TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com ID 9105079408

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 205 of 2022 — October 28, 2022

NEWS CLIPPINGS

Currency Watch	
USD	82.34
EUR	82.17
GBP	95.21
JPY	0.56

NATIONAL NEWS	
No	**Topics**
1	India's textiles sector eyeing $100-billion exports in 5-6 years: Piyush Goyal
2	E-certificate of origin valid for claiming duty concessions: CBIC
3	IMF on India: Slow recovery, dull external demand to mark FY23
4	Indo-US trade policy forum's November 8 meet postponed over polls
5	Next round of trade talks with India expected shortly: UK Minister
6	Textile industry hopeful of India signing FTA with U.K. soon
7	Cotton farmers demand ₹12,000 a quintal as MSP
8	Awaiting fall in cotton prices, some spinners extend Diwali holidays
9	Rachna Shah to take over as India's textile secretary on Nov 1
10	India's apparel exports to Netherlands poised for impressive growth

INTERNATIONAL NEWS

China's new policies to promote foreign investment in manufacturing

China has announced various measures for enabling foreign investment in the manufacturing industry. The country's government has stated that it will facilitate exports and imports of foreign-invested manufacturing firms and provide assistance regarding trade and customs clearance.

Aiding the entry and exit of executives, technicians, and their families of multinationals and foreign-invested firms in China keeping in mind COVID-19 pandemic protocols was recommended in a document jointly released by the National Development and Reform Commission and five other government bodies.

Other suggestions listed in the document included guiding foreign investors to diversify their investment in sectors such as carbon peaking, neutrality, and sci-tech innovation in addition to industry-focused areas such as the western, north-eastern, and central regions of China.

According to data from the National Bureau of Statistics, the country's value-added industrial output increased by 6.3 per cent year-on-year in September 2022. Industrial output is an index for measuring the activity of businesses with an annual business turnover of a minimum of 20 million yuan (around $2.81 million).

Source: fibre2fashion.com- Oct 27, 2022

HOME

****

Inflation in Australia rises to 32-year high of 7.3%

Inflation in Australia rose to a 32-year high in the last quarter this year, with the annual rate shooting up to 7.3 per cent from 6.1 per cent—nearly thrice the wage growth pace. The consumer price index (CPI) jumped by 1.8 per cent in the September quarter, topping market forecasts of 1.6 per cent, according to Australian Bureau of Statistics (ABS) data.

The Reserve Bank of Australia (RBA) had, however, thought that core inflation would peak at 6 per cent in the December quarter, with headline inflation topping at 7.75 per cent.

This development has now led to concerns that the country's central bank may opt for more aggressive rate hikes.

The annual inflation for essential goods and services leaped to 8.4 per cent in the September quarter, highlighting the extent of cost-of-living pressures, ABS observed. Prices for clothing, footwear and transport, however, fell.

The last time inflation was higher was in the June quarter of 1990 when it was 7.7 per cent.

The Australian dollar rose by 0.3 per cent to $0.6412, the highest in more than two weeks.

Source: fibre2fashion.com- Oct 27, 2022

HOME

****

Apparel industry sales in US may decline in Q4 2022: NPD

Amid consumers' financial concerns and economic uncertainties heading into the holiday season, fourth-quarter apparel industry sales are expected to decline in the US. With average prices forecasted to rise 2 per cent, dollar sales are projected to fall by 1 per cent, according to the National Purchase Diary Panel (NPD) Group.

The most recent 'Future of Apparel' report from market research company NPD found that consumers increasingly plan to buy apparel tailored to a specific need. Sales of sweatshirts, outerwear, and dresses are expected to grow in the fourth quarter, versus last year.

Along with being more selective in their purchases, many consumers are invoking cost-saving measures. Last quarter, 41 per cent of consumers reported that they had to forgo buying apparel to purchase products in another category – an increase of 5 points since the beginning of the year.

Consumers also said 'lower prices' were the most important factor for their future apparel purchase decisions. Exploring alternative buying options, nearly 45 per cent of consumers bought apparel on a resale platform in the third quarter, rising 2 points since the first quarter, added the report.

"As brands and retailers kicked off holiday promotions before Halloween costumes were purchased, we can expect an elongated holiday selling season for the apparel industry," said Maria Rugolo, apparel industry analyst at NPD.

"In the face of rising prices, the fourth quarter will be a balancing act as shoppers prioritise the areas where they will trade down, pull back, or invest, causing them to be more prudent in their apparel spending. Wardrobe needs, stemming from replacement or replenishment purchases and a return to social gatherings, will prompt consumers to invest in certain aspects of their wardrobe this holiday season."

Source: fibre2fashion.com- Oct 27, 2022

HOME

****

China's exports grow faster than imports in Jan-Sept 2022

China's imports and exports from January to September 2022 rose by 9.9 per cent year-on-year (YoY) and were worth 31.11 trillion yuan (around $4.29 trillion). While imports to the country were valued at 13.44 trillion yuan (5.2 per cent YoY), exports added up to 17.67 trillion yuan (13.8 per cent YoY).

The East Asian nation's annual import and export growth rates for the period were 4.8 per cent and 13.2 per cent, respectively. China's trade with the European Union, the United States, and the Association of Southeast Asian Nations increased by 9 per cent, 8 per cent, and 15.2 per cent, respectively, according to the General Administration of Customs China (GACC).

Moreover, general trade for China jumped 13.7 per cent to stand at 19.92 trillion yuan in the first nine months of 2022, which is around 64 per cent of the total foreign trade — a rise of 2.1 percentage points compared to the corresponding period in 2021.

Source: fibre2fashion.com- Oct 27, 2022

HOME

****

Thailand expects 8% increase in exports

Thailand's Minister of Commerce Jurin Laksanawisit has expressed confidence that the country's exports could expand by up to 8% this year after robust growth in the first nine months.

Key supporting factors for Thailand's export growth include the resumption of global economic activities after the lifting of COVID-19 restrictions, resulting in higher demand, especially for food and industrial goods, gems and jewellery, garments and textiles, travel equipment and cosmetics.

The shortage of semiconductors has started to ease, while the depreciation of the baht has made Thai farm exports, especially rice, more competitive in the global market, but there was still a risk of a slowdown in trading partner economies, Jurin said.

The Ministry of Commerce aims to organise 530 events to facilitate exports this year, including 345 events planned for the second half of 2022.

Thailand's exports grew by 7.8% to 24.9 billion USD in September, following a 7.5% year-on-year uptick in August and a 4.3% increase in July.

In the first nine months of this year, the country's exports expanded by 10.6% to 221 billion USD, while imports rose by 20.7% to 236 billion USD, resulting in a trade deficit of 15 billion USD.

Source: en.vietnamplus.vn- Oct 28, 2022

HOME

****

Maersk introduces online shipping facility for Sri Lankan exporters

Logistics company Maersk introduced its online shipping facility named Twill to participants at an online webinar recently conducted in collaboration with the Sri Lanka Export Development Board (EDB). Twill aims to offer small and medium-sized enterprises (SMEs) with a simple, reliable, and easy-to-use online platform to manage their logistics efficiently.

The objective of the webinar was to provide information on easy online shipping methods available for SME exporters in Sri Lanka, according to a joint press release by the EDB and Maersk.

Twill is a tailor-made, end-to-end customer experience built to serve SMEs, and has over 5,000 active customers. The platform provides greater control of shipments by offering instant price quotes and booking, transparency and tracking services, simplified paperwork, and proactive customer care.

Twill customers can transport shipping containers port-to-port or door-to-door while offering a wide range of logistics solutions, from transportation to customs clearance. Customers are also assured to be individually assisted by Maersk throughout the process.

Achini Weerawardhana, acting director for the trade facilitation and trade information division, EDB, made the opening remarks at the webinar. Mariya Kaed, customer engagement manager, and Limasha Vitharana, customer success partner representing Maersk, explained and demonstrated the online platform to the participants.

Source: fibre2fashion.com- Oct 27, 2022

HOME

****

European Central Bank raises interest rates by 75 basis points

The Governing Council of the European Central Bank (ECB) today decided to raise the three key ECB interest rates by 75 basis points. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will be increased to 2.00 per cent, 2.25 per cent and 1.50 per cent respectively, with effect from November 2, 2022.

With this third major policy rate increase in a row, the Governing Council has made substantial progress in withdrawing monetary policy accommodation. "The Governing Council took today's decision, and expects to raise interest rates further, to ensure the timely return of inflation to its two per cent medium-term inflation target. The Governing Council will base the future policy rate path on the evolving outlook for inflation and the economy, following its meeting-by-meeting approach," the ECB said in a press release about its monetary policy decisions.

"Inflation remains far too high and will stay above the target for an extended period. In September, euro area inflation reached 9.9 per cent. In recent months, soaring energy and food prices, supply bottlenecks and the post-pandemic recovery in demand have led to a broadening of price pressures and an increase in inflation. The Governing Council's monetary policy is aimed at reducing support for demand and guarding against the risk of a persistent upward shift in inflation expectations," the ECB release added.

The Governing Council also decided to change the terms and conditions of the third series of targeted longer-term refinancing operations (TLTRO III). During the acute phase of the pandemic, this instrument played a key role in countering downside risks to price stability.

"Today, in view of the unexpected and extraordinary rise in inflation, it needs to be recalibrated to ensure that it is consistent with the broader monetary policy normalisation process and to reinforce the transmission of policy rate increases to bank lending conditions. The Governing Council therefore decided to adjust the interest rates applicable to TLTRO III from November 23, 2022 and to offer banks additional voluntary early repayment dates," the ECB said.

Finally, in order to align the remuneration of minimum reserves held by credit institutions with the Eurosystem more closely with money market conditions, the Governing Council decided to set the remuneration of minimum reserves at the ECB's deposit facility rate.

Source: fibre2fashion.com- Oct 27, 2022

HOME

****

Egyptian Cotton Hub joins ITMF

Egyptian Cotton Hub (ECH) has joined ITMF as corporate member. The ITMF and all ITMF members can benefit from ECH's unique expertise and experience both in Egypt and the region as well as around the world.

ECH is a subsidiary company of the Cotton and Textile Industries Holding Company (CTIHC). These factories have been merged into nine companies located across Egypt. ECH is the marketing and sales arm of CTIHC.

The company manufactures a wide range of products covering everything from yarns to finished garments including medical cotton. Furthermore, it also owns two different brands, Nit and Mehalla, to serve a wide range of customers with a variety of products.

Egypt's first public sector factories and companies were established in the 1920s. This then grew to a total of 33 factories. Each factory has a rich history and a deep heritage, with more than a century of textile experience. ITMF founded in 1904 is the international forum of the global textile value chain from fiber to finished products.

Its members are from textile and apparel-producing countries representing approximately 90 per cent of global production. ECH looks forward to being an active partner of ITMF since ITMF produces a wide range of informative publications, statistics, and surveys that help companies to better navigate through the ups and downs.

Source: fibre2fashion.com- Oct 27, 2022

HOME

****

Bangladesh eyes technical textiles to expand RMG portfolio

Second only to China, Bangladesh carved out an awe-inspiring success story in the global RMG supply. Exports worth $42 billion last year contributed 83 per cent to its total export volume. Whilst the RMG sector continues its growth, the two-year long pandemic and drop in demand for RMG imports from the West thereafter created an economic crisis for the nation.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have targeted the $100 billion mark of export by 2030. After the hit it took in the last two years, Bangladesh is keen to diversify its RMG portfolio.

Technical textiles the way forward

This is where technical textiles present an opportunity. Futuristic technical textiles used in planes, cars, and firefighters' uniforms and protective clothes are not what comes to mind in the RMG sector but this category represents a huge potential for Bangladesh's diversification plan. Textile technology has become increasingly commercially viable and is experiencing rapid increase in demand.

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

Manufacturers of technical textiles use both natural and manmade raw materials. Manmade materials, which currently account for 40 per cent of total fiber consumption across the entire textile industry, include items like viscose, nylon, acrylic and polypropylene.

The global market for technical textile is projected to reach $208.5 billion by 2024 from $178.92 billion in 2020. The market is expected to reach $298.1 billion by 2030. Europe represents the largest regional market for technical textiles, accounting for an estimated 28.8 per cent share of the global total.

Asia Pacific lead market

Asia Pacific dominated the technical textile market with a share of 45.9 per cent in 2019. China is the largest exporter of technical textile products with 24 per cent share; followed by the US, Germany and Republic of Korea with 10 per cent, 9 per cent and 4 per cent share respectively.

Within the Asia Pacific region, China and India are two leading countries in the technical textile sector. India is the world second largest polyester producer and its market size is $19 billion. India has set up a scheme within an average growth rate of 15-20 per cent to increase their domestic market size of technical textiles to $40-50 billion at 2024; through market development, technological development, international technical collaborations, marketing and investment promotion.

Bangladesh has its work cut out as they venture into the technical textile segment. In 2010, the Bangladeshi technical textiles consumption market value was worth $281.1 million and production value was $252.2 million. Whilst the pandemic may have been doom and gloom for Bangladesh's RMG sector, the silver lining came in the form of technical textiles as demand for gloves, mask, PPE kits, etc, grew.

During this production process, Bangladesh realised it lacks the infrastructure, research facilities and skilled labor to compete significantly in the global market. The government of Bangladesh has launched various conduct schemes and policies for technical textile manufacturers to make them globally competitive.

Source: fashionatingworld.com- Oct 27, 2022

HOME

****

Cotton Questions: How Long Before Brands Push Back on Pakistani Prices?

There are more and more signs that the global economy is tanking.

For example, the International Monetary Fund (IMF) just released its October reports, “World Economic Outlook” and “Global Financial Stability Report.” In these texts, the IMF paints a picture where the engines of global growth have stalled. And the economic plane is on its way down. In turn, the responses of central banks, in particular those of the U.S. Federal Reserve, have taken the air out of the plane’s tires—almost ensuring a crash.

Many people will blame the Fed’s tight monetary policy for causing the trouble. In reality, though, the Fed’s restrictive money policy is simply a reaction to inflationary pressures. Indeed, higher interest rates are the standard treatment for deflating inflation. We need to look elsewhere for the causes of inflation.

Cause and Effect

Everyone in the business knows this too well. Pandemic-induced supply chain disruptions, a war in Ukraine, and stepped-up government spending have all combined to create the inflationary times in which we live. Yet, looking back, the Fed was slow to respond to the threat of inflation until they had little choice but to raise interest rates in a draconian manner. And in so doing, risk stalling the economy.

We see the direct effects of the policy and slowing economy in the industry’s excessive inventories. Up and down the supply chain, warehouses are stocked high, a carryover from the explosive economic recovery from the pandemic.

Further, a tight labor market and pent-up consumer demand pulled prices upwards as supply chains struggled to meet demand. In response, inventories were replenished. Only now, demand has waned, a combination of satiated consumer desires and inflated prices.

Consequences

However, as the world is far more interconnected than when inflation last reared its ugly head (the 1970s-1980s), Fed actions have global consequences. Need a handy measure? Check out the value of the dollar against foreign currencies. When the dollar gains value against other currencies, products purchased in dollars become more expensive. Moreover, so much of the developing world's debt is priced in dollars. As the dollar goes up, so do many countries' debt payments.

As a result, for much of the world, the costs associated with importing products or raw materials and debt repayments are rising at a time of weakening global demand. No wonder the IMF is worried. They should be. But all the economic chatter may seem abstract, so let's look at a practical example from our industry, Pakistan.

A Look at Pakistan's Spinning Industry

Rahim Khimani, a colleague at Gherzi Textil Organisation, shared a statistical analysis with me of Pakistan's cotton and textile situation. It tells a dire story.

Remember, Pakistan lost more than half of its cotton crop to flooding. Its textile and garment industries were also affected. Nevertheless, undamaged Pakistani mills still need cotton. If domestic sources are impossible to locate, then the only alternative is to import cotton. Contracts for imported cotton are typically priced in dollars. Pakistan has always been a significant importer of U.S. cotton. However, cotton has become more expensive as the dollar has gained against the Pakistani rupee this year.

And there's another consideration: The U.S. crop was also damaged by drought in Texas. Therefore, there's not as much U.S. cotton to go around. That will also contribute to higher prices, assuming mills can find available cotton to import.

Observations

Let's look at the cotton and cotton yarn situation in Pakistan: cotton prices rose steadily in 2021—in line with cotton futures—only to lose steam in 2022. Moreover, the rupee has steadily lost value to a strengthening U.S. dollar. The exchange rate, in turn, has helped to make prices for Pakistani yarn more expensive.

New York cotton futures, as listed on the ICE exchange, rose sharply in 2022, building on previous gains in 2021. However, since mid-2022, cotton futures have slumped despite a spike around the time of the flood in Pakistan. Generally, severe weather events, such as those witnessed in Pakistan, translate into higher prices—although that's not the case according to the futures market as prices have declined.

Spot prices for Pakistani cotton have also followed the general price trends of the futures market. But, we're left to ponder the question, why?

This brings us to exchange rates. A strong dollar equates to higher input costs for local spinners. As cotton contracts are typically priced in U.S. dollars, prices are magnified when converted to rupees. Indeed, the weaker rupee only accentuates higher input costs for spinners.

But there's more to consider. As input costs rise for spinners, they pass on those increases to their customers. For 20/1, 40/1, and 60/1 cotton yarn, prices rose in 2021 and jumped significantly in 2022—in line with the stronger U.S. dollar. However, the broader question remains for Pakistani spinners: how much longer will they be able to pass on these costs before the market pushes back?

The Net-Net

So here we see the implications of a strong dollar. What's more, there are implications well beyond the U.S. economy when monetary policy is tightened by the Fed. Today's world is so much more integrated than it once was. And as the U.S. dollar is used in many raw material transactions, there are implications for textile suppliers worldwide.

Beyond cotton prices per se, we need to consider broader factors. Let's assume the IMF is correct and the global economy is slowing down, then recession-induced demand will hit suppliers throughout our supply chain.

When the significant inventory accumulation we're witnessing at retail is considered, we face the double whammy of high inventories and waning consumer demand. At the same time, inflationary pressures have many suppliers anxious to pass on higher input costs at a time when downstream demand hits the skids. It's a tough situation.

Industries—like those in Pakistan—find themselves caught in the middle. And, of course, in the case of Pakistan, we have the terrible humanitarian cost of the floods: loss of life, property destroyed, and livelihoods upended. But, again, a human tragedy suffering from open wounds is only salted by inflation and a weakening global economy. Real-world consequences. Real-world pain.

Source: sourcingjournal.com- Oct 27, 2022

HOME

****

Pakistan: EU to review GSP Plus status in Dec 2023

European Union Ambassador Dr Riina Kionka has called for effective implementation of 27 international conventions as Pakistan's current GSP Plus status is going to be reviewed in December 2023 and more conventions pertaining to labour and human rights will be added.

She made the remarks while visiting a number of garment manufacturing units along with Pakistan Readymade Garments Manufacturers and Exporters Association's (PRGMEA) executive committee members.

EU ambassador appreciated performance of garment manufacturers and underscored the need for product diversity and more value addition to exploit full potential of market access given under GSP Plus regime.

Later in a meeting at PRGMEA office, both sides discussed role of small and medium enterprises (SMEs) in economic growth, technical education, skills development, EU support for Pakistan in technical and vocational education and promotion of skilled women workforce.

They agreed to work on women entrepreneurship, better labour laws and promotion of SMEs along with other projects.

EU envoy discussed ideas for providing support to SMEs with key focus on forging linkages within the European bloc to open new markets for SME products.

"EU is the biggest market for Pakistani goods as it accounts for about one-third of all exports from the country. EU can assist Pakistan to expand exports and uplift its industry through collaboration with PRGMEA," she said.

She appreciated the role of garment manufacturers association in boosting industrial activities in the region and added that her embassy would be in touch with the body to deepen bilateral ties.

Speaking at the meeting, PRGMEA Central Chairman Mubashar Naseer Butt and Vice Chairman Waseem Akhtar Khan remarked that Pakistan attached great importance to its partnership with EU as it was one of the largest trading partners.

GSP Plus had increased EUPakistan trade, which was valued at €12.2 billion in 2021 as compared to €6.9 billion earlier, showing an increase of 78%, the central chairman pointed out.

He called GSP Plus status very beneficial for Pakistan's economy because it played an important role in expansion of bilateral trade.

GSP Plus provides duty-free access to the huge EU market for textile and apparel and also provides an incentive structure to undertake reforms in the industry and country.

"Trade with EU is of critical importance to Pakistan's economic and social stability as well as prosperity. GSP Plus is a constructive engagement for betterment of our economy and promoting economic agenda," Butt emphasised.

Source: tribune.com.pk- Oct 27, 2022

HOME

****

NATIONAL NEWS

India's textiles sector eyeing $100-billion exports in 5-6 years: Piyush Goyal

India's textiles sector aims to hit $100 billion exports in 5-6 years, which would take the industry's combined domestic and international economic value to USD 250 billion, Union minister Piyush Goyal said on Thursday. Outbound shipments from the country's textiles segment stood at around USD 42 billion in 2021-22.

Addressing members of Export Promotion Councils through video conference in New Delhi, the Minister of Textiles, Consumer Affairs, Food and Public Distribution and Commerce & Industry said manufacturers should start securing cotton to meet their demands. Besides, all those involved with cotton industry should meet to discuss the strategy to trace cotton and ensure value of the cotton products.

The minister said that last year, textile export was approximately USD 42 billion, while the target is to achieve USD 100 billion by next 5-6 years.

He said that if achieved, the economic value of the sector will be worth USD 250 billion collectively, including its domestic as well as international markets.

Production of cotton is estimated at 34.19 million bales (of 170 kg each) in the 2022-23 crop year (July-June) as against 31.20 million bales in the previous year, as per agriculture ministry's latest data.

Cotton is one of the major Kharif (summer-sown) crops. The harvesting of cotton crops has begun from October.

Goyal said that funds are available under the Textile Mission and should be utilised in new projects, adding that the potential of textile sector may be showcased in G-20.

Participation of industry representatives in the shopping festivals recently announced by the finance minister may also be pursued, the minister said.

The virtual meeting was convened with senior representatives of all the 11 Export Promotion Councils under the Ministry of Textiles, including Apparel Export Promotion Council, The Cotton Textiles Export Promotion Council, Carpet Export Promotion Council, Export Promotion Council for Handicrafts.

In addition, representatives of industry associations, including the Confederation of Indian Textile Industry, Tiruppur Exporters Association and The Southern India Mills' Association also participated in the meeting.

Goyal observed that a two-day meeting should be organised to discuss new ideas on strengthening the textile sector. At least 50 per cent participants should be youngsters and there should be involvement of Quality Control of India (QCI), commerce, DPIIT, finance, banking export insurance for holistic engagement so that overarching themes may be discussed.

Source: economictimes.com- Oct 27, 2022

HOME

****

E-certificate of origin valid for claiming duty concessions: CBIC

The Central Board of Indirect Taxes and Customs (CBIC) on Thursday clarified that electronically generated certificate of origin (CoO) issued by the UAE authority is a valid document for claiming customs duty benefits under India-UAE free trade agreement. However, it said that the certificate has to be issued in a prescribed format bearing electronically printed seal and signatures of the authorised signatory of the issuing authority.

The trade agreement between India and the UAE came into force from May 1 this year. Under this, domestic exporters of over 6,000 goods from sectors like textiles, agriculture, dry fruits, gem and jewellery get duty-free access to the UAE market. On the other hand, India gives duty-free access to 7,694 goods coming from the UAE. A trader has to submit a 'certificate of origin' at the landing port of the importing country to claim duty concessions under free-trade agreements. This certificate is essential to prove where their goods come from.

In a communication to its field formations, the CBIC said that representations have been received with regard to India-UAE trade deal stating that the importers are facing difficulties in availing preferential tariff benefit on the basis of e-CoO issued by the issuing authority of AUE.

The agreement already has provisions for the same.

"In this regard, it is hereby clarified that an e-CoO, issued electronically by the issuing authority of UAE, is a valid document for the purpose of claiming preferential benefit under India-UAE CEPA (comprehensive economic partnership agreement)...," CBIC said. It added that the specimen seals and signatures, circulated in advance, will continue to be used to verify the genuineness/authenticity of the e-certificate.

Source: business-standard.com- Oct 27, 2022

HOME

****

IMF on India: Slow recovery, dull external demand to mark FY23

The International Monetary Fund (IMF) on Thursday said the strong recovery in South Asia is expected to take a breather with India's economy expanding at 6.8% in FY23, revised down by 1.4 percentage points since the April 2022 World Economic Outlook, due to a weaker-than-expected recovery in the second quarter and subdued external demand.

A further slowdown of India's growth to 6.1% is expected in FY24 as external demand and a tightening in monetary and financial conditions weigh on growth, the IMF said in its Regional Economic Outlook.

Noting that there have been "significant" portfolio outflows from Asia so far this year, it said at a regional level the scale of the outflows from Asian emerging markets is comparable to previous episodes such as the 2013 taper tantrum and the 2020 onset of the Covid-19 pandemic.

While strong outflow pressures have been focused on a handful of economies such as India, it said that recent data point to outflows having stabilised and partially reversed. "In the countries facing the most volatility in net portfolio flows, these seem predominantly driven by equity instead of debt flows (India, Thailand). These flows and the differentiation of equity prices have responded to changes in growth expectations," the IMF said.

As per the report, several Asian emerging market and developing economies have seen a decumulation of their international reserves-between 3-10% of their holdings in the first half of 2022 in India, Indonesia, the Philippines and Thailand-especially during periods of intense external financial shocks.

Most economies in Asia and Pacific, including Australia and India, are consolidating fiscal policy alongside monetary policy following substantial support during the pandemic, according to the outlook.

On the Russia-Ukraine war, it said the rise in crude oil, natural gas, coal and agricultural commodity prices in the first half of 2022 has been a negative terms-of-trade shock for most of the region and placed strain on the external accounts of large net importers in India.

The IMF also said India would need to spend 6.2% of gross domestic product each year to achieve the Sustainable Development Goals in 2030, and these resource requirements are compounded by less favourable debt dynamics.

Crypto currency

On crypto currency, the IMF said policy response should include investments to modernize digital payment systems-including cross-border integration-and the eventual issuance of central bank digital currencies.

India introduced a 30% tax on income derived from crypto trading and is currently developing a regulatory framework like many countries in the region.

"An important aspect of the policy response should include investments to modernize digital payment systems-including cross-border integration-and the eventual issuance of central bank digital currencies, which could offer consumers many of the benefits of crypto without the risks," it said.

The pandemic has accelerated digitalization around the world, including in many Asian emerging markets and developing economies, and e-commerce revenues have increased, with particularly rapid expansion in some emerging markets such as India and Indonesia.

Source: economictimes.com- Oct 28, 2022

HOME

****

Indo-US trade policy forum's November 8 meet postponed over polls

Meeting of the India-US Trade Policy Forum (TPF) that was set for early next month has been postponed due to upcoming assembly elections in India and mid-term elections in the US, people aware of the development said. The forum, led by commerce and industry minister Piyush Goyal and US trade representative Katherine Tai, was scheduled to meet on November 8 in Washington DC.

“While early November was being considered for the meeting, the two sides are busy with their elections. So, the meeting has been postponed,” an official told ET.

Another official said, “Discussions are on to fix the new date for the meeting.” The forum was relaunched last year after a four-year break when the US agreed to enhance market access for mangoes, pomegranates and pomegranate arils from India, and New Delhi offered concessions to cherries and alfalfa hay for animal feed from the US. As per an industry representative, next month’s meeting has been deferred because the two sides don’t have a significant agenda this time.

In the last TPF meeting held in New Delhi in November 2021, the two sides had agreed to reactivate working groups on agriculture, non-agriculture goods, services, investment and intelectual property “to address issues of mutual concern on an ongoing basis”. They had also agreed to work together on issues of child labour and forced labour in global supply chains. India-US bilateral goods trade during April-August stood at $57.5 billion.

While the TPF meeting has been put off, officials said the two countries are engaged in dialogues on several other platforms. “The dialogue with the US is on at many fora including G20,” said one of the officials quoted above.

India and the US are members of two Quad groupings and the Indo-Pacific Economic Framework (IPEF). In India, Himachal Pradesh and Gujarat are headed for assembly elections over the next two months while the US midterm elections are mainly held on November 8.

In last year's TPF meeting, India had said wider application of Trade Margin Rationalisation for medical devices is under consideration which already covers oximeters, glucometers, blood pressure monitors, and nebulisers.

"The ministers acknowledged the ongoing discussions on a Social Security Totalisation Agreement and welcomed further engagement on pursuing such an agreement," the government had saidMeeting of the India-US Trade Policy Forum (TPF) that was set for early next month has been postponed due to upcoming assembly elections in India and mid-term elections in the US, people aware of the development said. The forum, led by commerce and industry minister Piyush Goyal and US trade representative Katherine Tai, was scheduled to meet on November 8 in Washington DC.

"While early November was being considered for the meeting, the two sides are busy with their elections. So, the meeting has been postponed," an official told ET.

Another official said, "Discussions are on to fix the new date for the meeting." The forum was relaunched last year after a four-year break when the US agreed to enhance market access for mangoes, pomegranates and pomegranate arils from India, and New Delhi offered concessions to cherries and alfalfa hay for animal feed from the US. As per an industry representative, next month's meeting has been deferred because the two sides don't have a significant agenda this time.

In the last TPF meeting held in New Delhi in November 2021, the two sides had agreed to reactivate working groups on agriculture, non-agriculture goods, services, investment and intelectual property "to address issues of mutual concern on an ongoing basis". They had also agreed to work together on issues of child labour and forced labour in global supply chains. India-US bilateral goods trade during April-August stood at $57.5 billion.

While the TPF meeting has been put off, officials said the two countries are engaged in dialogues on several other platforms. "The dialogue with the US is on at many fora including G20," said one of the officials quoted above.

India and the US are members of two Quad groupings and the Indo-Pacific Economic Framework (IPEF). In India, Himachal Pradesh and Gujarat are headed for assembly elections over the next two months while the US midterm elections are mainly held on November 8. In last year's TPF meeting, India had said wider application of Trade Margin Rationalisation for medical devices is under consideration which already covers oximeters, glucometers, blood pressure monitors, and nebulisers.

"The ministers acknowledged the ongoing discussions on a Social Security Totalisation Agreement and welcomed further engagement on pursuing such an agreement," the government had said.

Source: economictimes.com- Oct 28, 2022

HOME

****

Next round of trade talks with India expected shortly: UK Minister

India and the United Kingdom (UK) have closed the majority of chapters —16 of 25 policy areas — so far, said UK's Minister of State for Trade Policy Greg Hands as he sought a deal that is “fair, reciprocal”.

The next round of trade agreement talks between India and the UK is expected shortly, the minister told Parliament.

Both nations missed the October 24, or Diwali, deadline to finalise the agreement as several issues remained unresolved. Besides political uncertainty in the UK, the fear of recession and controversial comments by a minister regarding Indian immigrants overstaying in the UK had raised doubts whether the FTA could be inked.

With Indian-origin Rishi Sunak taking over as UK’s Prime Minister, the talks are expected to gather pace. While a revised deadline for completing the deal is yet to be announced, Business Standard last week reported that the talks are unlikely to be finalised before mid-2023.

“An FTA with India supports the government’s growth strategy, by taking advantage of the UK’s status as an independent trading nation championing free trade that benefits the whole of the UK,” Hands said in Parliament on Wednesday.

“We remain clear that we are working towards the best deal for both sides and will not sign until we have a deal that is fair, reciprocal, and ultimately, in the best interests of the British people and the UK economy.”

The two nations are negotiating issues related to business visas and movement of skilled professionals from India to the UK, as part of the FTA discussions. There is no discussion on the immigration visas, he said while replying to a query on home secretary Suella Braverman’s controversial comments on Indian immigrants overstaying in the UK.

Hands said that tariff reduction on alcoholic drinks, such as whisky, was being negotiated. Scotch whisky exports from the UK to India are already subject to 150 per cent tariffs and had been one of the contentious issues in the deal.

The trade pact is expected to provide greater market access in goods and services by easing tariff and non-tariff barriers on both sides. “We expect the deal to do a lot on tariffs. Many of our exporters face considerable tariffs on services—professional, financial and legal. I cannot promise that we will get everything in the deal. On intellectual property, it will be easier for companies to work through innovation and so on. There are a huge number of areas of potential gain for India, including investment and life sciences,” he said.

The UK is building a post-Brexit trade relationship with the world, and India is one of the largest markets it is negotiating a trade deal with. In May 2021, both countries set an ambitious target of more-than-doubling bilateral trade by 2030.

Source: business-standard.com- Oct 27, 2022

HOME

****

Textile industry hopeful of India signing FTA with U.K. soon

Textile associations in Coimbatore and Tiruppur districts are hopeful of India signing a Free Trade Agreement (FTA) with the United Kingdom at the earliest, enthused with the news of Rishi Sunak, who is of Indian descent, becoming Prime Minister of the U.K.

According to K.M. Subramanian, president of Tiruppur Exporters' Association, there are positive indications that the FTA will be expedited. As soon as the new government in the U.K. stabilises, the Association will join hands with other organisations such as the FIEO and AEPC and submit a memorandum to the Indian government to expedite the FTA. Indian garments attract nearly 11 % duty in the U.K. now and with the FTA, India will become competitive with countries such as Bangladesh. If an FTA is signed with the U.K., the share of the country in exports from Tiruppur will increase to 30 %, he said.

V. Elangovan, president of Association of Buying Agents for Textiles, said almost 20% of garment exports from Tiruppur are to the U.K. Signing an FTA with the U.K. will result in 10% increase in exports, he said. Most of the works are over for the FTA and the remaining should be expedited so that textile exports to the U.K. sees a jump.

The Confederation of Indian Textile Industry said, in the last one year, textile and clothing exports to the U.K. saw a dip mainly because of issues in that country's economy. The FTA will benefit especially the clothing sector as it is a traditional market for Indian exporters.

According to Southern India Mills' Association, Indian textile goods attract on an average 9% import duty in the U.K.. The FTA will ensure duty free exports. "While non-tariff barriers remain a matter of concern, there will be no tariff barriers if the FTA is signed," said its Secretary General K. Selvaraju.

Source: thehindu.com- Oct 27, 2022

HOME

****

Cotton farmers demand ₹12,000 a quintal as MSP

Cotton farmers have demanded a minimum support price (MSP) of ₹12,000 a quintal during the current season, saying the cost of production has increased significantly, while yields have dropped.

In Telangana, cotton growers claim the cost of production is ₹8,000 a quintal due to an increase in the usage of pesticides and labour costs.

"Yields have come down significantly. We are getting only about 4-5 quintals an acre. The present MSP of ₹6,080 is not sufficient for farmers to meet the cost of production," S Malla Reddy, Vice-President of All India Kisan Sabha (AIKS), told businessline.

Demanding the Cotton Corporation of India (CCI) to purchase the produce at ₹12,000 a quintal, farmers' unions have decided to organise protests in front of the offices of Mandal Revenue Officers in Telangana on October 29, 30 and 31.
Weather damage

"Due to heavy rains this season, cotton crop on lakhs of acres was damaged. We are expecting lower production this year. We are demanding the CCI to purchase the commodity at ₹12,000 a quintal," Bonthu Rambabu, a senior leader of Telangana Rythu Sangham, said.

Farmers in the State have brought 20.25 lakh hectares (lh) under the cotton crop this year , up a tad only despite record prices last year. Though it is higher than the 18.60 lh last year, it is way lower the government's target of 28.30 lh. A good number of them shifted to paddy, which, despite the procurement challenges, promised good returns.

Source: thehindubusinessline.com- Oct 27, 2022

HOME

****

Awaiting fall in cotton prices, some spinners extend Diwali holidays

Some spinning mills, particularly in southern India, are observing extended holidays for Diwali as they await further fall in cotton prices amidst slack demand for yarn.

With demand for yarn yet to pick up, some millers, led by the Tamilnadu Spinners Association (TASMA), have urged Finance Minister Nirmala Sitharaman to extend the window for duty-free import of cotton until March 31.

"Mills have declared an extended holiday for Diwali and are planning to run at a lower level of utilisation in the range of 50 per cent for some more period to rebalance the demand-supply trend," said Prabhu Dhamodharan, Convenor, Indian Texpreneurs Federation (ITF).

Muhurat trading poor

"South-based mills have extended holidays as there is no demand for yarn. On the other hand, multinational companies are buying cotton that is to be delivered in December and January at low prices. But farmers are looking for better prices. It has created some sort of standstill," said Anand Popat, a Rajkot-based trader in cotton, yarn and cotton waste.

"No mills (in some regions of Tamil Nadu) have reopened after Diwali. Cotton arrivals have not been seen after October 22 and price trends are not available over the past week," said K Venkatachalam, Chief Advisor, TASMA.

But OP Gulia, CEO, SVP Group, which owns textile units in Tamil Nadu and Rajasthan, said all mills that had closed have extended the holiday. "There is also a problem of workers due to continued holidays till Nag Panchami. However, all better-placed mills which are open and running have not closed. They have rather reinstated the capacity," he said.

Popat said Muhurat trading during Diwali was just 10 per cent of the usual volume. "Trading was slow as buyers and sellers adopted a wait-and-watch attitude," he said.

Prices above MSP

According to Agmarknet, a unit of the Ministry of Agriculture, cotton arrivals during October 19-26 at various agricultural produce marketing committee (APMC) yards were 45,816.59 tonnes compared with 67,127 tonnes during October 13-18.

The weighted average price of cotton last week was ₹8,045.47 a quintal against ₹8,316.28 the previous week. However, they are higher than ₹8,019.32 in the first week of October and ₹7,353.36 in the third week of October 2021. Rates are, however, higher than the minimum support price (MSP) of ₹6,080 a quintal.

'"There is a slowdown in the arrival of cotton as farmers are unwilling to sell cotton at a low price. The price has decreased by 10-15 per cent from the peak (witnessed in May this year) over the last 30 days," said Ronak Chiripal, CEO, Nandan Terry.

"Cotton arrivals have dwindled for a week now due to holiday mood. No one is there to buy. This will again pick up very soon. And so will the price trends," said Gulia.

Likely to hit floor soon

Popat said ginned cotton is currently quoted at ₹65,500 a candy (of 356 kg) by farmers but mills are bargaining at ₹64,800. "Multinational companies are offering ₹58,000-59,000 a candy for cotton that can be delivered during December-January," he said.

Compared to domestic prices, prices on the Inter Continental Exchange, New York, are $7.73 a pound (₹50,413 a candy) for delivery in December and $7.69 (₹50,213) for March delivery.

On the Multi Commodity Exchange, the November cotton contract was quoted at ₹32,850 a bale (₹68,791 a candy) and the December contract at ₹28,670 (₹60,038).

"Spinners are keen to start production but they are likely to witness delays. At current price points of ₹60,000-63,000/candy, yarn could witness a spurt in sales," said Chiripal.

“We are confident about cotton bottoming out in November with good arrivals combined with lower offtake from the mills,” said ITF’s Dhamodharan.

Popat agreed with his views, saying arrivals could pick peak by November 10-15 and daily arrivals may exceed one lakh bales.

“Post-December, exports will be in full swing. Until then, mills are unlikely to work at full capacity,” Gulia said.

Rains impact

“We can expect only calibrated buying at all levels due to the uncertain demand environment in global markets. The industry is closely watching the retail sales trend in developed markets and expecting some improvements in clearing out of retailers’ inventories in the upcoming peak season,” said Dhamodharan.

Once inventories are exhausted, a regular flow of orders to India can be expected in the apparel segment and “we can also compete with the current correction in raw material prices”, he said.

Popat said arrivals have been delayed in Andhra Pradesh, Telangana, Karnataka and Maharashtra due to rains. “But we need not fear any huge damage. It is less than 2 per cent in these States, 2-4 per cent in northern States and 1 per cent in Gujarat. We expect production to be around 370 lakh bales (of 170 kg each),” he said.

The Ministry of Agriculture in its first advance estimate of kharif crops has pegged cotton production at 341.9 lakh bales. Trade body Cotton Association of India has projected the crop in the current season to September 2023 at 344 lakh bales against 307.5 lakh bales — a 14-year low — last season.

Meanwhile, TASMA urged the Finance Minister to extend the duty-free window for cotton imports as the supply chain had been affected due to factors such as shipping constraints. Mills are suffering due to a lack of demand for yarn, the association said in its letter to Sitharaman.

Source: thehindubusinessline.com- Oct 27, 2022

HOME

****

Rachna Shah to take over as India's textile secretary on Nov 1

Indian Administrative Service (IAS) officer Rachna Shah, additional secretary with the department of commerce now, will officially take charge as secretary in the ministry of textile on November 1 after the present secretary UP Singh retires on October 31. Textile minister Piyush Goyal recently introduced Shah to export promotions councils (EPCs) during a videoconference.

Shah is a Kerala cadre IAS of the 1991 batch.

Goyal asked Shah to visit various textile hubs like Surat, Noida, Tiruppur-Coimbatore and assess applications proposed under the PM MITRA scheme around these hubs by taking feedback from industry representatives, an official release said.

The virtual meeting was convened with senior representatives of the 11 EPCs and representatives of industry associations like the Confederation of Indian Textile Industry, the Tiruppur Exporters Association and the Southern India Mills' Association.

Source: fibre2fashion.com - Oct 28, 2022

HOME

****

India's apparel exports to Netherlands poised for impressive growth

India's apparel exports to the Netherlands are expected to register an impressive growth in the current year. In the first half of 2022, the exports have increased to $352.153 million, compared to $264.219 million of H2, 2021 and $227.767 million of H1, 2021. India jumped from tenth to sixth place in H1, 2022 in terms of the Netherlands' apparel imports.

The apparel export stood at $215.742 million in H2, 2020 and $168.906 million in H1, 2020, according to Fibre2Fashion's market insight tool TexPro. During the pandemic year 2020, India's annual exports dipped to $384.648 million from $455.161 million in 2019. But it recovered to $491.987 million in 2021.

The export value was $401.572 million in first seven months of the current year. The exports may surpass a mark of $700 million by December 2022.

The Netherlands' import of apparel totalled $9.121 billion in January-July 2022. The European country had imported apparel worth $16.282 billion in 2021, when India was positioned at tenth place.

The Netherlands remained on seventh position for India's apparel exports, which was 3.75 per cent of its total exports of $9.383 billion in first half of 2022.

Source: fibre2fashion.com - Oct 28, 2022

HOME

****