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IBTEX No. 196 of 2022 October 14, 2022

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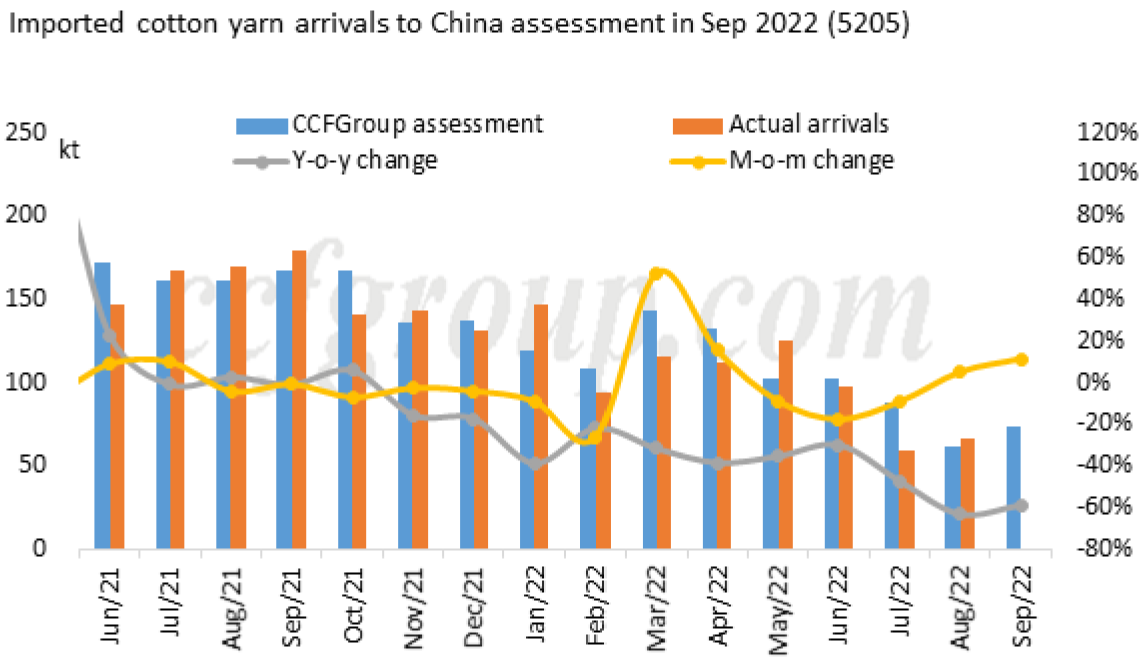
INTERNATIONAL NEWS

China: Imported yarn delivery delays, Sep cotton yarn imports may increase

1. Cotton yarn imports of China are forecast at 73.7kt in Sep, down about 58.9% on year and up 11.33% on month



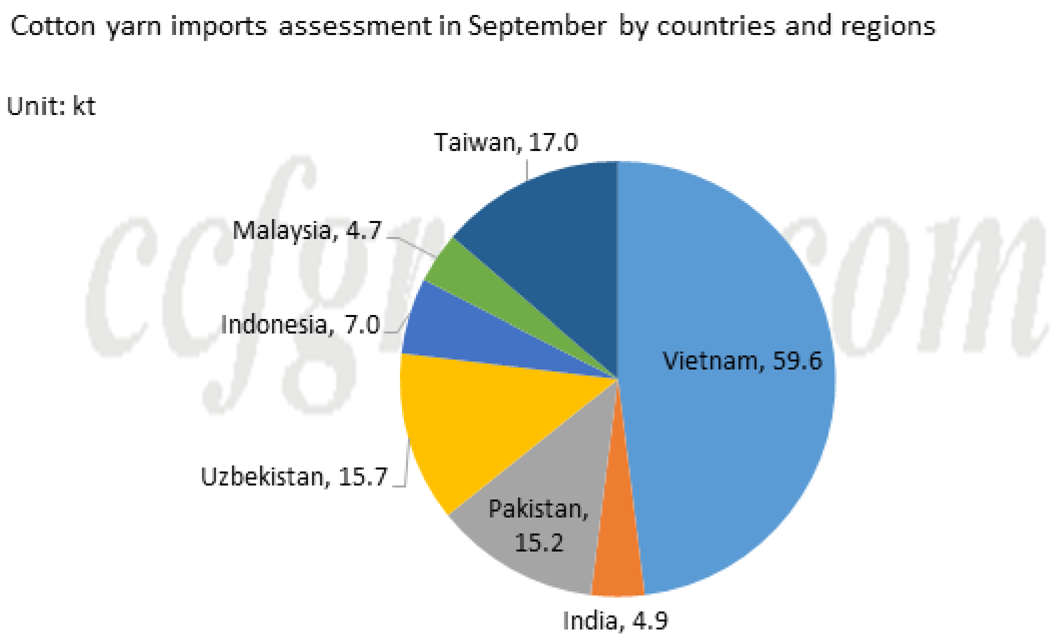
As it is shown in the diagram above, cotton yarn imports have shown a step-like decline since March this year, and cotton yarn imports shrank sharply mainly due to the lack of domestic demand and ordering chance. Until the first half of July, spot market ushered restocking chance at low level after prices of ICE cotton futures fell back, and cotton yarn imports rose again since August.

According to CCFGroup's survey, cotton yarn imports will arrive intensively in the first half of September. The preliminary assessment of cotton yarn imports will reach 73.7Kt in September, down 58.9% on year and up about 11.33% on month with the increase of more than 8Kt.

According to export data released by Vietnamese Customs, Vietnamese yarn exported to China this year accounted for around 50%. Market share of China improved in intensive ordering period such as April and August.

Thus, Vietnamese cotton yarn exported to China will increase in September and may account for 60% of overall imports. On the one hand, the profit of Indian cotton yarn hasn't recovered fully, so the ordering chance hasn't come. On the other hand, the previous ordered Uzbekistani yarn was at great losses, making more traders turn to procure Vietnamese yarn.

Pakistani yarn exports increased on month according to data released by customs in August, and seasonal restocking of that in China increased obviously. However, Pakistani siro-spun hasn't arrived at port on time in September due to the delay of shipment after Pakistani flood, so the imports will be at peak in late-October. Some Uzbekistani yarn mills reduced the production of ring-spun yarn as previous cotton prices were too high. In September, low-count Uzbekistani ring-spun yarn imports will also keep at low level.



Month	Vietnamese yarn exported to China (Kt)	Overall export of Vietnamese yarn (Kt)	Proportion
Jan	63.6	134.2	47%
Feb	63.6	122.7	52%
Mar	80.5	151.8	53%
Apr	73.1	135.3	54%
May	62.1	124.9	50%
June	47.9	117.9	41%
Jul	45.9	101.2	45%
Aug	57.5	115.3	50%

2. Structural shortage of imported cotton yarn continues

In the first half of September, cotton yarn imports and the destocking both reached the highest point recently. The overall inventory kept at around 50% of previous year, and structural shortage of imported yarn continued.

Firstly, the delivery has always been delayed as cotton prices were continuously high in Southeast Asia and the operating rate of many cotton yarn mills moved down.

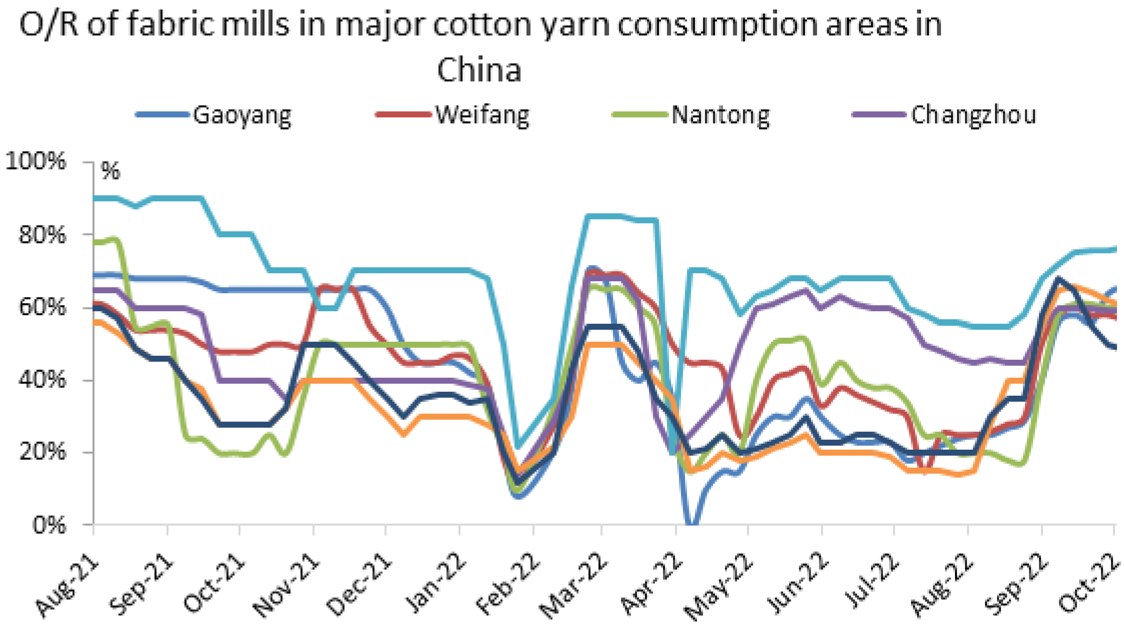
Secondly, domestic stocking of some varieties such as low-count open-end yarn was obviously insufficient as the usage for that was large recently, and product allocation was more difficult.

Thirdly, Chinese market couldn't accept buying Indian cotton prices with high prices, making Indian combed yarn basically out of stock. Now the price spread between forward imported yarn prices and domestic one has gradually recovered. However, the profit of traders are hard to ensure. In short term, imported yarn will still mostly focus on destocking slowly.

3. Conclusion

Cotton yarn imports have slipped obviously since this year. Amid slack sales and losses for a long time, traders in spot imported yarn market had to reduce the stocking of imported cotton yarn to fit into continuous adjustment of supply and demand situation in China.

At present, cotton yarn imports this year is assessed at 1,100Kt, down from 1300Kt. In the future, imported cotton yarn still has chance with continuous falling back of Indian cotton and ICE cotton futures prices. Forward yarn mills may turn over the long-term loss condition, and gradually improve the operating rate. Meanwhile, the compress of cost may recover the profit of imported cotton yarn.



Source: ccfgroup.com - Oct 13, 2022

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US Apparel Prices Fall While Overall CPI Still Rises

U.S. retail apparel prices fell a seasonally adjusted 0.3 percent in September compared to August, even as the overall Consumer Price Index (CPI) rose 0.4 percent, the U.S. Bureau of Labor Statistics (BLS) reported Thursday.

Women's apparel prices declined 0.4 percent last month, with decreases of 1.9 percent in outerwear, 0.7 percent in suits and separates, and 0.5 percent in dresses partially offset by a 0.8 percent hike in the underwear, nightwear, swimwear and accessories group.

Men's wear prices were down 1.1 percent for the month, led by a 3.3 percent drop in suits, sport coats and outerwear, along with a 2.3 percent decline in pants and shorts and a 0.4 percent dip in shirts and sweaters. Bucking the trend was a 1 percent rise in the cost of underwear, nightwear, swimwear and accessories.

Girls' apparel prices increased 1.8 percent in September, while boys' clothing prices fell 4.6 percent and infants' and toddlers' prices were down 0.8 percent. Retail footwear prices dipped 0.5 percent last month. An increase of 0.8 percent in men's was counterbalanced by declines of 0.9 percent in boys' and girls' footwear and a 0.8 percent falloff in the cost of women's shoes.

In the home goods sectors, BLS reported that prices for household furnishings and supplies rose 0.6 percent in September and had increased 9.9 percent over the 12 months. Within that category, prices for furniture and bedding inched down 0.1 percent for the month, but were up 10.1 percent from September 2021.

Helping to keep apparel price at bay were lower raw material costs. U.S. spot cotton prices averaged 85.59 cents per pound for the week ended Oct. 6, according to the U.D. Department of Agriculture. That was down from 89.25 cents the prior week and $1.05 a year earlier.

BLS's Producer Price Index for U.S.-made synthetic fibers was up 0.9 percent for the month and 5.8 percent from September 2021. Prices for processed yarns and threads fell 0.4 percent last month, but were still up 26.9 percent for the year, and prices for finished fabrics were flat month to month and up 12.3 percent year to year.

Over the past 12 months, CPI, a key gauge for inflation, increased an unadjusted 8.2 percent compared to an 8.3 percent increase for the period through August. Increases in the shelter, food and medical care indexes were the largest of many contributors to the gain, partly offset by a 4.9 percent decline in the gasoline index.

“Today’s report shows some progress in the fight against higher prices, even as we have more work to do,” President Biden said. “Inflation over the last three months has averaged 2 percent, at an annualized rate. That’s down from 11 percent in the prior quarter. But even with this progress, prices are still too high. Fighting the global inflation that is affecting countries around the world and working families here at home is my top priority.”

Biden said the United States is in a stronger position than any major economy to take on this challenge, and his policies directly tackle price pressures such as health care shown in the CPI report.

“The Inflation Reduction Act locks in lower health care premiums for 13 million people, lowers seniors’ prescription drug prices and caps their out of pocket expenses for prescription drugs at the pharmacy at $2,000 per year,” he added. “The Inflation Reduction Act will also lower families’ energy costs in the months ahead.”

BLS revealed that the energy index, important for business operation and logistics, fell 2.1 percent over the month as the gasoline index declined, but the natural gas and electricity indexes increased.

The core index, excluding food and energy, rose 0.6 percent in September, as it did in August. The indexes for shelter, medical care, motor vehicle insurance, new vehicles, household furnishings and operations, and education were among those that increased over the month. There were some indexes that declined in September, including those for used cars and trucks, apparel and communication.

The core index rose 6.6 percent over the past 12 months, the largest 12-month increase in that index since August 1982. The energy index increased 19.8 percent for the period, a smaller rise than the 23.8 percent increase for the period ending August.

For the year through September, the energy index rose 19.8 percent, with the gasoline index up 18.2 percent over the span and the fuel oil index elevated 58.1 percent.

The index for electricity rose 15.5 percent over the last 12 months and the index for natural gas increased 33.1 percent over the same period.

Source: sourcingjournal.com - Oct 13, 2022

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This New Alliance Wants to Fix California's Supply Chain 'Crisis'

A new group out of California aims to be a bridge to shared interests among a diverse set of groups all holding stakes in the increasingly complex world of logistics.

The Goods Movement Alliance (GMA), which says it's focused on finding "common sense solutions to the goods movement crisis," wants to be an information resource for its members and policymakers in a state key to moving product to much of the rest of the country.

"It's a long time coming and something that we've seen be necessary for having a clearinghouse for goods movement and supply chain issues in Sacramento for all the stakeholders that touch this area," said GMA co-chair Matthew Hargrove.

Hargrove is the president and CEO of the California Business Properties Association (CBPA), a legislative advocacy group for the real estate industry.

"For many, many years, lots of groups that are core to goods movement have all done a really good job of working together on putting focus on goods movement issues in Sacramento and engaging groups like mine [CBPA] that have been focused on goods movement issues when there was a big thing immediately in front of us, but weren't always focused on goods movement issues as much as we should be," Hargrove said. "There's a lot of companies that are very much in the middle of goods movement, are very active in goods movement and we also have some members that are part of goods movement in supply chain but just aren't as informed as they otherwise might be."

Instead of representing the interests of one industry, GMA acknowledges the diversity of industries impacted by the process of getting products to their final destination.

In effect, the GMA looks to address the businesses connected by everything from trucking and warehousing restrictions to urban planning, environmental and labor considerations.

“Coming through Covid, I think that the great toilet paper shortage of 2020 really made people assess goods movement, transportation and supply chain issues in California,” Hargrove said. “And I think that bottleneck that we saw during Covid really made a lot of people sit up and understand that supply chain is a little bit more fragile than we hoped it would be.”

The group is a product of the CBPA and California Business Roundtable coming together, but the point is to pull in chambers of commerce, ports and local governments among others to coordinate on issues. A longer-term idea is to open up the group to other Western states with a regional event as early as next fall.

“It’s all one, big symbiotic relationship,” Hargrove said. “Goods movement doesn’t stop at our borders and the cost for all of us doesn’t stop at the borders either.”

While the GMA looks to be a resource, its purpose is not to lobby. Although, there’s plenty in the way of regulations that inspired the need for cross-industry collaboration.

Passage of the state’s Assembly Bill 5 (AB5), for example, created a test for determining whether a worker can be considered an independent contractor and holds implications for many, including thousands of independent truckers. Concerned drivers protested the bill earlier this year at the San Pedro Bay and Oakland ports following the Supreme Court’s decision over the summer not to hear a case challenging the law.

Assembly Bill 2840, which was not passed, aimed to stop warehouse development within 1,000 feet of schools, daycares, hospitals and other facilities dubbed “sensitive receptors.” It was later amended to limit such construction in the Inland Empire, a major hub of warehouses and distribution centers.

The bill was seen as a way to address the ongoing battle between developers and communities that argue industrial properties bring truck traffic and pollution. Critics of the bill said it would lead to loss of jobs and further exacerbate supply chain issues at a time when lack of available industrial property met with the growth of e-commerce has caused rents to surge.

The impact of the bill would have extended beyond the development community to brands, retailers and any other user of warehouse and distribution space.

Infrastructure investment serves as one solution.

“Infrastructure is something we’re very concerned about,” Hargrove said. “We think the state really needs to put a lot more emphasis on the heavy transportation sector in terms of making sure that sector of the supply chain is robust enough to handle what the state is expecting it to do.”

More specifically, Hargrove pointed to investment in consumer transportation when it comes to reducing emissions with hybrid and electric vehicles. The hope, he said, is that more federal dollars will be pumped into the heavy-duty transportation vehicle sector, which could help clear up some of the local tensions around warehouse sites.

“We have to be able to get goods to where they belong and, in California, one of the unique challenges that we have is that so much of the nation’s imports and exports are coming through California, through all of our ports. So our state is, to a certain extent, having to bear the infrastructure burden for something that is servicing many, many other states,” he said.

“We need to be able to figure out how to better partner with the federal government, draw down more funding to work on our infrastructure issues as well as, in the state, figure out ways to put more dollars in where the infrastructure is needed to support not only the goods movement side of things, but transportation issues,” Hargrove said.

Source: sourcingjournal.com- Oct 13, 2022

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US textile & apparel exports up 13.19% during Jan-Aug 2022

The exports of textile and apparel from the United States went up by 13.19 per cent year-on-year in the first eight months of this year. The value of exports stood at $16.795 billion during January-August 2022 compared to $14.837 billion in the same period of 2021, according to data from the Office of Textiles and Apparel, US department of commerce.

Category-wise, apparel exports increased by 26.22 per cent year-on-year to $4.862 billion, while textile mill products rose by 8.62 per cent to $11.933 billion during the first eight months of 2022.

Among textile mill products, yarn exports increased by 21.33 per cent year-on-year to $3.118 billion, while fabric exports were up 3.25 per cent to $5.956 billion. Made-up and miscellaneous article exports grew 7.99 per cent to $2.857 billion.

Country-wise, Mexico (27.21 per cent) and Canada (24.13 per cent) together accounted for more than half of the total US textile and clothing exports during the period under review. The US supplied $4.627 billion worth of textiles and apparel to Mexico during the eight-month period, followed by $4.034 billion to Canada and $1.195 billion to Honduras.

In recent years, the US textile and clothing exports have remained in the range of $22-25 billion per annum. In 2014, they stood at $24.418 billion, while the figure was $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, and $22.905 billion in 2019. The value had dropped to $19.330 billion in 2020 due to the COVID-19 pandemic but rose again in 2021 to $22.652 billion.

Source: fibre2fashion.com- Oct 14, 2022

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Apparel, footwear purchases rise in Australia's Aug household spending

Australia's clothing and footwear sector witnessed the strongest year-on-year (YoY) rise in household spending in August this year—up by 75.8 per cent, according to figures released by Australian Bureau of Statistics (ABS). Overall household spending continued to rise in August, increasing by 29 per cent compared to the same month last year.

Household spending on clothing and footwear grew by 26.3 per cent over August 2019 estimates.

Household spending in the month increased YoY for both services (45.3 per cent) and goods (15.3 per cent).

Compared to pre-pandemic August 2019 estimates, total household spending was 15.8 per cent higher in current price, under calendar-adjusted terms.

The same for tourism and hotels, cafes and restaurants was up by 64.8 per cent YoY in the month, and for transport, it was up by 57.8 per cent.

August saw the 18th consecutive month of increases through the year in total household spending, with increases in all spending categories, ABS head of macroeconomic statistics Jacqui Vitas said.

"There were strong increases following COVID-19 Delta lockdowns that reduced spending last year," she said.

Source: fibre2fashion.com- Oct 13, 2022

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Container imports in US may decline by 2.9% in H2 2022

While twenty-foot equivalent unit (TEU) imports in North America are still up a healthy 3.6 per cent in the first eight months of 2022, a 2.9 per cent decrease is projected for the second half (H2) of 2022, with that number projected to fall 9.6 per cent in the first half (H1) of 2023.

North American container imports are expected to drop to their lowest level since early 2021, maritime consultancy Hackett Associates said, as weakening demand drives freight rates lower.

"The growth in US import volume has run out of steam, especially for cargo from Asia," said Ben Hackett, partner at Hackett Associates. "The declining demand is forcing significant cuts in ship capacity being offered by carriers, and the historical peak season increase in shipments has not appeared, adding to the woes of carriers."

Freight rates have continued to descend as liners attempt to maintain healthy vessel utilisation in a slowing market to sustain market share.

Platts, part of S&P Global Commodity Insights, assessed the key Far East-US Pacific Coast trade route at $2,000/forty-foot equivalent units (FEU) October 10, down 52.3 per cent on the month and at the lowest value since May 29, 2020.

S&P Global projects rates on the Platts Container Rate 13 — North Asia-to-West Coast North America — route to slide further in the fourth quarter and into the new year before levelling out in February. North Asia to US West Coast rates for October-January are projected to reduce by an average 9 per cent per month and settle at a low of $1,500/FEU in January before rebounding to an average $1,650/FEU in Q2 2023.

US Atlantic Coast ports outperformed those on the Pacific Coast during August, when combined loaded import volumes fell 8.7 per cent month-on-month to 1.21 million TEUs. US East Coast ports notched 106,000 TEUs of additional imports during the period, a 9.9 per cent increase on the year.

Source: fibre2fashion.com- Oct 13, 2022

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Turkiye's overall industrial production index went up 1% YoY; 2.4% MoM

Turkiye's industrial production index for non-durable consumer goods (NDCOG) rose by 9.4 per cent year-on-year (YoY) and 4.1 per cent month-on-month (MoM) in August 2022. While overall industrial production for the country increased by 1.0 per cent annually, it jumped 2.4 per cent monthly.

When the subsectors of the industry (based on 2015=100) were examined, the manufacturing index of the nation increased by 2.2 per cent in August 2022, compared with the same month of the previous year, according to a press release by Turkish Statistical Institute (TurkStat). Moreover, the manufacturing index increased by 2.7 per cent in August 2022, compared with the previous month.

NDCOG, which include clothing and footwear, are intended for immediate or nearly immediate consumption and have a life span that could last a couple of minutes to three years.

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, added the release.

Source: fibre2fashion.com- Oct 13, 2022

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Vietnam's garment export value up in nine months

Vietnam's textile and garment export value reached 35 billion USD in the first nine months of 2022, up 21% over the same period last year. To achieve the result, textile and garment enterprises have made great efforts to cope with the challenges of the market.

The enterprises did not depend on the five traditional export markets, including the US, Europe, Japan, the Republic of Korea and China, but also expanded the exports to Russia and some other countries.

In Europe, they not only focused on a few large export markets such as Germany, France, Spain and the UK as in the past, but also expanded the exports to other countries in the EU. In addition, many businesses have eyed Mexico and other countries in Africa.

They also promoted the production of knitwear products for export instead of making only traditional products such as jeans, khakis or T-shirts, due to a shortage of orders for those traditional products. Among textile and garment exporting countries in the world including Bangladesh, India and China, Vietnam had the earliest opening-up policy for normal operation after the COVID-19 pandemic.

Therefore, in the first six months of the year, Vietnam's textile and garment industry had a large number of orders and good business results. Vu Duc Giang, Chairman of the Vietnam Textile and Apparel Association (VITAS), said in the first half of 2022, the textile and garment industry gained growth in export orders, but entering the third quarter of 2022, the market began to see signs of a decrease.

The export order reduction was due to lower demand in major export markets like the US and the EU. High inflation in those markets caused people to reduce their spending significantly. In which, apparel was a commodity seeing strong cuts.

Meanwhile, markets that are important trade partners of Vietnam such as China, Japan, and Taiwan are still applying strict measures against the COVID-19 pandemic. That affected supplies of raw materials, auxiliary materials and the consumption of textile products from Vietnam.

To cope with those challenges, businesses rearranged working hours to ensure stability for workers. Enterprises in the textile and garment industry are still able to overcome the challenges in the fourth quarter, but difficulties are likely to continue until the first quarter of 2023, Giang said.

Tran Nhu Tung, Chairman of the Thanh Cong Textile – Investment – Trading JSC, said almost all countries exporting textiles to the US and EU markets have experienced a decline in orders due to high inflation and lower demand for apparel products.

According to Tung, for companies focusing on these two markets, they faced a large decline in production and business. Meanwhile, firms expanding exports to other markets, like Thanh Cong, saw a softer decline than others.

Thanh Cong saw a reduction in orders larger than expectations, but it was not too much. In the first nine months of the year, the company has fulfilled 80% of the revenue plan and 85% of the after-tax profit plan, he said.

Experts said that if in the first eight months of the year, the average export value per month was 3.7-3.8 billion USD, the value is expected to be 3.1-3.2 billion USD per month in the last four months of the year.

According to VNDirect Research, the textile and garment industry will be brighter in the first quarter of 2023 because the export tariffs on some kinds of Vietnam's textile and garment products to the EU market will be reduced by 2-4% thanks to the EU-Vietnam Free Trade Agreement (EVFTA).

In addition, the European Commission forecasts inflation in the EU will reach 8.3% in 2022 and fall to 4.3% in 2023. The lower inflation will stimulate demand for fashion and garments in 2023.

Therefore, some local garment enterprises exporting suits, shirts, pants and skirts to the EU such as Song Hong Garment, May 10 and Viet Tien, will enjoy more benefits from the EVFTA.

Source: en.vietnamplus.vn- Oct 14, 2022

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Pakistan: Historic decline in cotton output feared

Pakistan is going to face a historic decline of 43.08% in cotton production for the year 2022-23.

A high-powered Federal Committee on Agriculture (FCA) was informed on Thursday that cotton production is estimated at 6.3 million bales from an area of 2.1 million hectares, reflecting a decrease of 43.08% in production over the past year. The FCA meeting for Rabi Season (2022-23) was held under the Chairmanship of the Federal Minister for National Food Security and Research, Tariq Bashir Cheema.

The meeting included participants from the provincial agriculture departments, State Bank of Pakistan (SBP), Zarai Taraqiati Bank Limited (ZTBL), National Fertiliser Development Centre (NFDC), Pakistan Meteorological Department, Indus River System Authority and senior officers from the Ministry of National Food Security and Research.

The committee reviewed the performance of the Kharif crops (2022-23) and the production plan for Rabi crops (2022-23). The committee also discussed the situation of inputs for Rabi crops (2022-23).

During the meeting, the committee was informed that sugarcane production for 2022-23 is estimated at 81.64 million tonnes from an area of 1.32 million hectares, reflecting an increase of 12.44% and 6.23% in area and production respectively over the targets fixed by FCA. Rice production for 2022-23 is estimated at 5.53 million tonnes from an area of 2.99 million hectares, showing a decrease of 2.4% and 34.51 % in area and production respectively over the FCA targets.

Similarly, maize production for 2022-23 is estimated at 9.24 million tonnes from an area of 1.61 million hectares, showing an increase of 21.02% and 28.86% in area and production respectively over the set targets.

Mung bean production for 2022-23 is estimated at 183.7 thousand tonnes from an area of 213.2 thousand hectares, showing an increase of 12.58% and 2.29 % in area and production respectively over the targets.

The committee was also informed that cotton production for 2022-23 is estimated at 6.3 million bales from an area of 2.1 million hectares, reflecting a decrease of 43.08% in production over the past year. Cheema, in his opening remarks, explained that due to the heavy monsoon spell, from July to August, substantial damage was caused to the agriculture sector, especially for crops in Sindh and Balochistan. Due to this, prices of all essential food items have increased, he said.

To prevent the unavailability of essential food items in the local markets, the Ministry of National Food Security and Research along with the Ministry of Commerce took up the matter and facilitated the import of essential food items on a fast-track basis to maintain supply at reasonable prices for consumers. The rains, he informed, also affected the production of Kharif crops for 2022-23.

The production targets of major and minor crops like wheat, mash, gram, potato, lentil, onion, tomato and chilies were discussed in the meeting. The committee also fixed the production targets for Rabi crops (2022-23) wherein, the target for wheat was fixed at 28.4 million tonnes on an area of 9.3 million hectares, and production targets for gram, potato, onion and tomato were fixed at 560, 6029, 2422 and 622 thousand tonnes respectively.

The seed availability for Rabi crops was also discussed in the house and it was informed by the Federal Seed Certification and Registration Department (FSC&RD) that certified seed availability for Rabi crops increased by 14% as compared to last year.

The Meteorological Department highlighted that the overall summer monsoon rainfall in 2022 was significantly above average, reflecting an increase of 175%. For the months between October – December 2022, the department forecasted rainfall below normal levels in Northern Punjab, KPK, GB and AJK, while near normal rainfall is expected in the rest of the country. In order to promote the agricultural sector, the SBP has assigned an annual agricultural credit disbursement target of Rs1,800 billion for the financial year 2022-23 to 46 institutions on a provisional basis during July-August 2022 (FY 2022-23).

Source: tribune.com.pk- Oct 14, 2022

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NATIONAL NEWS

India-UK FTA talks on track but full-fledged pact may take time

The India-UK Free Trade Agreement (FTA) negotiation is no where near conclusion as certain tricky issues in goods, services and government procurement still need to be sorted out. But talks on the pact remain on track irrespective of unfavourable comments made by some UK officials on Indian migrants, sources said.

While meeting the ambitious Diwali deadline is difficult, there is no official word yet on whether Prime Minister Narendra Modi will go ahead with the UK visit in November. "If the PM's visit takes place next month, the two sides may announce some development around the FTA. However, it is very difficult to wrap up a full-fledged trade pact by then as the talks are no where near conclusion," the source said.

The India-UK FTA negotiation was formally launched in January 2022 by Commerce and Industry Minister Piyush Goyal and UK Trade Secretary, Anne-Marie Trevelyan, with expectations of a doubling of bilateral trade to $100 billion by 2030. The FTA talks are comprehensive covering a number of areas such as most traded goods, services, including work visa issues, digital economy, gender and government procurement.
Meeting interests

UK Home Secretary Suella Braverman recently said in an interview that she feared a trade deal with India would increase migration to the UK when Indians already represented the largest group of visa overstayers. This led to media speculation on the fate of the pact but both governments remained positive on the negotiations. Following Braverman's comments, Ministry of External Affairs Spokesperson Arindam Bagchi had said last week that India and the UK were interested in concluding the FTA negotiations at the earliest keeping in view that it proves to be a "win-win" for both.

The same view was echoed by a spokesperson of UK PM Liz Truss on Thursday. "We do want to secure this ambitious trade deal, we do want to seek to conclude talks by Diwali ... but we are clear that the UK won't

sacrifice quality for speed and we will only sign when we have a deal that meets both countries' interests," the spokesperson told reporters.
Points of contention

In the area of goods, last-minute wrangling is still on for reduction of import duties on wine and spirits and automobiles, which are both protected sectors in India. While India has agreed for tariff reduction in both areas, Britain wants steeper and faster cuts. UK is also eager for binding commitments in the area of procurements made by the Indian government and digital trade.

India, while stressing on market access for labour-intensive products, also wants a more liberal work visa regime for its skilled workers, especially in the IT sector.

Source: thehindubusinessline.com- Oct 13, 2022

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PM Gati Shakti capable to save ₹10 lakh crore yearly through logistics efficiency: Goyal

The PM Gati Shakti National Master Plan, which aims to promote integrated planning of infrastructure and synchronised project implementation across Ministries and Departments, has the potential to save over ₹10 lakh crore annually by improving logistics efficiency, Commerce & Industry Minister Piyush Goyal has said.

PM Gati Shakti (PMG) is increasingly being used in the social sector for better infrastructure development, thereby, taking fruits of technology to every citizen of the country and improving ease of life for the common man, Goyal said addressing the National Workshop on PM Gati Shakti on Thursday, to mark the first anniversary of the roll out of the National Master Plan.

Critical infrastructure gap projects

"Through the mechanism of PM National Master Plan, 197 critical infrastructure gap projects have been identified and examined in sectors namely, the Ministry of Steel, Coal, Fertiliser as well as Food and Public Distribution under PMG to improve logistics efficiency. Over 1300 inter-ministerial issues were resolved in the 11 months through the PMG portal integrated with the National Master Plan," according to a statement issued by Commerce & Industry Ministry.

In the last 8 years, capital expenditure has seen over four times increase from ₹1.75 lakh crore in 2014 to ₹7.5 lakh crore in 2022, the statement added. The Minister also launched the Logistics Ease Across Different States (LEADS) 2022 survey report. The LEADS is an indigenous data-driven index to assess logistics infrastructure, services, and human resources across all 36 States and UTs.

"The LEADS 2022 survey report would assist PM GatiShakti National Master Plan and National Logistics Policy to perform a network mapping of logistics infrastructure, services, and regulatory environment enabling States to identify and fill the gaps and achieve data-driven multi modal connectivity," the statement pointed out.

Source: thehindubusinessline.com- Oct 13, 2022

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Intensive negotiations ongoing for Diwali trade pact with India, says UK

Intensive negotiations are ongoing to meet the target to conclude the majority of the India-UK free trade agreement (FTA) talks by Diwali, UK government sources said on Thursday.

Officials said that both countries continue to negotiate a high-ambition free trade agreement that could boost the UK economy by more than GBP 3 billion by 2035.

The UK and India set a target to conclude most of the talks by Diwali (24th October) and intensive negotiations are ongoing, sources said.

Officials familiar with the negotiations also sought to realign the issue of mobility by drawing a distinction between temporary business visas and long-term migration, saying business mobility is not the same as immigration because business mobility covers the temporary entry for talent to work for a specific time period in a trade partner country.

Any commitments we seek on temporary entry will aim to encourage the best and brightest talent in India to temporarily work in the UK, official sources said.

It follows UK Home Secretary Suella Braverman's very vocal concerns over what she dubbed an open borders approach with India as part of an FTA, which many feared may have pushed the FTA negotiations off course from an October-end timeline because the issue of mobility lies at the heart of what India would consider a win-win trade deal.

According to the UK government, any agreement with India on visas and migration would fall within the country's wider points-based immigration system and be subject to Cabinet approval.

While the UK's Department for International Trade (DIT) refused to comment on live negotiations, it did not rule out the prospect of the Diwali deadline being met and said the deadline was focusing efforts and driving progress.

The UK has a close, positive working relationship with India and a thriving trade partnership worth over GBP 24 billion in 2021. We continue to seek improvements to our current trading relationship, and this is why we are negotiating a high-ambition Free Trade Agreement, a DIT spokesperson said.

We remain clear that we won't sacrifice quality for speed, and will only sign when we have a deal that meets both countries' interests," the spokesperson said.

There has been intense speculation in recent days over the Diwali timeline for the FTA, which was announced by former Prime Minister Boris Johnson during his India visit in April. However, since then the UK has undergone much political upheaval with Johnson being replaced by Liz Truss and a new Cabinet team in place.

A trade deal with India, expected to more than double bilateral trade by 2030, is considered a major victory for the new Prime Minister in an otherwise tumultuous few weeks overshadowed by financial markets turmoil.

Strategic experts on both sides are of the view that if the Diwali deadline for the FTA is still met, the result may be a much less comprehensive deal than was expected, leaving key sectors open for future negotiations.

UK Trade Secretary Kemi Badenoch seemed to lay the groundwork for this last week, when she said that an FTA with India would not mean that we can't do even more later. On the UK side, some of the key asks are around the opening up of India's legal services sector and slashing of high tariffs on Scotch whisky. For India, the issue of talent mobility and digital data are among some key factors.

Source: business-standard.com- Oct 14, 2022

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13 states have ₹7.4 lakh cr for capital spending in FY23: ICRA

ICRA has projected that a sample of 13 state governments have a massive fiscal space of ₹7.4 lakh crore for capital spending in FY2023, 81 per cent higher than their capex of ₹4.1 lakh crore in FY2022 (according to the provisional actuals or PA).

This is also 29 per cent higher than their FY2023 budget estimate (BE) of ₹5.8 lakh crore.

The rating agency said the assessment is based on the funds that are likely to be available from the unconditional market borrowings of 3.5 per cent of gross state domestic product (GSDP), the interest-free capex loan to be provided by the government of India (GoI) to the state governments, and the additional power sector reform-related borrowings (0.5 per cent of GSDP), after setting aside the revenue deficits estimated by ICRA and the likely adjustment of off-budget borrowings of FY2022.

The 13 states covered by the analysis are Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal. The combined GSDP (at current prices) of these states accounted for nearly 85 per cent of India's GDP (at current prices) in FY2021. Aditi Nayar, Chief Economist, ICRA, said: "ICRA estimates that the 13 state governments have the fiscal space to incur capital spending of as much as ₹7.4 lakh crore in FY2023, rivalling the size of the GoI's capex budgeted for this fiscal.

"While the availability of funds doesn't appear to be a constraint in FY2023, the actual outgo incurred by these state governments in the early months of this fiscal has been rather muted. "

Off-budget borrowings

She observed that the state governments' ability to ramp up execution, relative to the ₹4.1 lakh crore that was actually incurred in FY2022, will crucially determine whether the actual outcome turns out to be meaningfully higher than the budgeted ₹5.8 lakh crore.

The GoI has budgeted for a capex of ₹7.5 lakh crore in FY2023, which includes the ₹1 lakh crore interest-free loan to be provided to the state governments for capital spending for a period of 50 years.

The agency said the GoI would be adjusting the incremental off-budget borrowings raised by the state governments in FY2022, from their net borrowing ceiling (NBC), over a one- to four-year period, beginning in FY2023 and ending in FY2026. ICRA estimated the combined revenue deficit of these 13 states at ₹2.1 lakh crore, higher than the ₹1.8 lakh crore each in FY2023 BE and in FY2022 PA.

Revenue shortfall

While tax devolution as well as the goods and services tax (GST) compensation grants are likely to exceed the amount budgeted by the states in FY2023, this will not fully offset the estimated shortfall in other revenues and the projected higher-than-budgeted revenue expenditure in this fiscal, it added.

“We assess that Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh, and West Bengal (Sub-set A) will have adequate resources to fully fund or exceed their budgeted capex for FY2023.

"However, the fiscal space available for Haryana, Rajasthan, Kerala, Punjab, and Telangana (Sub-set B) appears to trail the capex budgeted for FY2023, by a varying extent, suggesting that additional revenue mobilisation and/or expenditure efficiency measures may be needed to boost capex," Nayar said.

Of these five states, the fiscal space assessed for Kerala and Telangana in FY2023 is curtailed on account of the adjustment of the incremental off-budget debt of FY2022, she added.The 13 states had incurred a capex of ₹91,500 crore in April-July 2022, a low of about 16 per cent of the FY2023 BE.

Modest spending

Given the high year-on-year capex growth budgeted by many of the states in sub-set A, and the modest spending seen in the early part of the year, ICRA remains uncertain over whether their capital spending can meaningfully exceed the budgeted level.

Therefore, the ratings agency has assumed their capital spending to be in line with the FY2023 BE, except for Karnataka, for which a 10 per cent growth has been assumed over the FY2022 PA, as the FY2023 BE had projected a contraction.

For sub-set B, ICRA assumed that capex will be limited to the available fiscal space, which is lower than the FY2023 BE for the same.

Source: thehindubusinessline.com- Oct 13, 2022

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Despite global slowdown, India's exports to top last year's record of $420 billion

India's exports are set to hit a new record in the current fiscal year, a report by economists at State Bank of India (SBI) said. Last year, India achieved record exports worth $420 billion, surpassing its target of $400 billion during the year. The feat was achieved 9 days ahead of the scheduled deadline of March 31, 2022.

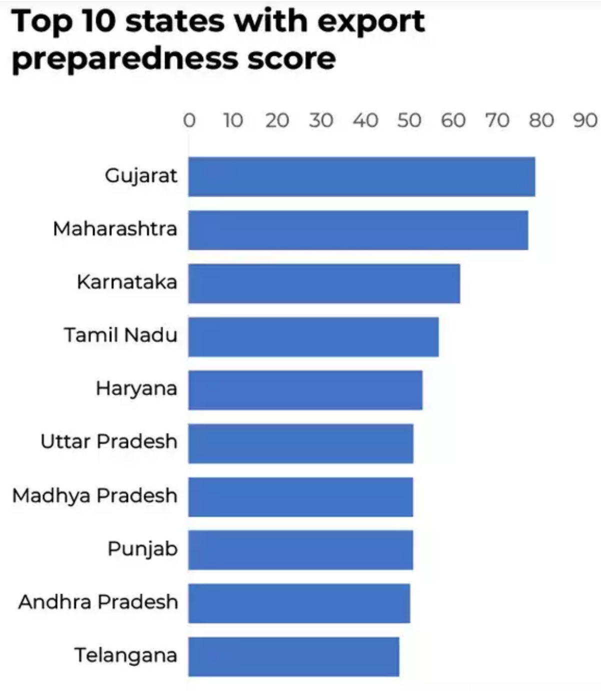
SBI's latest Ecowrap report said that Prime Minister Narendra Modi's 'One District One Product' scheme has led to several states quadrupling their exports. In addition, exports of finished or intermediate goods, push from production linked incentives scheme, and multi-year high commodity and food prices have also contributed to this export growth.

"In FY23, exports have so far recorded $229 biliion in H1FY23 and at this rate, India's exports are on par to overtake $420 billion in current fiscal....The government of India's consistent and concerted endeavours to usher in reforms for boosting agricultural exports have been highly fruitful and currently showing results," said Dr Soumya Kanti Ghosh, Group Chief Economic Adviser at State Bank of India.

He also noted that agricultural exports rose remarkably despite Covid-19 and crossed the $50 billion-mark in FY22. Efforts are being made to expand India's agri-export basket and promote export of products unique to India.

What is One District One Product

The One District One Export – District as Export Hubs (ODOP-DEH) initiative began in Uttar Pradesh in 2018 to transform every district into an export hub, following which the ODOP-DEH was then applied to other states in the country.



Exports of 16 states have trebled since the introduction of ODOP-DEH initiative by the government, noted the report by SBI Research.

The ODOP programme intends to essentially transform every district of the country into an export hub by identifying and promoting a product in which the district specialises.

Under ODOP-DEH, products and/or services with export potential have been identified in country's 733 districts, including agricultural & toy clusters and GI products in these districts. Toy manufacturing clusters have been identified in 12 Districts.

Exports of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Sikkim, Telangana, Uttar Pradesh and West Bengal have increased more than thrice since introduction of ODOP-DEH initiative. These include all top 10 states with export preparedness except Tamil Nadu whose export increased more than twice.

State-wise exports showed Gujarat led the tally in FY22 with exports amounting to $126,805 million, up 366 per cent from $27,159 million in FY19 followed by Maharashtra's $73,120 million exports in FY22, jumping 218 per cent from $22,986 million in FY19 and Tamil Nadu's 192 per cent growth in exports from $12,033 million in FY19 to $35,169 million in FY22, the report noted.

Toy clusters identified for export promotion under ODOP-DEH

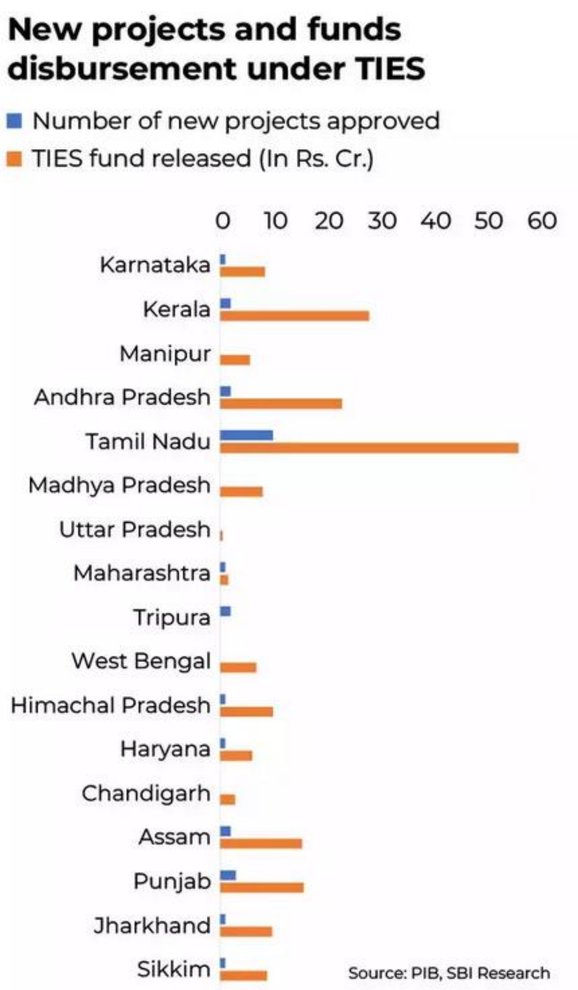
Andhra Pradesh	Krishna Visakhapatnam	**Kondapalli toys** **Etikoppakka toys**
Assam	Dhubri	**Terracota toys**
Karnataka	Koppal Ramanagara	**Kinhal toys** **Lacquer toys**
Madhya Pradesh	Indore	**Leather toys**
Manipur	Bisnupur Imphal East Imphal West	**Toys and dolls** **Toys and dolls** **Toys and dolls**
Rajasthan	Jaipur	**Toys**
Telangana	Nirmal	**Nirmal toys**
Uttar Pradesh	Chitrakoot	**Wooden toys**

TOI Source: Export Hub portal, SBI Research

Haryana' export jumped more than 314 per cent to $15.55 billion as compared to FY19.

Several other states grew their export three times from where it stood in FY19. Bihar registered nearly 400 per cent growth in FY22 from FY19.

"ODOP– DEH is a transformational step towards realizing the true potential of a district, fuelling economic growth, generating employment and rural entrepreneurship, aimed at fostering balanced regional development across all districts of the country enabling holistic socio-economic growth across all regions, enabling MSMEs, farmers and small industries to get benefit of export opportunities in the overseas markets," noted the report.



In FY23, exports have so far recorded $229 billion in the first half of FY23 and at this rate, India's exports are on course to overtake $420 billion in the current fiscal.

States with export infrastructure and export preparedness are capturing the momentum provided by the ODOP-DEH initiative, said SBI Research.

"Focus of ODOP-DEH on GI products is good however it can additionally focus more on capitalizing on raw materials and intermediate goods for integrating in Global Value Chains...So far, services identified for export promotion are very few and only pertain to Tourism, IT/ITES. Indian Economy is service based and around 55% of GDP coming from service sector, Services Exports should be given more prominent place under ODOP-DEH," said Ghosh.

He also believes India should capitalize on the “China+1” strategy, avoid protectionism and corrections of inverted duty structures for boosting export competitiveness of India’s economy.

Source: timesofindia.com- Oct 12, 2022

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India's exports to US, China, UAE shrink in Sept; job-creating sectors like engineering, garments worst hit

India's exports to the US contracted 10.7% on-year in September while those to China shrank 45.8% as the country's overall shipments plummeted 3.5% last month with job-creating sectors such as engineering, garments and cotton yarn being the worst hit. As per the analysis by the commerce and industry ministry, merchandise exports declined for six of the top 10 markets including the UAE and Bangladesh and 18 of the top 30 major commodities.

Engineering goods exports shrank 17% as Covid-19 restrictions led to a demand slowdown in China and Hong Kong coupled with 15% export duty on steel. Engineering goods exports to CIS countries were hit by the Russia-Ukraine war and Armenia-Azerbaijan tensions. Similarly, high inventory stocks in the US and EU, economic downturn, higher interest rates and rising inflation in the UAE and Saudi markets made apparel exports contract 21.5% in September. "High inventory stocks in the EU and US would last till October and we may see sluggish growth in this sector till then. Industry expects a pickup after December," said an official.

Cotton yarn, fabrics and made ups exports have declined 21% on-year in April-September. The contraction in handicraft exports in the first six months of FY23 is 30.5% while in carpets is 19.1%, according to the analysis. "We expect the Australia ECTA to boost exports and there is a need to diversify products that we export," the official added.

India aims to clock $470 billion of merchandise exports in 2022-23. Preliminary data released on October 3 showed $229.05 billion exports in April -September 2022-23, up 15.54% on-year. "Export in certain sectors has seen a decline on account of slowdown in some developed economies and consequential slowdown in demands," the government had said, adding that certain measures to contain domestic inflation and domestic food security concerns have also impacted exports.

Among food products, India lost market share of rice in Iraq and fruit and vegetables in the UK and Bangladesh.

Source: economictimes.com- Oct 13, 2022

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India's festival spending booms despite inflation worries, global slowdown

Indian consumers are lapping up everything from cars, houses and television sets to travel and jewellery in the festive season that began last month, according to early data, giving a fillip to growth prospects despite economic gloom elsewhere in the world.

Online and offline sales during the Hindu festival period starting in the last week of September and lasting until early November are estimated to cross $27 billion, almost double the amount in the same pre-COVID period in 2019, and nearly 25% higher than last year, according to industry estimates.

The sales would include nearly $15.2 billion offline sales, compared to about $8.5 billion in 2019, according to the Confederation of All India Traders (CAIT). This year there will also be $11.8 billion worth of sales on online platforms like Amazon and Walmart's Flipkart, according to Redseer, a market consultancy.

Retail sales always peak during October-November, when the nation of 1.4 billion celebrates the major festivals of Dussehra and Diwali. It's also an auspicious time of year to get married, according to Hindu belief.

But the surge this year is much larger, mainly due to pent- up demand as COVID-19 recedes after two years of devastating the country, as well as a rise in wages and an increase in jobs as the economy recovers, said industry leaders.

"After two years of pandemic fatigue, Indian consumers are upbeat ahead of the festivals," said Sanjay Kothari, associate partner at Redseer, adding online sales rose by nearly one-fifth in the first week of the season compared to last year.

With a four-fold rise in online buyers since 2018 to nearly 200 million, and demand for items like mobile handsets and fashion garments spreading to small towns, such sales were likely to remain strong at least for next three months, he said.

"We had not gone out of the city since the outbreak of COVID but decided to have some fun this year during the festivals," said Manoj Kumar Das, a 53-year-old tea vendor in Bhubaneswar, the capital of the eastern state of Odisha.

Das, who earns about 30,000 rupees ($364) a month, said he spent over 50,000 rupees on a seven-day vacation, besides buying new clothes for his family this year.

Auto sales, including those of two wheelers, rose 57% during the nine most auspicious days in the Hindu calendar this month compared to last year, and were nearly one-fifth higher compared to the pre-pandemic period in 2019, according to the Federation of Automobile Dealers Associations.

In the country's top seven cities, home sales in the September quarter rose nearly 70% from a year earlier, said a report by the JLL consultancy, as builders offered festival discounts.

The boom in India comes despite economic challenges elsewhere in the world, with broadening inflation in the aftermath of the Russia-Ukraine war and sharply higher interest rates.

Countries representing one-third of global output are expected to be in recession next year, the IMF has said.

In India too, lending rates have gone up by about 150 basis points since May as the central bank acted to combat consumer inflation which hit a five-month high of 7.41% year-on-year in September.

But economists said the sense in India was that inflation has peaked while economic activity was picking up. The bump in consumer demand is expected to support economic growth of around 6.5% in the fiscal year ending March 2023, the highest among the world's major economies.

CLOTHES, JEWELS AND CARS

Retailers in Delhi's Chandni Chowk cloth and jewellery markets, and in the states of Uttar Pradesh, Gujarat, Odisha and Kerala reported a huge pick up in demand, particularly in urban areas. Rural demand, however, remained weak due to lower wage growth compared to the cities, traders said, and possibly because of unseasonal rain in October that affected crops.

Malav Shah, Director of VTech TVS, a chain of six automobile showrooms in Ahmedabad in western India, said the reopening of educational institutions and resumption of work in offices were contributing to a surge in auto demand.

"Price hikes of vehicles and high petrol prices are challenges, but they haven't dampened the festive sales," Shah said.

The spending is also being boosted by credit expansion, which hit a 10-year high of 16.2% in August as firms and consumers took out loans to fund investments and purchases, according to the central bank.

The retail boom is also a boon for the government - goods and services tax collections, a barometer of consumer demand, rose 26% year-on-year in September, data showed.

Praveen Khandelwal, secretary general of the CAIT group representing over a million retailers, said sales were expected to grow around 70% compared to the pre-pandemic period as people were spending more on garments, gold, and home decoration to celebrate festivals and also buying for the marriage season.

"Consumer confidence has improved with expanding economic activities, and the country would be celebrating festivals without any fear of pandemic after two years," he said.

Aditi Nayar, the chief economist at ICRA, the Indian arm of rating agency Moody's, said the festival sales surge partly reflected pent-up demand but could moderate by early next year.

"After two consecutive downbeat festive seasons, consumer sentiment and spending appear to have rebounded this year... which may boost economic growth in the current quarter, but may not sustain thereafter."

Source: economictimes.com- Oct 14, 2022

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Indian textile, apparel, leather worst hit sectors in IIP for Aug 2022

India's textiles and leather industries are among the worst hit sectors as per the Index of Industrial production (IIP) for August 2022. The index of manufacture of textiles, wearing apparel and leather and related products recorded a double digit hit in the period under review. The data confirms what the textile value chain has been facing in the last couple of months.

Analysis of the IIP data revealed that the manufacture of textiles index fell to 105.5 in August 2022 from 120.2 in August 2021. The cumulative index also came down from 113.8 to 109.3. The industry has recorded a negative growth of 12.2 per cent in August and 4 per cent in April-August 2022.

The apparel index slipped by 18.3 per cent to 117.7 in August 2022 from 144.1 in the corresponding period of last year. However, cumulative index managed to register a growth of 26.6 per cent to reach 136.2 from 107.6 of August 2021.

The index of leather and leather products fell by 15 per cent to 90.5 from 106.5 in the same month of last year. Cumulative index grew 1.7 per cent to 98.3 per cent from 96.7 per cent in August 2021.

IIP confirms the sluggish demand and pressure of prices on the textile value chain. Earlier, Indian textile industry had faced a shortage of cotton and sky-rocketing prices. However, the demand was better than today, as per industry experts. Currently, low demand from domestic as well as international markets is a critical challenge for the sector.

Source: fibre2fashion.com- Oct 13, 2022

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UP: New textile, garmenting policy approved

To make Uttar Pradesh a textile hub, the Uttar Pradesh government has approved a new textile and garmenting policy to ensure development of all units through hand-holding and attracting private investment in this sector.

The decision was taken in the cabinet meeting held here on Thursday.

The cabinet has also approved the Uttar Pradesh Textile and Garmenting Policy-2022 and it authorised the chief minister to make any kind of amendment in it.

The main objective of the new policy is to establish the state as a global level garment manufacturing centre and sustainable development of all types of units related to textile industry like handloom, powerloom, spinning, weaving, processing, and garmenting.

The specific objective of the policy is to attract private investment of Rs 10,000 crore in the textile and apparel sector, to create employment opportunities for five lakh people, develop five textile and garment parks in the private sector, and to increase the income of handloom and powerloom weavers.

Parliamentary Affairs Minister Suresh Khanna said that in the Uttar Pradesh Textile and Garmenting Policy-2022, there was a provision to provide special incentives with financial facilities in various items to the units investing in the textile sector, for the purpose of generating employment by attracting investment.

“This policy will be effective for five years from the date of promulgation. This policy will increase investment in the state and is likely to generate three lakh employment opportunities,” he said.

Under the new policy, 25 per cent capital subsidy will be provided to textile and garments units on investment made on purchase of plants and machinery. Apart from this, additional capital subsidy will be reimbursed at the rate of 5 per cent to textile and garments units to be set up in Madhyanchal region of the state and at the rate of 10 per cent to textile and garments units to be set up in Purvanchal and Bundelkhand.

The cap on capital subsidy will be limited to Rs 100 crore per unit.

In another decision, the state cabinet has approved Uttar Pradesh Dairy Development and Milk Product Promotion Policy-2022 by abolishing Uttar Pradesh Milk Policy-2018. The new policy will be effective for five years from the date of issue of notification.

Its main objective is to encourage the establishment of milk-based industries in the state by simplification of procedures for the convenience of investors. A target has been set for capital investment of Rs 5,000 crore in the next five years, to increase the level of milk processing.

In the proposed policy, various FPOs, cooperative institutions and private sector entrepreneurs of the state will be provided new milk processing and milk products manufacturing dairy units. Establishment and capacity expansion of manufacturing units (minimum 25 per cent increase in existing capacity) has been proposed.

Under the new policy, it is estimated that 1.25 lakh new employment will be created directly and indirectly.

Source: dailypioneer.com- Oct 14, 2022

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Caught in a tight knot | The textile crisis plaguing A.P.

Spinning mills across the State have declared production holiday since October 10 owing to steep rise in production cost, weak demand in global market and tough competition by the multinationals

The textile industry in Andhra Pradesh, which provides direct employment to thousands of semi-skilled workers apart from a driver of economic growth, is now staring at a deep and unprecedented crisis after the spinning mills declared a production holiday from October 10.

The decision to cut down on the number of working days comes in the backdrop of a mounting global recession, slump in exports and rising production costs. Most of the spinning mills are now running at a reduced capacity.

There are over 125 spinning mills in the State with a combined capacity of 35 lakh spindles and many are cutting down their production of yarn. Indian yarn is known for its fine quality and is preferred by the European and American retailers.

“There has been a slump in production of yarn due to weak demand. By the time the production begins, cotton farmers are getting just ₹6,900 per quintal as against ₹9,000 per quintal. The closure of spinning mills has worsened the situation. Buyers are now reluctant as the prices of yarn has fallen drastically.

All this has resulted in piling of stocks at spinning mills. Spinning mills have been declared NPAs. This double whammy to cotton farmers and traders is unprecedented,” says Andhra Pradesh Textile Mills Association Chairman Lanka Raghurami Reddy.

The entry of multinational giants in the market has hit the domestic industry, the largest organised labor sector in the country, and given scope for speculation, resulting in the steep increase in cotton prices. Despite the concerted efforts of the association, the South Indian Millers’ Association and the Confederation of Textile Industry, the Central government have not taken the remedial measures to check the spiraling prices of cotton and protect the domestic textile industry, Mr. Chowdary points out.

Referring to the threat posed by the multinationals, he says those companies have almost cornered the domestic industry by making bulk purchases of cotton from farmers well below ₹20,000 per candy and are now selling them at ₹30,000 per candy. The exports have touched a new high of 85 lakh bales this year as against the cotton advisory board's caution of limiting it to 65 lakh bales, he explains.

The millers hope that the State government would bail them out by releasing the power subsidies immediately. Among the major demands put forth by the owners of spinning mills are immediate release of arrears to the tune of ₹1,400 crore.

Thanking Chief Minister Y. S. Jagan Mohan Reddy for his resolve in releasing ₹237 crore arrears in September 2021, Mr. Raghurami Reddy says that spinning industry would plunge into a great crisis if the State government does not release the arrears.

"We are staring at a deep crisis and many of us are not in a position to pay interest to banks. We urge the State government to consider our plea and release the arrears immediately," appeals Mr. Raghurami Reddy.

Source: thehindu.com- Oct 14, 2022

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