade agreement that we finalized , and that they will be putting it through Parliament soon. And I am told the tentative timelines... end of this year, it will be cleared through their Parliament," he said.

The pact was signed in April.

Meeting with US Trade rep

When asked about the issues that could come up in his meeting with US Trade Representative Katherine Tai, he said there are no immediate areas of concern between the US and India.

"We have very good and strong business relations. They are our largest trading partner. We do a lot of work for American companies. There's a lot of investment flow from America to India. So broadly, we keep exchanging notes on different issues, international trade. The meeting is just a follow up on that. There's no immediate agenda," Goyal said.

Source: thehindubusinessline.com – Sep 08, 2022

HOME

****

IPEF to focus on facilitating trade and keeping supply chains open, especially during challenges and difficult times: Shri Goyal

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal will continue on the second leg of his tour of the US and travel to Los Angeles today to attend the first in-person Ministerial meeting of the Indo-Pacific Economic Forum (IPEF), US-India Strategic Partnership Forum (USISPF) meeting and other significant events.

Earlier in the day, Shri Goyal had a luncheon engagement with 'Indiaspora'.

Interacting with media later in the day, ahead of the IPEF Ministerial, Shri Piyush Goyal said that discussions at IPEF would focus on opening opportunities for the member nations to work in partnership with each other to ensure that particularly during challenges and difficult times, supply chains remain open and business and people of countries don't suffer because of chaotic conditions like covid and conflict.

Terming IPEF as a new and unique initiative and a partnership between rules-based, like-minded countries which have transparent economic systems, Shri Goyal said that IPEF would work to ensure that the Indo-Pacific Region would remain secure and open for business.

Elaborating further, the Minister said that at the IPEF Ministerial, discussions would focus on facilitating open trade, keeping supply chains open. He said that as trading relations with IPEF nations expand, investments, both from and into India, would also get a leg up.

All the countries meeting tomorrow have a lot to offer each other in terms of trade, investments and technology and we will work together on all fronts, he added.

Responding to a query, Shri Goyal said that US and India share a very good and strong business relationship. The US is India's largest trading partner and many Indian companies do a lot of work for their counterparts in America. There is a lot of investment flowing from US to India, he added.

Observing that US and India are getting closer together, the Minister said that the relations between the two nations were strengthening by the day through two Quads now- one with Japan and Australia and another with Israel and UAE. 2 plus 2 ministerial dialogues between India and USA are robust and vibrant and our engagements in several areas including geopolitical and sensitive areas are expanding. The leaders of both countries, the businesses of both countries and the people of both countries are closer than ever before, he added.

Highlighting some of the milestones India has achieved in international engagement such as USD 675 billion worth of foreign trade despite challenges of conflict, inflation, threat of recession and pandemic and record FDI in the last eight years, the Minister expressed confidence that India is and would remain a preferred trading partner and investment destination to the world, thanks to the huge market, honest government and transparent economic policies, rule of law, vibrant media and judiciary. This will improve the well-being of people of India provide jobs, thrust to economic activity and thus growth, he added.

The Minister also engaged with top companies and labs of semiconductor manufacturing and research to explore greater collaboration with Indian companies. He held a meeting with Tim Archer, CEO of Lam Research.

“Building on our pool of young & skilled workforce, discussed how India in collaboration with Lam research, can provide a leading edge in semiconductor innovation”, he tweeted after the meeting.

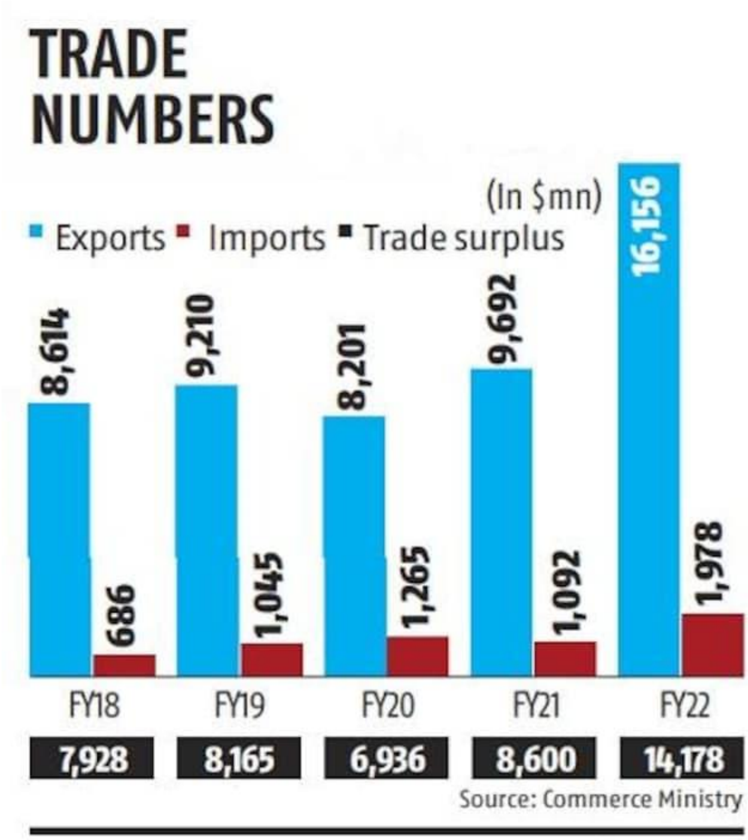
Source: pib.gov.in– Sep 08, 2022

HOME

****

FTA may boost India's exports to Bangladesh by $10 billion in five years

India's exports to Bangladesh may increase by additional $10 billion in a time span of five years if both countries sign a free trade agreement (FTA), the joint study conducted by both countries for the proposed Comprehensive Economic Partnership Agreement (CEPA) said.



"Due to the possible bilateral trade agreement, there exists a potential of additional export from India to Bangladesh, ranging from $4 billion to $10 billion. This export potential in addition to existing exports could be achieved by India in a time span of five years," a copy of the joint study reviewed by Business Standard showed.

Similarly, for Bangladesh, the potential of additional exports to India could range from $3 billion to $5 billion in a time span of 10 years." The total additional potential bilateral gains in trade in goods due to a possible CEPA ranges between $7 billion to $15 billion," the report said.

India's largest increase in exports to Bangladesh will be observed for motor vehicles, cotton, man-made filaments, albuminoidal substances, electrical machineries and equipment, iron and steel, knitted or crocheted fabrics, plastic goods, machineries and mechanical appliances, paper, and paper products.

For Bangladesh, export gains could occur in board categories such as textile and apparel goods, containers of iron/steel, wooden furniture, parts of machineries, plain woven fabrics of cotton, plastic products, chocolates, inorganic chemicals, finished leather, leather bags, footwear, processed foods such as biscuits among others.

In a joint statement after the meeting between visiting Bangladesh Prime Minister Sheikh Hasina and Prime Minister Narendra Modi, both sides said the two leaders welcomed the recent finalisation of a Joint Feasibility Study that recommended that CEPA will be beneficial for both the countries.

“They directed trade officials on both sides to start negotiations within the calendar year 2022 and to complete these at the earliest, in time for Bangladesh’s final graduation from LDC (least developed country) status,” it added.

Bangladesh is on track to graduating from LDC status in 2026 after which it will no longer be eligible to continue to put high tariffs and will have to provide duty-free quota-free market access to India under the existing (South Asian Free Trade Area) SAFTA commitments.

The joint study said though gains for Bangladesh’s exports to the Indian market from a CEPA will not be large as it is already enjoying duty free quota free market access, the FTA will be crucial for it from the perspective that it is soon going to lose the LDC status.

The bilateral trade between India and Bangladesh has been growing significantly over the past few years with India enjoying the second-largest trade surplus with its eastern neighbor after the US. Bangladesh became India’s fourth-largest export destination in FY22, jumping five places in two years.

Nisha Taneja, professor at ICRIER, said the India-Bangladesh CEPA would not only lead to enhanced trade but was also likely to have wider economic benefits for the BBIN (Bangladesh, Bhutan, India, and Nepal) sub-region and the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) region.

“The CEPA will become the cornerstone for India’s Act East Policy as it would integrate India’s northeast region to the hinterland and to the neighbouring countries as well. CEPA will also encourage the development of global and regional value chains through greater investment flows.

Removing regulatory barriers will lead to enhanced trade in services in health, education, IT and tourism. A sector which holds immense potential is e-commerce — the two countries could work together to address regulatory issues which would smoothen and enhance cross-border e-commerce trade,” she said.

Source: business-standard.com– Sep 09, 2022

HOME

****

For India, countertrade holds promise

In a world characterised by heightened uncertainties and greater volatility, countries are increasingly looking at countertrade as a tool for meeting developmental needs, securing key resources, saving scarce foreign exchange reserves and circumventing sanctions. Countertrade refers to the exchange of goods and services in whole or part, with other goods and services as payment, rather than with any acceptable currency.

The beauty of countertrade lies in the fact that it can take a variety of forms, including barter, counter-purchase, offsets, buyback/compensation, switch trading, clearing arrangements, and debt-for-goods, among others.

Countertrade could be a key instrument for sustainable growth in developing countries which are at a perilous juncture in their developmental journey. Access to affordable development finance will be critical for these countries to make a faster recovery. However, sovereign borrowing in foreign currency has historically been expensive for developing countries, and its availability is being further constrained due to rising debt sustainability concerns.

According to the IMF, nearly 60 per cent of the low-income countries are under debt distress or at the risk of debt distress. There is a pronounced need for countertrade arrangements given the soaring global debt and the depleting foreign exchange reserves of several low- and middle-income countries.

Global debt has recorded the largest single year jump since World War II, increasing from $226 trillion in 2020 to $303 trillion in 2021, and to a new record level of over $305 trillion in Q1 of 2022. The spectre of spiralling debt is looming large on the development plans of low-income economies, especially as the world enters a new phase of rising interest rates and resultant higher loan repayments.

Faced with scarce forex reserves, high inflation, rise in external debt burden and uncertainty over repayment capacity, low-income countries would have fewer resources for development projects. Amid such constraints, countertrade models such as resource-for-infrastructure or debt-for-goods model would be important for addressing the unmet financing needs.

The resource-backed financing for infrastructure (RFI) model is a type of countertrade that has been used by Chinese creditors since early 2000s. Under this, the borrowing country commits future revenues to be earned from exports of natural resources to pay for loans secured for infrastructure projects. Such a model can be adopted by India, to promote mutually beneficial outcomes for both India and borrower countries.

India, under its development partnership programmes, can finance infrastructure projects in developing countries, with part or full repayments for the financing through imports of mutually identified resources at mutually agreed terms.

Such a model can help India secure supplies of critical raw materials for industrial processes. Currently, primary commodities, precious stones and gold comprise nearly 50 per cent of India's merchandise imports, with fuel imports alone accounting for more than 28 per cent of merchandise imports. Over the next three decades, the import bill for fossil fuels in India is expected to triple, necessitating a strategy for achieving energy security.

Moreover, going forward, with expansion of manufacturing, and greater focus on sustainable and low carbon technology, the demand for non-fuel minerals is also expected to grow manifold. There are currently no known reserves in the country for minerals like nickel, cobalt, molybdenum, rare earth elements, neodymium and indium, that are important for the renewable energy transition.

Some other minerals that are domestically available, such as copper and silver, are also not available in sufficient quantities. The RFI model can help India secure these raw materials for its production processes, while concomitantly supporting the borrower countries in infrastructure creation.

The RFI model can also help expand the horizons of Indian companies executing the infrastructure projects, as it can open opportunities in lesser explored geographies facing restrictions in outward remittances and other payment constraints.

Apart from the RFI model, other models of countertrade also have immense potential amid the rising uncertainties in the global market. Countries are increasingly entering into government to government (G2G) deals for alleviating concerns over supply of important commodities. Given the growing salience of such G2G deals, India may utilise its stockholding of wheat for countertrade with countries to secure supplies of essential commodities at mutually agreeable terms.

For example, countertrade for exports of wheat from India to meet Indonesia's foodgrain demand in exchange for uninterrupted supply of palm oil from Indonesia to address the domestic supply concerns, could be considered. The RBI's recent circular on additional arrangement for invoicing, payment and settlement of trade in Indian rupee further paves way for establishing clearing arrangements with countries such as Russia and Sri Lanka.

In the past too, India has implemented several countertrade transactions successfully. The railway project in Malaysia which was supported by the Palm Oil Board and the oil transactions with Iran are two such well-known examples.

Stumbling blocks

Notwithstanding the growing relevance of countertrade, there are several policy, diplomatic, resource-specific and institutional issues that may impede its implementation. First, there is no policy for countertrade in India, except in the case of defence imports.

Navigating through the legal framework and regulations in countries involved in a countertrade transaction is complex, and an essential first step should be designing a clear umbrella policy for countertrade that delineates the role of various ministries and clarifies the payment settlement mechanism.

For this purpose, a task force for countertrade may be set up with representation from the Finance External Affairs, and Commerce and Industry Ministries, the Directorate General of Foreign Trade, the RBI, commercial banks, development financial institutions such as India Exim Bank, and public sector trading companies. A roundtable with relevant stakeholders who would be interested in sourcing such commodities from the identified overseas countries would be critical.

There may also be diplomatic issues as many overseas governments may be unwilling to accept countertrade for commodities of interest to India. Countertrade should not be perceived as an aggressive measure to recover dues, but as a mechanism to boost trade and investment in lesser explored geographies.

There may also be resource-specific issues — commodities that the overseas government may be willing to trade, which may not have sufficient domestic demand. In that case, options such as switch trading may be explored. Under switch trading, an international trading house can be engaged to serve as a switch trader, and the borrowing government could sell the negotiated value of goods to the switch trader. The payment for the goods can be credited to the lender by the switch trader, which would be utilised to service the debt of the borrowing country.

There are also institutional issues, as such a G2G mechanism would depend critically on the strength and capability of public sector enterprises in borrower countries to engage in such transactions, as also seamless coordination among institutions in India. Addressing these issues can be a win-win for both India and partner countries.

Source: thehindubusinessline.com– Sep 08, 2022

HOME

****

Will India-Japan CEPA review increase textile trade?

Indian commerce, industry and textiles minister Piyush Goyal has indicated that he will urge Japan to review the existing Comprehensive Economic Partnership Agreement (CEPA), which was signed in 2011.

Goyal is scheduled to meet his Japanese counterpart today. Trade data shows the need for a review as Indian textiles have not penetrated the Japanese market.

Goyal has indicated that he will push Nishimura Yasutosh, Japan's minister of economy, trade and industry to review the trade deal. Goyal was asked by reporters during his visit to Los Angeles if a review of the trade deal with Japan is on the cards, to which he replied, "I think that's quite long overdue, and I am going to raise that issue with my counterpart from Japan. He has just taken over some time back as a new minister. So, I will be taking up that issue."

Normally, during a review of any existing trade agreement, the signatory countries seek more market access for their respective domestic products and resolve issues which are creating hurdles in trade.

As far as textiles is concerned, the CEPA did not work for India in the last one decade. India could not breach even one per cent market share in Japan's garment imports. According to Fibre2Fashion's market insight tool TexPro, India exported garments of $225.875 million in 2021, which was mere 0.95 per cent of total garment imports of $23,804 billion by Japan.

Japan remained over dependent on China with 58.39 per cent ($13.878 billion) garment imports. Vietnam, Bangladesh, Cambodia, Indonesia, Italy, Myanmar and Thailand were ahead of India in terms of garment exports to Japan. India could supply only 1.63 per cent of home textiles to Japan, out of its total import of $5.307 billion. India's export of textile products like yarn, fabrics and fibre was also negligible.

Some trade experts, however, feel that Indian exporters are unable to meet quality standards of Japanese buyers, which is the core issue.

Source: fibre2fashion.com– Sep 08, 2022

HOME

****

Need fast resolution for trade edge

A department of justice (DoJ) report says that the time taken to settle business disputes at the commercial courts in Mumbai and Delhi has come down by 50%, from 1,445 days in 2020 to 626 days for Mumbai and 744 days for Delhi. The report, titled Reduction in Time Taken for Trial and Judgment in Dedicated Commercial Courts, calls for celebration. It also calls for greater resolve to better the results.

We know that delays in settling business disputes at the courts increase costs and deter investors. However, looking at the example of the Indian textile sector, it can be seen that delays have a much worse effect. They stunt the growth of the industry and prevent it from adopting global best practices.

In the late 1980s, India and China exported less than $5 billion worth of textiles and apparel. Today, with exports of $320 billion, China has captured half the world trade in the sector, while India struggles at $40 billion. Weak contract enforcement is one of the crucial reasons for this disparity.

In the 1980s, Europe and America were the largest buyers of textiles, but they used to buy limited quantities through a country-specific quota system. The system changed in 1995 when developed countries agreed to phase out quotas in the next 10 years. India, China, and other developing countries were now free to export as much as possible. As the competition intensified, a new business model took shape where timely enforcement of contracts was paramount.

European and American firms did not want to deal directly with Indian and Chinese textile firms. They worked through intermediaries known as buying agents. The buying agents would collect orders from European and American firms and distribute these to the sourcing agents located in the supplier countries, who would then distribute orders to local firms for textiles and apparel making.

The system worked on three contracts—between the buyer and buying agent, the buying and sourcing agent, and the sourcing agent and production firms. The success of this system required timely deliveries of agreed quality products as specified in the contracts.

In case of any dispute, the courts were to settle the dispute quickly, and this was our weak point. Without efficient contract enforcement and long delays at the courts, the sourcing agents could not enforce the quality and service levels of the production firms. The word was soon out, keeping big global agents away and thereby preventing buying and sourcing agents' ecosystem growth in India. The results were disastrous. The garment firms had to contact buyers directly, but they could only reach a limited number of buyers. Most were unwilling to deal with unknown firms.

The absence of an agent ecosystem not only hurts exports but also increases imports. In a garment value chain, fibre is converted into yarn, yarn into the fabric, and fabric into the garment. With lakhs of firms for each stage, a garment-maker may not know the supplier producing the desired quality fabric. Such matchmaking is the task of the agent/aggregators. Since we did not have an efficient contract enforcement system, the ecosystem could not develop. The result?

Fabric-makers do not buy yarn as they do not get orders for the supply of fabric from garment-makers, so we export yarn, and our garment-makers import most fabric. With idle fabric-makers, the supply chain remains fragmented.

While India dithered in according priority to commercial disputes, China mastered the new rules. Chinese textile's rapid growth in the 1990s is attributed to mastering the agent-aggregator system. The textile industry's story applies to many other sectors. The Indian electronics sector remains similarly fragmented internally due to a lack of agents and matchmakers.

In all, more than one crore commercial cases are pending in courts, with over 40 lakh economic cases pending in five major high courts alone. Over 200,000 cases are pending in appellate tribunals that deal with high-stakes business issues. The key tribunals relate to telecom, environment, electricity, income tax, consumer disputes, customs excise, and service tax.

How was time cut in the disposal of cases? The digital transformation of commercial courts made this possible. The amendment in the Code of Civil Procedure, 1908, by the Commercial Courts Act, 2015, provided the legal basis.

The new system allows for online filing of cases, e-payment of court fees, and issuance of e-summons. It also allows random allocation of cases to judges, hearing and pre-trial conferences, and the use of Electronic Case Management. Adjournments delayed the cases. These have been limited to three a case.

However, work needs to be done to reach global benchmarks—like that of Singapore (164 days) and South Korea (229 days). Adopting a computer-compatible contract format will cut time and cost, as the aggrieved party currently spends one-third of the claim value on the lawyer, court fees, etc.

Calcutta transformed from a sleepy village to a prosperous trading city in the mid-18th century when the British East India Company set up fast-track commercial courts for quick disposal of contract disputes. This attracted the most prosperous local and international traders to set shop in Calcutta. Data should be published for all commercial courts; now, data is available only for Mumbai and Delhi.

Cutting the time taken from the filing of a case to obtaining a judgment and enforcing a contract in India from 1,445 days to 700 showed that the government got the strategy right, but the textile industry's example tells that we have a long way to go. India must go all out to improve the contract enforcement system. It will be a reform to unlock the full value of all other reforms.

Source: financialexpress.com– Sep 09, 2022

HOME

****

E-way bills at all-time high in August

E-way bills generated by businesses for the movement of goods in August touched an all-time high of 78.21 million, up 19% on the year, suggesting an acceleration of shipments as the festival season commenced.

The rise in e-way bills, which commenced in 2018, in August suggests that goods and services tax (GST) collections will continue to be robust at about Rs 1.5 trillion in September. It was 78.16 million in March 2022, resulting in a record Rs 1.68 trillion gross GST receipts (reflecting March transactions).

Given the buoyancy in GST collections due to increased compliance, FY23 gross GST receipts may exceed the target by Rs 3 trillion, of which the Centre may account for Rs 1.4 trillion extra in gross receipts.

"Automotive sales have picked up substantially in August. Also, wholesalers are stocking up for the festive season which has already begun with Ganesh Puja," All India Transporters Welfare Association (AITWA) joint secretary Abhishek Gupta said.

Intra-state e-way bills, generated when moving goods within a state, crossed 48.83 million in August while inter-state e-way bills stood at 29.38 million.

An e-way bill is a document required to be generated from the GST portal before the commencement of movement of goods having a value above Rs 50,000 and Rs 1,00,000 for inter-state and intra-state, respectively.

Given that an incipient pick-up in consumption has resulted in a more-than-proportionate jump in GST revenues, a stronger economic recovery could allow the collections to settle at an elevated level, proving the high revenue productivity of the broad-based consumption.

Source: financialexpress.com– Sep 09, 2022

HOME

****

Textiles sector to grow in coming year: Rita Sahu

Ahead of the Make in Odisha conclave, the Handlooms, Textiles & Handicrafts department organised a road show in Kolkata on Wednesday.Speaking at the event, Minister of State (Independent Charge) Handlooms, Textiles & Handicrafts Rita Sahu said while the metal sector has been an inherent strength of Odisha owing to its natural resources advantage, the Government of Odisha has taken proactive measures to broaden the base of the industrial ecosystem in the State. Some of the measures include the identification of priority and focus sectors, development of sectoral policies, development of sectoral industrial parks and infrastructure.

The Minister said textiles is one such focus area where Odisha hopes to achieve exponential growth in the coming years. She added that the State government is developing a Petroleum, Chemical, and Petrochemical Investment Region (PCPIR) in Paradip with IOCL as the anchor tenant. She further said that the government is developing a technical textile park in association with Indian Oil with a state-of-the- art facility and best-in-class facilitation at Bhadrak, which is close to Kolkata and West Bengal in general. She urged investors in the apparel and textile sector to come to Odisha and check the ecosystem and the investor friendly policy support for potential investors.

Commissioner-cum-Secretary of the department Shubha Sarma extended an invite to everyone present at the event to visit Odisha and attend the Make in Odisha Conclave'22 to witness first-hand what Odisha has to offer. "Our government understands that to attract investors we need to build a conducive business ecosystem. While progressive policies are certainly a part of it, we also need to build infrastructure and improve the ease of doing business. And we have done that," said Sarma.The roadshow was attended by more than 150 delegates and representatives of 15 textile and apparel industries.

Source: newindianexpress.com– Sep 08, 2022

HOME

****

Trade Unions remain opposed to Labour Codes

Trade unions continue to remain opposed to the Labour Codes even as the Centre is hoping to resolve differences and roll out the long delayed Codes at the earliest.

Most central trade unions have indicated serious reservations over the Codes in recent consultations with the Labour Ministry. They are expected to meet later this month to chalk out a plan of action in case the Codes are implemented.

CITU General Secretary, Tapan Sen said, the trade union has met the Labour Ministry on September 2. “All trade unions have said that the Labour Codes have to be revisited and can not be notified in the present form and content. If they are notified, trade unions will oppose and the Codes will lead to conflict in workplace,” he said.

As part of consensus building over the four Codes, the Labour Ministry has been holding discussions with the industry and employer representatives as well as trade unions to understand their concerns and smoothen out any issues. The Centre is keen on notifying the long pending Codes at the earliest, and if possible this fiscal year.

‘Codes of slavery’

“We have been against these Labour Codes and consider them to be the Codes of slavery of workers. The government has rejected the suggestions of all central trade unions,” said Rajiv Dimri, General Secretary, AICCTU, adding that he registered his opposition of the Codes when he met with the Labour Minister, Bhupender Yadav, in the last week of August.

“The Codes were demanded by the employers and not by the employees. We have been demanding that the government should look at implementing the existing labour laws. Minimum wages have not been implemented till now,” he pointed out.

Harbhajan Singh Siddhu, General Secretary, Hind Mazdoor Sabha (HMS) said that the trade unions have given a detailed representation to the Labour Ministry raising their concerns on various provisions of the Codes.

"HMS has (always) been against the Codes. Over 85 per cent of the workers will be out of labour laws. Similarly, more than 65 per cent of the small scale industries will be out of the purview of the labour laws. The Codes will benefit employers, not employees," he told BusinessLine.

Unions not consulted

Sanjay Kumar Singh, General Secretary, INTUC said the trade unions have not been invited for a consultation but had previously given representations stating that the Codes would lead to the exploitation of workers.

"All trade unions are against the Codes. We have been calling for a meeting of the Indian Labour Conference to discuss the Codes. If they are implemented in the present form, they will lead to a lot of industrial unrest," he said.

Previously, RSS-backed Bharatiya Mazdoor Sangh, after a meeting with the Labour Minister on August 23, had said that it does not oppose the Code on Wages and the Code on Social Security. It had, however expressed reservations over various provisions over the Code on Industrial Relations, such as those relating to fixed term employment and enhancing the threshold limit of workers from 100 to 300 workers.

Agitations planned

Earlier, the 10 Central trade unions (CTUs) had opposed the four Codes and had asked the Labour Ministry to put them on hold.

With the implementation of the Codes expected later this year, the CTUs are now likely to meet later this month to work out the agitation strategies. They had earlier called for a two day nation wide strike on March 28 and 29 this year, against a number of issues, which included the Labour Codes.

Source: thehindubusinessline.com– Sep 08, 2022

HOME

****

Cotton prices start sliding!

There is some relief on the cotton price front!

With the early arrival of new cotton and price pressure, the domestic market cotton price has also reduced from the level of Rs.1,00,000/- to Rs.90,000/- per candy (355 kg)– a reduction of around 10 per cent. The MCX cotton price per bale (of 170 kg) that prevailed around Rs.50,000/-, till the last week of August, has now come down to Rs. 36,480/-, which is a reduction of around 27 per cent.

However, compared to the cotton price prevalent across the globe, especially countries like Pakistan and China, the Indian cotton prices are still higher by 15 per cent to 20 per cent. The cotton requirement by the Indian textile industry would surpass the production–The duty-free export of cotton might encourage 12 per cent to 15 per cent of good quality raw cotton export from the country during the season resulting in cotton shortage during the off season.

Textile industry is also hopeful that with 8 per cent increase in cotton area and numerous steps taken to prevent the infestation of pink boll worm, white fly and curly leaf cotton diseases, the cotton production for the coming season might be comfortable enough to help the industry bounce back in a short span of time.

Ravi Sam, Chairman, The Southern India Mills' Association (SIMA), said that the domestic price must match the prices prevailing in the competing countries and internationally to have a level playing field and enable the Indian cotton textile industry to revive from the unforeseen crisis.

He appreciated the proactive and bold steps taken by Union Minister of Textiles to control the speculation in the cotton trading by directing SEBI and MCX to bring necessary changes. He further added that the anticipated cotton price, even during the peak cotton season, would be much higher than the minimum support price and, therefore, the duty removal will not affect the farmers.

Source: apparelresources.com– Sep 08, 2022

HOME

****