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EUR	79.82
GBP	90.96
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INTERNATIONAL NEWS

Global recession risk up in 2023 amid parallel rate hikes: World Bank

The world may be edging toward a global recession in 2023 and a string of financial crises in emerging markets and developing economies that would do them lasting harm as central banks across the world simultaneously are hiking interest rates unusually fraught circumstances in response to inflation, according to a comprehensive study by the World Bank.

Central banks around the world have been raising interest rates this year with a degree of synchronicity not seen over the past five decades—a trend that is likely to continue well into next year, according to the study report.

Yet the currently expected trajectory of interest-rate increases and other policy actions may not be sufficient to bring global inflation back down to levels seen before the pandemic.

Investors expect central banks to raise global monetary-policy rates to almost 4 per cent till 2023—an increase of more than 2 percentage points over their 2021 average, the World Bank said in a release citing the report.

Unless supply disruptions and labor-market pressures subside, those interest-rate increases could leave the global core inflation rate (excluding energy) at about 5 per cent in 2023—nearly double the five-year average before the pandemic, the study found.

To cut global inflation to a rate consistent with their targets, central banks may need to raise interest rates by an additional 2 percentage points, according to the report's model.

If this were accompanied by financial-market stress, global GDP growth would slow to 0.5 per cent in 2023—a 0.4 per cent contraction in per-capita terms that would meet the technical definition of a global recession.

The world's three largest economies—the United States, China and the euro area—have been slowing sharply. Under the circumstances, even a moderate hit to the global economy over the next year could tip it into recession, the press release said.

Central banks should persist in their efforts to control inflation—and it can be done without touching off a global recession, the study finds. But it will require concerted action by a variety of policymakers.

Source: fibre2fashion.com- Sep 17, 2022

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Ethiopia, China, Germany join hands to promote textile investments in Ethiopia

Ethiopia, China, and Germany have renewed their commitment to scaling up their triangular cooperation aiming at improving the environmental, social, and labor standards in the textile sector in Ethiopia and beyond.

The pledge was made on Thursday at the international conference on triangular cooperation between Ethiopia, China, and Germany at the United Nations Conference Center (UNCC) in Ethiopia's capital, Addis Ababa to foster sustainable textile development in Africa and Asia.

Representatives of the three parties, attending the international conference on Sustainable Textile Investment and Operation in Ethiopia, agreed to foster cooperation as part of their triangular cooperation project, dubbed "Sustainable Textile Investment and Operation in Ethiopia."

Chinese Ambassador to Ethiopia, Zhao Zhiyuan, addressing the conference said China will continue sharing its knowledge, technology, and expertise to help African and Asian countries expedite their textile industries. "China always attaches great importance to its cooperation with Ethiopia's textile sector and consistently supports the sustainable development of the country's textile industry through various means such as trade and investment," Zhao said.

Highlighting that China remains to be the biggest investor in Ethiopia's textile industry, Zhao said with a population of over 100 million, Ethiopia continues to attract more Chinese investors to its textile industry.

"So far, China is one of the biggest investors in the textile sector in Ethiopia, with a total of about 450 million U.S. dollars. We have over 30 Chinese textile companies in Ethiopia," the ambassador said.

Collectively implemented by the Ethiopian Textile Industry Development Institute (ETIDI), the China National Textile and Apparel Council (CNTAC), Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ), and United Nations Industrial Development Organization(UNIDO), the project also aims at tackling global challenges and promoting the implementation of the 2030 Agenda African and Asian countries in the textile sector.

The project has been implemented through capacity development and awareness raising in the Ethiopian textile and garment industry, focusing on Chinese investors and their Ethiopian business partners. Speaking to Xinhua, Melaku Alebel, Ethiopia's Industry Minister, said the triangular cooperation has helped Ethiopia attract more Chinese investors and promote its textile industry.

"The role of China in Ethiopia's development is multidimensional. When we look at the number of investors in Ethiopia, Chinese investors take the lion's share. The role of China in Ethiopia's foreign direct investment is immense," Alebel said. The minister further said more than 80,000 new jobs have been created in industrial parks in the last Ethiopian fiscal year which ended on July 7 with Chinese companies hiring the largest number of job seekers, especially women.

According to the minister, Ethiopia aims to grow its textile export earnings from 181 million U.S. dollars to 250 million U.S. dollars this Ethiopian fiscal year. "We are looking forward to attracting more Chinese investors and making it happen through working with the Chinese embassy in Ethiopia. We are also exploring the Chinese market to export our products there," the minister said.

Calabro Aurelia, UNIDO representative, on her part, stressed that China and Germany have funded the triangular project since its inception two years ago. "China has been very generous in promoting foreign direct investment in Ethiopia, particularly in the textile and garment sector," Aurelia told Xinhua.

"China and Germany have contributed a lot in introducing new technologies and promoting environmental, social and governance (ESG) practices in the textile sector in Ethiopia and beyond," Aurelia added.

The two-day conference discusses possible ways to create an enabling environment to promote sustainable textile industry development and raise awareness of ESG among all stakeholders in the textile industry in Ethiopia and beyond.

Source: english.news.cn- Sep 16, 2022

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OECD CLIs signal slowdown in major economies in next 6-9 months

The Organisation for Economic Co-operation and Development (OECD) Composite Leading Indicators (CLIs), designed to anticipate turning points in economic activity over the next six to nine months, continue to signal a slowdown in most major economies and in the OECD area as a whole.

Among large OECD economies, the CLIs continue to anticipate a loss of growth momentum in Canada, the United Kingdom and the United States, as well as in the euro area as a whole including France, Germany and Italy. Stable growth continues to be expected in Japan, OECD said in a media release.

Among major emerging-market economies, the CLI for China (industrial sector) now points to a loss in growth momentum. In India, the CLI continues to indicate stable growth whereas in Brazil it signals growth losing momentum.

The OECD CLIs are cyclical indicators based on a range of forward-looking indicators such as order books, building permits, confidence indicators, long-term interest rates, new car registrations and many more.

Source: fibre2fashion.com- Sep 16, 2022

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What's New in Textile Exchange's Organic Policy

Textile Exchange announced Friday that it was making a policy change to the Organic Content Standard (OCS) it created.

As of Dec. 1, OCS will mandatorily require that site inputs from Global Organic Textile Standard (GOTS) provide traceability of all transaction certificate data back to the original farm source, such as full transaction certificate data, including product and input product, and farm input data like farm capacity.

In addition, to decisively prevent fraud and to provide a double safety net, all first processors, such as cotton gins, that ultimately provide GOTS inputs into an OCS product down the supply chain need to be certified to the OCS and provide evidence of all inputs from farms.

Textile Exchange is asking certification bodies and standards users to provide this additional data and said it might require the former to amend contracts, policies and technology systems to make this possible.

"While we can require our own certification bodies to supply this data, we cannot extend this requirement to certification bodies operating in other schemes," it said. "To minimize business disruptions and resolve possible data sharing concerns, we recommend that all sites not currently certified to OCS begin the necessary steps to become OCS certified to ensure that data may be clearly shared through their certification bodies with Textile Exchange."

Textile Exchange is waiving OCS certification fees through June 30, 2023, for any site that is currently GOTS certified and decides to add OCS certification; this does not apply to sites that already have OCS and GOTS certificates. Textile Exchange is also permitting certification bodies to issue OCS scope certificates without conducting audits of sites holding valid GOTS certificates with the same validity through the same date.

Combined GOTS and OCS audits would then occur simultaneously with the GOTS renewal timing, Textile Exchange noted. In all these cases where an OCS scope certificate is issued through June 30, the validity date will be the same as the GOTS scope certificate.

This policy change occurs in ASR-106 Accepted Equivalent Standards Policy and contributes to Textile Exchange's continued efforts to strengthen integrity in organic cotton. The additional data sharing will enable Textile Exchange to have full traceability of the inputs to the OCS and allow the organization to perform more robust volume reconciliation in coordination with GOTS. It will also provide more detailed traceability information with standards users as systems like TrackIt come online.

Textile Exchange said it has been committed to supporting the integrity of preferred fibers and materials, and in particular, organic cotton, since its inception in 2002. The organic cotton sector has grown from that time into a global network of producers, traders, governmental agencies, certification bodies and non-profit organizations to support this growth, with Textile Exchange's standards, data reporting and convening efforts have been a part of this community and a part of the growth of the sector.

Source: sourcingjournal.com- Sep 16, 2022

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Turkiye's manufacturing index rises by 4.1% in July 2022

Turkiye's manufacturing index has shown an annual increase of 4.1 per cent (based on 2015=100), while its industrial production surged by 2.4 per cent annually in July 2022 compared to the same month of the previous year.

However, the manufacturing index of the country declined 6.6 per cent on a monthly basis, while industrial production fell by 6.2 per cent monthly in July 2022 compared with the previous month, according to the Turkish Statistical Institute (TurkStat).

While industrial production index change rates for non-durable consumer goods (NDCOG) surged by 5.9 per cent annually, they dropped 7.2 per cent monthly, according to the report. NDCOG are goods that are bought for immediate or almost immediate consumption and have a lifespan ranging from a few minutes to three years. Examples of such goods include clothing, shoes, food, beverages, and gasoline.

Annual changes refer to the changes of calendar adjusted index values compared to the same month of the previous year. Monthly changes refer to the changes of seasonally and calendar adjusted index values compared to the previous month.

Source: fibre2fashion.com- Sep 17, 2022

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Euro area marks €34 bn international trade goods deficit in Jul 2022

The euro area recorded a €34 bn deficit in trade in goods with the rest of the world in July 2022, compared with a surplus of €20.7 bn in July 2021. Intra-euro area trade rose to €224.8 bn in July 2022, up by 24.0 per cent compared with July 2021.

The first estimate for euro area exports of goods to the rest of the world in July 2022 was €235.5 billion, an increase of 13.3 per cent compared with July 2021 (€207.8 bn), according to a report by the statistical office of the European Union (EU), Eurostat. Imports from the rest of the world stood at €269.5 bn, a rise of 44.0 per cent compared with July 2021 (€187.1 bn).

In January to July 2022, euro area exports of goods to the rest of the world rose to €1 628.5 bn (an increase of 17.9 per cent compared with January-July 2021), and imports rose to €1 805.9 bn (an increase of 43.4 per cent compared with January-July 2021). As a result, the euro area recorded a deficit of €177.4 bn, compared with a surplus of €121.3 bn in January-July 2021. Intra-euro area trade rose to €1 554.1 bn in January-July 2022, up by 26.1 per cent compared with January-July 2021.

The EU recorded a €42.3 bn deficit in trade in goods with the rest of the world in July 2022, compared with a surplus of €15.6 bn in July 2021. The first estimate for extra-EU exports of goods in July 2022 was €211.6 billion, up by 12.8 per cent compared with July 2021 (€187.6 bn). Imports from the rest of the world stood at €253.8 bn, up by 47.6 per cent compared with July 2021 (€172.0 bn). Intra-EU trade rose to €341.9 bn in July 2022, +21.8 per cent compared with July 2021.

In January to July 2022, extra-EU exports of goods rose to €1,449.7 bn (an increase of 17.2 per cent compared with January-July 2021), and imports rose to €1,693.9 bn (an increase of 48.9 per cent compared with January-July 2021).

As a result, the EU recorded a deficit of €244.2 bn, compared with a surplus of €98.8 bn in January-July 2021. IntraEU trade rose to €2,407.8 bn in January-July 2022, +24.0 per cent compared with January-July 2021.

In July 2022, compared with July 2021, all the member states registered an increase in extra-EU exports except Malta (-1.2 per cent) and Ireland (-1.1 per cent). The highest increases were registered in Slovenia (+57.3 per cent) and Greece (+56.2 per cent).

With regard to the extra-EU imports, the picture is similar. In July 2022 compared to July 2021, all member states registered increases in extra-EU imports, except Latvia (-17.9 per cent) and Luxembourg (-9.1 per cent). The highest increases were observed in Cyprus (+101.8 per cent), Croatia (+98.4 per cent), and Bulgaria (+92.1 per cent), added the report.

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

The European Union (EU) includes Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, and Sweden.

Source: fibre2fashion.com- Sep 17, 2022

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US retail sales in August 2022 steady despite inflation: NRF

US consumers' willingness to spend overcame inflation again in August as more jobs and higher wages helped ease some of the pressure of continuing high prices, the National Retail Federation announced.

The US Census Bureau said overall retail sales in August were up 0.3 per cent from July and up 9.1 per cent year over year (YoY). That compared with a month-over-month decline of 0.4 per cent and a year-over-year increase of 10.1 per cent in July. On a three-month moving average, sales were up 9.3 per cent YoY.

NRF's calculation of retail sales – which excludes automobile dealers, gasoline stations and restaurants to focus on core retail – showed August was up 0.1 per cent from July and up 8 per cent unadjusted YoY. In July, sales were up 0.5 per cent month over month and up 7.2 per cent YoY.

NRF's numbers were up 7.3 per cent unadjusted YoY on a three-month moving average as of August. Sales were up 7.5 per cent YoY for the first eight months of the year, keeping results on track with NRF's forecast that 2022 retail sales will grow between 6 per cent and 8 per cent over 2021.

"August retail sales show consumers' resiliency to spend on household priorities despite persistent inflation and rising interest rates," said NRF president and CEO Matthew Shay in a press release by the NRF. "As we gear up for the holiday season, consumers are seeking value to make their dollars stretch.

Retailers have been hard at work managing their supply chains and holiday inventories to provide consumers with great products, competitive prices, and convenience at every opportunity.

We are relieved and cautiously optimistic that the potentially devastating rail strike has been averted, and we appreciate the Biden administration's intervention on behalf of businesses and consumers. We hope railway workers will accept the new terms of the proposed contract."

"Household spending remains steady even as costs continue to rise," said NRF chief Economist Jack Kleinhenz. "Consumers continuing to spend more each month points to the benefits of strong job and wage growth and their use of pandemic savings to help handle persistent elevated prices. Consumers are showing their toughness, but they have limited options and cannot continue if prices do not begin to soften. This retail sales report comes amid mixed signals from the broader economy that show the headwinds against the consumer are strengthening."

August sales were up in all but one retail category on a yearly basis, led by building material stores, online sales, and grocery stores, and increased in all but four categories on a monthly basis. Specifics from key sectors include: Building materials and garden supply stores were up 1.1 per cent month over month seasonally adjusted and up 13.4 per cent unadjusted YoY. Online and other non-store sales were down 0.7 per cent month over month seasonally adjusted but up 12.3 per cent unadjusted YoY. Grocery and beverage stores were up 0.5 per cent month over month seasonally adjusted and up 8 per cent unadjusted YoY.

Sporting goods stores were up 0.5 per cent month over month seasonally adjusted and up 7.1 per cent unadjusted YoY. Clothing and clothing accessory stores were up 0.4 per cent month over month seasonally adjusted and up 3.7 per cent unadjusted YoY. Health and personal care stores were down 0.6 per cent month over month seasonally adjusted but up 3.7 per cent unadjusted YoY, added the release.

General merchandise stores were up 0.5 per cent month over month seasonally adjusted and up 3.2 per cent unadjusted YoY. Furniture and home furnishings stores were down 1.3 per cent month over month seasonally adjusted but up 0.1 per cent unadjusted YoY. Electronics and appliance stores were down 0.1 per cent month over month seasonally adjusted and down 5.2 per cent unadjusted YoY.

Source: fibre2fashion.com- Sep 17, 2022

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UK retail sales volumes fall by 1.6% in Aug 2022

UK retail sales volumes fell by 1.6 per cent in August this year, continuing a downward trend since summer last year following the lifting of restrictions on hospitality, according to the Office of National Statistics (ONS), which recently said rising prices and cost of living have also affected sales volumes in recent months. Sales volumes in clothing stores fell by 0.6 per cent month over month.

All main sectors—food stores, non-food stores, non-store retailing and fuel—fell over the month; this last happened in July 2021, when all legal restrictions on hospitality were lifted.

Non-food stores sales volumes fell by 1.9 per cent over the month because of falls in each of its sub-sectors.

Non-store retailing (predominantly online retailers) sales volumes fell by 2.6 per cent in August this year; despite this fall, sales volumes were 24.4 per cent above their February 2020 levels.

The proportion of retail sales online fell to 25.7 per cent in August 2022 from 26.3 per cent in July 2022; despite this fall, it remains significantly above pre-coronavirus levels (19.8 per cent in February 2020).

The reporting period for the ONS bulletin covered July 31 to August 27 this year.

Source: fibre2fashion.com- Sep 17, 2022

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Bangladesh's garment exports grew 26.1% in July-Aug 2022

Readymade garment (RMG) exports from Bangladesh increased by 26.1 per cent to $7.112 billion in the first 2 months of fiscal 2022-23 (July-June) compared to exports of $5.640 billion in July-August 2021, as per the provisional data released by the Export Promotion Bureau. Exports were 7.24 per cent more than the target of $6.632 billion for July-August 2022.

Knitwear (Chapter 61) exports witnessed a higher growth compared to woven RMG exports. Exports of knitwear increased by 20.15 per cent to $3.915 billion in July-August 2022, as against exports of $3.258 billion during the same months of previous fiscal, as per the data. Exports of woven apparel (Chapter 62) increased at a higher rate of 34.23 per cent to $3.196 billion during the period under review, compared to exports of $2.381 billion during July-August 2021.

Home textile exports (Chapter 63, excluding 630510) zoomed 53.39 per cent to $268.52 million during the period under review, compared to exports of $175.06 million during July-August 2021.

Woven and knitted apparel, clothing accessories and home textile exports together accounted for 86.04 per cent of Bangladesh's total exports of $8.591 billion during July-August 2022.

RMG exports from Bangladesh had witnessed an increase of 35.47 per cent to $42.613 billion in fiscal 2021-22 compared to exports of $31.456 billion in fiscal 2020-21. Bangladesh had achieved an all-time high in terms of value of RMG exports in 2021-22. The total exports also breached the target of $43.500 billion with 19.73 per cent rise during the period.

Source: fibre2fashion.com- Sep 17, 2022

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ADB to offer $500 mn soft loan to Bangladesh as budget support

The Asian Development Bank (ADB) will offer $500 million to Bangladesh as budget support on soft conditions, country director of the Manila-based lending agency in Bangladesh Edimon Ginting recently said after meeting planning minister MA Mannan at the latter's office. Other lenders would come forward as co-financiers, he told reporters.

The budget support will also support the government's agenda to accelerate implementation of policies on climate change, he was quoted as saying by Bangla media reports.

Mannan said the loan will help rehabilitate the flood-affected population.

ADB had earlier pledged to offer $9.05 billion to Bangladesh over the next three years. This support would be aimed at ensuring necessary preparation to make a successful graduation from the least developed country (LDC) status in 2026.

Source: fibre2fashion.com - Sep 16, 2022

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NATIONAL NEWS

Indo-Lanka FTA to be revived and upgraded: Ranil

Lankan President says his government would take steps for better trade integration with India

Sri Lanka will revive its Free Trade Agreement(FTA) with India and upgrade it to "a comprehensive economic and technological partnership", President Ranil Wickremesinghe said on Thursday, signalling Colombo's willingness to revisit a stalled pact.

Addressing the Sri Lanka India Society , Wickremesinghe said his government would take steps for better trade integration with India.

Met with resistance

"We will revive and upgrade the FTA into a comprehensive economic and technological partnership. We started that in 2018 and 2019," he said referring to the Comprehensive Economic Partnership Agreement (CEPA) that was later known as the Economic and Technical Cooperation Agreement (ETCA). Both versions of the proposed agreement sparked stiff resistance within Sri Lanka, as critics feared it would impact Sri Lankans' job prospects with more competition from Indians.

"We look forward to trade integration in many areas with the RCEP [the China-led Regional Cooperation Economic Partnership], with the EU, but the cornerstone of this is to achieve trade integration with India," Wickremesinghe noted.

The current Indo-Sri Lanka Free Trade Agreement (ISFTA) came into effect in 2000 and several rounds of bilateral discussions later, Colombo and New Delhi are yet to reach an agreement on its upgraded version. Wickremesinghe, as Prime Minister between 2015 and 2019, attempted to sign an upgraded trade pact with India, but was unsuccessful.

Mr. Wickremesinghe reiterated that his government is looking into India's bilateral development cooperation projects in Sri Lanka and set up an international trade office for negotiations. The "slow" pace of the projects has remained a concern for New Delhi.

Scope for renewable energy

Speaking of areas with potential for bilateral cooperation, Mr. Wickremesinghe referred to the “long-term energy solution”, the power grid connection between India and Sri Lanka, offshore wind energy, the solar power plant at Sampur and the renewable energy projects on three islands of Jaffna Peninsula.

“We have a tremendous scope of potential renewable energy, and India has stepped in first,” he said. Citing the Trincomalee Oil Tank Farm project, being developed with Indian assistance, as having “big potential”, President Wickremesinghe said Sri Lanka would further develop itself as a logistics hub. “Together with India, Adani Group has already taken over part of the West terminal at the Colombo Port,” he said, underscoring the scope for private investment both ways.

Source: thehindubusinessline.com– Sep 16, 2022

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India, ASEAN activate joint committee to review free trade pact

India and the 10-member ASEAN have activated the ASEAN-India Trade in Goods Agreement joint committee to undertake the review of the pact, per a statement issued by the Commerce Ministry.

Ministers, at the 19th ASEAN-India Economic Ministers' Meeting in Cambodia on Friday, endorsed the scope of the review of the agreement to make it more user-friendly, simple, and trade facilitative for businesses, as well as responsive to the current global and regional challenges including supply chain disruptions, the release said

India has long been asking for a review of the India-ASEAN free trade pact as it wants a number of issues, including the non-tariff barriers faced by sectors such as automobiles and agriculture in the ASEAN region, to be addressed.

Minister of State for Commerce & Industry Anupriya Patel co-chaired the meet with Cambodian Commerce Minister Pan Sorasak. The Economic Ministers or their representatives from all the 10 ASEAN countries – Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, attended the meeting.

FDI policy

Patel shared information on the steps taken by India in liberalising and simplifying its FDI policy and invited ASEAN countries to invest in the country. "The Ministers reaffirmed their commitment to take collective actions to mitigate the economic impact of the pandemic and work towards a sustainable post-Covid recovery," the release stated

Trade and economic relations between ASEAN and India are starting to recover from the impact of the COVID-19 pandemic, the Ministers observed. Two-way trade between ASEAN and India reached $91.5 billion in 2021 increasing 39.2 per cent year-on-year. The Ministers also took note of the recommendations made by ASEAN India Business Council to enhance the ASEAN India economic partnership and the activities undertaken by AIBC in 2022, the statement added.

Source: thehindubusinessline.com– Sep 16, 2022

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A higher number of promotional activities are required for attracting mega research projects in the country: Shri Goyal

The Ministry of Textiles cleared 23 strategic research projects worth around INR 60 crores in the areas of Specialty fibres, Sustainable Textiles, Geotextiles, Mobiltech and Sports textiles under the chairmanship of Union Minister of Textiles, Shri Piyush Goyal, on 14th of September 2022. These strategic research projects fall under the Flagship Programme 'National Technical Textiles Mission.'

Among these 23 Research projects, 12 Projects of Speciality Fibres having application areas in Agriculture, Smart Textiles, Healthcare, Strategic Application and Protective gears were cleared. 4 Projects from Sustainable Textiles having application area in Agriculture and Healthcare Sector were cleared. Also, 5 projects from Geotextile, 1 from Mobiltech and 1 from Sportech were cleared.

Member NITI Aayog (Science & Tech) & Principle Scientific Advisor (PSA) provided inputs pertaining to Technical Textile for the meeting along with Line Ministries.

Various leading Indian Institutes including IITs, Government Organizations, and Eminent Industrialists, among others participated in the session which cleared projects strategic for the development of Indian economy and a step in the direction of Atmanirbhar Bharat, especially in the Healthcare, Industrial and Protective, Energy Storage, Agriculture and Infrastructure.

While addressing the esteemed group of Scientists and Technical Technologists, Shri Piyush Goyal said, "Industry and Academia connect is essential for the growth of research and development in the application areas of Technical Textiles in India. Building convergence with Academicians, Scientists and Researchers is the need of the hour."

Shri Piyush Goyal emphasised on the importance of contributions of technology and segment experts, scientists and academicians to India's technical textiles future growth.

Shri Piyush Goyal highlighted that the technological gap in the country needs to be addressed in the field of technical textiles.

Identification of the area of research in technical textiles with industry interaction and promotional activities like conferences, exhibition, and buyer-seller meet to promote the use of Technical Textile in the country and to increase the exports to be the key focus areas.

Source: pib.gov.in– Sep 16, 2022

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Trade deficit may remain high in near-term; exports outlook weak, RBI's tightening to slow import growth

According to analysts at Edelweiss Securities, the outlook for exports remains subdued, and the trade deficit may narrow going forward.

India's trade deficit remains high enough for comfort despite narrowing by about $2 billion in the month of August. The trade deficit is wide due to high commodity prices and slowing exports. According to analysts at Edelweiss Securities, the outlook for exports remains subdued, and the trade deficit may narrow going forward.

"Looking ahead, global growth headwinds are likely to weigh further on exports. However, the trade deficit may improve, but remain elevated, as commodity prices ease further," they said, adding that falling US trade deficit could also weigh on Indian exports and disinflation. Additionally, RBI's tightening is also expected to lower import growth over the coming months which, in turn, could work to narrow the deficit gradually.

Trade deficit elevated amid high commodity prices, weaker exports

The trade deficit for August fell to $28 billion, down from an all-time high of $30 billion in July. However, the trade deficit remains elevated. The improvement in the August deficit was led by the narrowing of the oil balance from -$14.8 billion to -$12 billion. An increase in the gold deficit, however, partially counters this narrowing. In August, the gold deficit rose by $1 billion to $3.3 billion. On the other hand, the core deficit (ex-oil and gold) remained as high as the last month's deficit at around $12.7bn (widening from a recent low of $5 billion in Feb), owing to slowing core exports and elevated commodity imports such as coal and fertilisers.

Core exports in contraction

According to the data, overall export growth in August remained unchanged from July at 2% on-year, but core exports (ex-oil and jewellery) contracted by 2% last month versus growth of 2% in July. By component, Agri exports showed strength (rice, meat, coffee, etc) although export duty on rice could impact rice exports going forward, said Edelweiss in its report. Engineering goods exports fell sharply by 14%.

However, electronics exports remained strong. Core imports remained elevated, growing 38% year-on-year. "This is largely owing to commodities (coal, fertiliser, metals, etc) where prices are still up substantially YoY. Strong growth in machinery imports is encouraging, but it remains to be seen if this strength can sustain global industrial slowdown," the brokerage and research firm said.

Exports likely to remain challenging

Overall, high commodity imports continued to keep overall imports elevated in August, while exports have started moderating. According to the Edelweiss analysts, the outlook for exports remains subdued. Hawkish central banks amid slowing global growth (real global money supply, global new orders, home sales, US yield curve are already in contraction) and falling US trade deficit could weigh on exports, disinflation (metals, palm oil, cotton, and to a reasonable extent crude oil). This combined with the RBI's tightening, which should lower domestic demand, is likely to lower import growth over the coming months, they said. "This in turn could work to narrow the deficit gradually. Crude oil price and gold imports are the key variables," analysts added.

Widening trade deficit concerning amid external challengers, weakness in exports

"The continued weakness in exports amid heightened risks to global growth prospects is concerning. The narrowing of the trade deficit in August to $28 billion from a record high of $30 billion in the previous month is mainly due to a sequential fall in imports rather than the ideal scenario of higher export growth relative to imports, said Rajani Sinha, Chief Economist, CareEdge. The decline in oil imports to the lowest level in six months helped restrict a higher trade deficit during the month. The trade deficit has touched $127 billion so far in the current financial year, notably higher when compared with $54 billion in the same period last year. "Going ahead, the widening trade deficit remains concerning amid challenges on the external front and signs of weakness in exports," Sinha added.

Source: financialexpress.com– Sep 17, 2022

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FM Sitharaman asks corporates to clear dues to MSMEs in 45 days

Finance minister Nirmala Sitharaman on Friday asked corporate India to settle dues of micro, small and medium enterprises (MSME) within 45 days of receiving the supplies to ease the liquidity woes of small vendors. Long delays in the settlement of dues by the central government departments/PSUs, state governments, state PSUs and private sector firms have undermined the MSME's ability to sustain their business cycles.

The MSME Act, 2006 specifies a 45-day credit period for the recipient of any goods or services to pay the MSME supplier. For any delayed payment, the rate of interest would be three times the bank rate notified by the Reserve Bank of India. However, MSMEs usually don't take recourse to the clause for fear of losing business.

The minister on Friday also acknowledged that the Centre, state governments and state-owned enterprises have large outstanding dues to the MSME sector.

Sitharaman said that in her meeting with big businesses two days ago, she had appealed to them to ensure that the dues of smaller businesses are cleared in time.

"The private sector and industry should commit to making the payments (to MSME) in 45 days along with the books of accounts filed with the Registrar of Companies which make mention of outstanding dues. The private sector should also be ahead in this issue," Sitharaman said at an event organised by Laghu Udyog Bharati, an RSS-affiliate devoted to small businesses, in Mumbai.

The central government would also be taking steps to resolve the issue by ensuring that departments and central public sector enterprises make the payments to small businesses in 90 days, she said, appealing to the state governments and their PSUs also to clear the dues in time.

In a similar drive between June 1 2020 and October 31, 2021, the government ministries, departments and central public sector enterprises had paid dues of over `75,472 crore to the MSME vendors.

Sitharaman also highlighted the government schemes like TREDS (trade receivables discounting system) platform and also the Samadhan portal to ease MSME difficulties.

Under TreDS, banks could release 90% of these firms' receivables based on receipts of purchases from their clientele among CPSE/state-run undertakings.

The MSME sector is the backbone of the Indian economy, contributing nearly 30% of the gross domestic product and 49% of the country's exports. It is also the largest employer, next only to agriculture in the country. Over 60 million such units employed about 110 million people in 2016, as per an NSSO report.

MSME units have borne the brunt of the pandemic. The expansion of the Goods and Services Tax (GST) and a policy thrust to formalisation also have adversely affected a section of MSME.

The government launched the Emergency Credit Line Guarantee Scheme in May 2020 as part of the pandemic relief package and have taken several other steps to improve the credit flows to these units.

Source: financialexpress.com– Sep 17, 2022

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Policy amended, international trade can now be settled in Rupee

The government has amended the Foreign Trade Policy to allow international trade invoicing, payment and settlement in the Indian rupee, activating the mechanism announced by the Reserve Bank of India (RBI) to facilitate trade in the domestic currency.

The Directorate General of Foreign Trade (DGFT) under the Ministry of Commerce and Industry notified the changes to the policy.

The central bank allowed authorised banks in India to open special rupee Vostro accounts of correspondent banks of any partner trading country to facilitate trade in the Indian currency.

Under the arrangement, Indian importers will make payment in rupees into the special Vostro account of the partner country bank against the invoices for the supply of goods or services from the overseas seller or supplier, the trade policy said.

"Indian exporters undertaking exports of goods and services through this mechanism shall be paid the export proceeds in Indian Rupees from the balances in the designated special Vostro account of the correspondent bank of the partner country," it added.

Finance minister Nirmala Sitharaman had last week held a meeting to review the proposed trade in rupee and asked banks to speed up the process of opening special rupee Vostro accounts.

The department of commerce has also been asked to reach out to traders to encourage them to adopt this route.

Source: economictimes.com– Sep 17, 2022

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India's foreign exchange reserves down $2.23 billion to $550.87 billion

The country's foreign exchange reserves declined by USD 2.234 billion to stand at USD 550.871 billion for the week ended September 9, the Reserve Bank of India (RBI) said on Friday.

In the previous reporting week, the reserves had dropped by USD 7.941 billion to USD 553.105 billion.

The fall in the reserves during the reporting week was on account of a dip in the foreign currency assets (FCAs), a major component of the overall reserves, according to the Weekly Statistical Supplement released by the RBI.

The FCAs decreased by USD 2.519 billion to USD 489.598 billion in the reporting week.

Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

The value of the gold reserves increased by USD 340 million to USD 38.644 billion, the data showed.

The Special Drawing Rights (SDRs) dropped by USD 63 million to USD 17.719 billion.

The country's reserve position with the IMF was up by USD 8 million to USD 4.91 billion in the reporting week, as per the data.

Source: business-standard.com– Sep 17, 2022

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South Indian cotton yarn market sees bearish trend; Mumbai prices down

South India's Mumbai cotton yarn market noted a decline of ₹10-15 per kg today as buyers are hesitant about new deals and waiting for new arrival, while prices remained stable in Tiruppur as demand was weak. Rainy weather has become an important factor for the market. Activities were witnessed in cotton yarn exports, but deals were fewer due to pricing issues.

Prices in the Mumbai market witnessed a downward trend due to a weak demand as exporters and local buyers were cautious. Traders said that buyers were adopting the wait and watch policy. They want to buy cotton yarn and fabric but at lower prices.

"Current prices are unable to attract buyers. The new season can help lower the prices of cotton, but rains might delay new arrival. Presently, cotton prices are bearish. If the rains stop, the natural fibre's prices may get support, which in turn will cause cotton yarn's and fabric's prices to also go up," a trader from Mumbai market told Fibre2Fashion.

60 count carded cotton yarn of warp and weft varieties were traded at ₹1,800-1,820 and ₹1,720-1,760 per 5 kg (GST extra) respectively. 60 combed warp was priced at ₹410-430 per kg. 80 carded (weft) cotton yarn was sold at ₹1,780-1,740 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at ₹340-345 per kg. 40/41 count carded cotton yarn (warp) was sold at ₹335-340 per kg and 40/41 count combed yarn (warp) was priced at ₹375-380 per kg, according to Fibre2Fashion's market insight tool TexPro.

In the Tiruppur market, cotton yarn prices remained stable after declining at the beginning of this week. Traders said that if the cotton crop is delayed in Maharashtra and Gujarat, the entire value chain may find support. Stockists, traders and millers were not willing to sell cotton yarn at lower prices. A trader from Tiruppur told Fibre2Fashion, "Merchant exporters were keen to buy October delivery cotton yarn. They want to buy 30 count combed cotton yarn at ₹338-340 per kg. But sellers did not agree to sell at this rate. Yarn market is closely watching the present rainy conditions. The prices may not go down, at least for now."

Trade sources also said that merchant exporters are buying 30 combed cotton yarn at ₹345-348 per kg. It may be available on Indian ports at FOB price of $4.35-4.40 per kg. Today, 30 count combed cotton yarn was traded at ₹348-352 per kg (GST extra), 34 count combed at ₹360-365 per kg and 40 count combed at ₹365-370 per kg in Tiruppur market. Cotton yarn of 30 count carded was sold at ₹325-330 per kg, 34 count carded at ₹332-335 per kg and 40 count carded at ₹337-342 per kg, as per TexPro.

In Gujarat, cotton prices declined by ₹2,000-3,000 per candy of 356 kg. However, rainy climate continued in the state. Madhya Pradesh and Maharashtra also recorded heavy or moderate rainfall which may delay the cotton crop. Shankar-6 cotton was traded at ₹82,000-90,000 per candy in the spot market of Gujarat.

Source: fibre2fashion.com– Sep 16, 2022

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Textile industry urged to invest in renewable energy

Textile industry in Tamil Nadu should invest more in renewable energy to remain competitive, said Ravi Sam, chairman of Southern India Mills' Association (SIMA).

Speaking at the annual meeting of the association here, Mr. Ravi Sam, who was re-elected chairman of the association for 2022-2023, said the cost of grid power has crossed ₹ 8 a unit in almost all the major textile manufacturing States, except those having hydel power generation capacities.

This has impacted the cost competitiveness of the textile industry in the country. Cost of energy accounts for over 40 % of yarn manufacturing cost and it has become imperative for the textile mills to plan for 100% captive power generation, be it wind or solar.

Mr. Sam said the combination of wind power, solar power and IEX power has tremendous advantage and will enable the textile industry to remain competitive. He also appealed to the Chief Minister to reconsider the steep increase in demand charges, wheeling charges, transmission charges and 6 % annual increase in tariff linking the same to inflation rate.

On the raw material front, he said the country turned cotton deficit from being a cotton surplus one this season and hence production at textile mills dropped 30 % to 50 % between July and October. He urged the Central government to address the structural issues on the raw material front for the textile industry.

S.K. Sundararaman and Durai Palanisamy were re-elected deputy chairman and vice-chairman of the association.

Source: thehindu.com– Sep 15, 2022

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