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INTERNATIONAL NEWS

Cross-border e-commerce vital for increasing China's exports: Report

Several industrial clusters engaged in foreign trade in China have been able to successfully expand their business with exports facilitated by cross-border e-commerce as per a recent report. The value of e-commerce exports added up to 1.44 trillion yuan, which is an increase of 24.5 per cent year-on-year (YoY), according to the General Administration of Customs China (GACC).

The volume of exports and imports of the country's cross-border e-commerce came around 1.98 trillion yuan ($287.3 billion) in 2021, a surge of 15 per cent YoY. The export volume of China's cross-border e-commerce alone jumped 40 per cent YoY from 2017 to 2021, according to a report by Amazon Global Selling in Guangzhou.

The report covered 17 industrial clusters of the East Asian country, including northern, central, and western parts of China, the Pearl River Delta and Yangtze River Delta regions, and the West Straits Economic Zone. It noted that a rising number of Chinese exporters adopted digitalisation and cross-border e-commerce to cater to overseas consumers.

"As a new business form of foreign trade, China's exports using cross-border e-commerce have shown great resilience over the past few years, releasing more business potential in the global market," said Amazon China vice-president Peng Jiaqi.

"Chinese exporters in advantageous industrial clusters have shown great potential and vitality in research and development, design, product innovation, brand building and global expansion. The new generation of consumers has become a major force for growth in global e-commerce, bringing tremendous market opportunities for Chinese exporters," Peng added.

Source: fibre2fashion.com- Oct 28, 2022

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China: Bearish sentiment is heavy, how much will cotton yarn price drop further？

Though the epidemic in Xinjiang has not totally released, the falling of domestic spot cotton price and presold price has accelerated. The presold price of new cotton in November has declined to 13,700-13,900yuan/mt (in Xinjiang) while domestic spot cotton price reached more than 15,500yuan/mt.

At present, the bearish sentiment is heavy in the market, and both cotton and cotton yarn mills don't dare to buy too many cottons. After the gradual consumption of cotton stocks at previous stage, more domestic cotton yarn mills reduced or suspended production to reduce the usage of high-priced domestic cotton, and waited for low-priced cotton to be transported out of Xinjiang.

Yuan/mt	Cotton price	Cost of C32S
Seed cotton cost equals to lint cotton cost	Around 13,000yuan/mt (rough weight)	Around 20,900yuan/mt
Presold price of new cotton in November	13,700-13,900yuan/mt(in Xinjiang)	22,000-22,200yuan/mt
Current spot cotton price	15,400-16,000yuan/mt (domestic)	23,000-23,600yuan/mt

Cotton yarn prices continuously dropped as new cotton prices were low, and the current price of carded 32S was prevailed at 23,000-23,500yuan/mt. The profit of that still reached nearly 1,000yuan/mt according to the presold price of new cotton, and downstream traded prices were also discussed in accordance with new cotton presold price. On the one hand, cotton yarn mills haven't used low-priced cotton, and when that can be commonly used is unknown.

On the other hand, cotton yarns being transported out of Xinjiang were scarce, and the inventory of low-count carded yarns like carded 32S was low, so there was no large falling of yarn price temporarily. However, if the problem of Xinjiang cotton transportation be solved, new cotton procurement and sales will be normal, making it a big probability of increasing domestic cotton supply and falling cotton price.

Besides, if downstream orders have no significant increase with the increase of domestic cotton yarn supply after cotton yarn being transported out of Xinjiang, cotton yarn price is bound to drop. So when is a good time to start cotton procurement, and how much space will cotton yarn price drop further?

Cotton yarn ex gin price could decline to around 21,000yuan/mt amid the extremist condition. However, this situation is hard to happen in short term. On the one hand, ginners were at great loss last year, and the sales are not likely to be at loss at the beginning of this season as cotton cost was at historical low level this year. New cotton price is expected to reach around 13,500yuan/mt and has some support for cotton yarn cost, and cotton yarn cost will be more than 21,700yuan/mt.

On the other hand, cotton yarn inventory was not high though downstream demand was weak, and downstream fabric mills and traders both stocked up few. November is traditional off-season for textile industry, and cotton price will tend stable from December to January. If traders stock before Spring Festival, downstream demand may improve. If carded 32S price drops to the delivery price of below 22,500yuan/mt, traders and mills can begin to buy properly.

In terms of cotton yarn futures, 01 contract fluctuates at around 20,000yuan/mt, and the procurement price of cotton yarn futures warehouse receipt plus the premium is around 21,500yuan/mt. The spot delivered price of such quality in the market starts at 23,500yuan/mt, which is much distant from futures price. So buying cotton yarn futures warehouse receipt is also a good choice.

Source: ccfgroup.com- Oct 28, 2022

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USA: Cleveland: Bears Feasting on the Cotton Market

The bear has jumped on this cotton market like no other market in history – certainly no other cotton market in history. Commodity literature is replete with the saying “The trend is your friend.” I have used it a thousand times. Yet, the trend has not been your friend in today’s cotton market unless you are a textile mill.

The cotton market has aggressively moved lower, down a near unbelievable 1,700 points in just 12 days. I would have told you such was all but impossible, and still would. Yet, we see it can happen. On Friday (Oct. 28), the July 2023 contract traded down to 71.75 – a life of contract low and 236 points lower than its first trade ever back in March 2021. There is no clear strong price resistance level now that the 75-cent support was taken out. I don’t see December trading below 72 cents but recall I did not feel the bottom would slip below 78 cents.

Borrowing a phrase from the late Fed Chairman Alan Greenspan, speculators have attacked the cotton market with “irrational exuberance.”

There is one heck of a short covering rally coming for cotton when the speculative funds realize it is time to exit their short positions. The long-only Index Fund rolls have started and will continue for another week, but that is certainly not bearish (Sell December-Buy March).

Too, now that the spread between December and March has all but evaporated, there is increasing evidence that there may be a strong taker for the December certificated stocks. If so, that will tell us that there is some market for exports, at least for high quality exports.

Dollar cotton, as much as we love it, has once again proven just too much for the consumer. Demand has simply evaporated. Too, the higher above the dollar mark prices go, the quicker demand evaporates.

This week’s collapse in price suggests that demand may be even worse than forecast. Certainly, we have seen very bearish demand for some time, at least as far back as June. Likely, the market is just understanding how bad demand is.

World demand is likely some four to six million bales lower than the current USDA estimate of 116 million bales. World ending stocks, estimated at 88 million bales, could grow to 92 million. World stocks at 90 million bales and above nullify the bullish price impact of U.S. stocks falling to three million bales and below. Current futures prices are suggesting that demand prospects really are that bleak. Yet, prices are likely just catching up with reality.

The Chinese futures exchange, the ZCE, is falling very much in tandem with New York. Domestic Chinese cotton supplies are increasing just as world stocks are increasing, suggesting that Chinese mills have significantly reduced their demand not only for imported cotton but for Chinese grown cotton as well. This concern dovetails with the growing expectation that U.S. export sales are facing increasing cancellations.

A hint of such showed up in the weekly export sales report as China cancelled 23.8 million bales of previously committed export sales. Additionally, another 31.3 million bales that had been previously sold to Chinese mills, while not cancelled, were changed to mills located in Vietnam and other countries. These “destination changes,” as they are known, were to mills essentially owned by the same Chinese business entities but located in other countries. These changes suggest that outright export cancellations are the next step.

Such cancellations spook markets and logically add to selling pressure. The market is telling us that it believes some outstanding export sales to China are, in fact, being cancelled. Thus, the market is swamped with limit down selling pressure. Yet, as noted, now that the December and March contract prices are essentially equal, the potential for a taker of certificated stocks may be all the market needs to solidify a base in the 72-cent area and pursue a very slow retracement back to 75 cents and then to 78 cents.

The December 2023 contract did fall to 71 cents but was giving up less than 100 points for each 300-point loss on the December 2022 contract. Thus, the new crop December should likewise dig in its heels and hold the line.

Source: cottongrower.com- Oct 28, 2022

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Turkiye's garment exports gain 10.7% in Jan-Sept 2022

Apparel exports from Turkiye increased by 10.7 per cent year-on-year in January-September 2022, according to data from the Turkish Statistical Institute and the country's ministry of trade. During the first nine months of the current year, Turkiye exported apparel worth $14.781 billion, compared to exports of $13.348 billion during the same period of 2021.

Category-wise, exports of knitted and crocheted clothing and accessories (HS chapter 61) earned $8.329 billion in January-September 2022, registering a growth of 7 per cent over $7.782 billion earned during the same months of the previous year. Exports of non-knitted apparel and accessories (HS chapter 62) were valued at $6.452 billion, showing an increase of 14.781 per cent compared to $5.566 billion exports made in January-September 2021.

Meanwhile, Turkiye's imports of cotton, cotton yarn and cotton textiles (HS chapter 52) increased by a sharp 55.5 per cent to $3.969 billion over $2.553 billion in the first nine months of 2021.

In September 2022, the latest month for which the data is released, Turkiye's exports of knitted and crocheted clothing and accessories (HS chapter 61) was affected from recent trend of recession and slower demand. The exports decreased 1.3 per cent year-on-year (YoY) to $1.042 billion. On the other hand, the shipment of non-knitted apparel and accessories (HS chapter 62) noticed mild growth of 3.8 per cent in the same month.

Last year, Turkiye's total export of knitted and crocheted clothing and accessories (HS chapter 61) and non-knitted apparel and accessories (HS chapter 62) were valued at $18.294 billion.

Source: fibre2fashion.com- Oct 28, 2022

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US commerce department opens new office in Dhaka to promote trade

The US department of commerce has opened a new Commercial Service office at the US Embassy in Dhaka, Bangladesh. The US department will station a senior Foreign Commercial Service Officer at the Dhaka embassy to maximise US export opportunities and collaborate with Bangladesh to assist US companies looking to enter into or expand their presence in the Bangladeshi market.

The US and Foreign Commercial Service is the export promotion arm of the International Trade Administration (ITA), a bureau of the US department of commerce. The new office will help to facilitate one-on-one business counselling, provide tailored export expertise and information on the Bangladesh market, and work to connect US businesses with potential Bangladeshi partners through business matchmaking and other services, according to a press release by the ITA.

The Commercial Service has an extensive global network consisting of 122 offices around the world and in over 100 US cities. The new Commercial Service office will increase the number of international markets to 81. Across Asia, the Commercial Service will have a presence in 19 markets, including Bangladesh.

"As the United States and Bangladesh celebrate 50 years of bilateral relations, it is an opportune moment to expand upon the strong foundation of our bilateral and commercial relationship," said Arun Venkataraman, US assistant secretary of commerce for global markets and director general of the US and Foreign Commercial Service.

"The new Commercial Service office here in Bangladesh will play an important role in strengthening trade ties between our countries, and how we support US companies doing business in such a dynamic and fast-growing economy. Trade between our two countries accounts for an estimated $10 billion, showcasing the vast existing and potential opportunities in this country."

Source: fibre2fashion.com- Oct 28, 2022

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Vietnam's textile-garment firms opt for green push to achieve targets

Vietnam's textile and garment industry is investing in sustainable and eco-friendly technologies to be on the same page as several global companies. This has become a necessity for suppliers as the European Union (EU), a big market for Vietnamese businesses in this sector, has proposed new environmental requirements for imported textiles till 2050.

Danish-owned Specter's new green apparel factory in the An Giang province started operation on September 30, specialising in outdoor sportswear for export and will be partly powered by renewable energy.

The facility, which has received a Gold LEED certificate, uses solar energy and contemporary architecture to cut its annual carbon dioxide emissions by around 1,600 tonnes. This is Specter's third facility in Vietnam.

Hanoi Textile and Garment JSC (Hanosimex) and South Korea's Hansae Group signed an agreement earlier this month for a project in Vietnam for recycled textiles for export.

Both will be the first in Vietnam's textile sector to develop a comprehensive distribution network from yarn to weaving, dying and sewing, entirely for recycled goods, Kyung Kim, senior vice president of Hansae Group, was quoted as saying by a Vietnamese media outlet. About 4,000 tonnes of recycled fabric for the EU market are expected to be manufactured.

“The signing of a strategic collaboration agreement between Hanosimex and Hansae will assist both parties in increasing the volume and percentage of knitted goods of recycled origin and eco-friendly fashion items,” said Le Tien Truong, chairman at Vinatex, the parent business of Hanosimex.

Source: fibre2fashion.com- Oct 29, 2022

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EU's strategy to combat environmental damage by fast fashion

The global fast fashion market size is expected to grow from $91.23 billion in 2021 to $99.23 billion in 2022 at a compound annual growth rate (CAGR) of 8.8 per cent. The fast fashion market is expected to grow to $133.43 billion in 2026 at a CAGR of 7.7 per cent. Whilst the numbers look very attractive, it is actually an indication of how this sector can drastically affect the planet with harmful effluents and emissions.

Major players in the fast fashion market include Zara (Inditex), H&M Group, Fast Retailing (Uniqlo), Gap, Forever 21, Mango, Esprit, Primark, New Look, and River Island. Western Europe was the largest region in the fast fashion market in 2021. Asia Pacific was the second largest region in the fast fashion market. This is what the EU is afraid of.

Policy initiatives to curtail hazardous substance

The European Commission has finally acted on their concern. The EU strategy for sustainable and circular textiles was unveiled in March 2022. The strategy defines the way forward to combat the hazards of the fast fashion industry and help achieve the environmental goals the EU has set for itself, by 2030. The strategy covers key areas that when streamlined will make the production of fast fashion responsible and green.

The first mechanism of the strategy is to move forward with smarter product design and circular business models. As demand for textiles grow, the need of the hour is to impose rules that enable the longevity of textiles.

The second mechanism is the circulatory business model that demands textiles to increase their durability, reusability, repairability, fiber-to-fiber recyclability and mandatory recycled fiber content.

Furthermore, hazardous chemicals in textile products will be subject to new rules requiring producers to minimize or even substitute them in clothes and footwear.

Ecodesign for Sustainable Products Regulation has been proposed together with the Textile Strategy and the EU is clear that this regulation will be binding for all manufacturers.

The strategy includes the phasing out of microplastics and synthetic fibres as these two represent a hugely toxic element of the fashion industry. The initiative addressing the unintentional release of microplastics from textile products is to be adopted in 2022, with binding requirements to be applicable to companies indicatively in 2024 or 2025.

The Digital Product Passport is an innovative mechanism to fulfill this strategy. An electronic tool that registers, processes and shares information about the product across the whole supply chain – from manufacturers to consumers, other businesses and competent authorities. Apart from submission of genuine data for their product digital product passports, companies will be scrutinized closely if they have green label claims.

A huge step forward is the complete ban on the destruction of unsold textiles. The EU plans to work closely with manufacturers to initiate digital precision technologies that will monitor and report high wastage items which then can be discontinued. As the EU marches forward to their bit of greening the planet, they are serious about reigning in on the fast fashion industry that seems to leave in its wake a lot of polluting debris.

Source: fashionatingworld.com- Oct 28, 2022

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Portugal's textile sector makes dramatic comeback

Portugal's textile industry supplies to firms not just in Europe but also in the United States.

The industry has benefited from its flexibility and inexpensive labour along with a spirit of innovation focused on limiting damage to the environment. Portugal has the advantage of a workforce that remains competitive by offering quality products at reasonable prices.

Portugal's textile sector has made a dramatic comeback. Shaken by competition from companies relocating to Asia for cheaper production costs, the sector lost between 2000 and 2015 nearly 1,00,000 jobs out of a total of 2,35,000 recorded at the start of the era.

Exports of textile products from Portugal, which find their largest markets in Spain and France, hit last year record sales, 16 percent higher than the previous year. This success owes not only to Portugal's low production costs but also to the sector's capacity to adapt to the market.

Following the pandemic, which led to delays in deliveries, the industry prefers to use supply chains that are closer to home.

Companies are finding solutions and partners to reconcile sustainable development with competitiveness. However, the sharp gas and electricity price increases caused by the war in Ukraine penalise a sector heavily dependent on energy.

Source: fashionatingworld.com- Oct 28, 2022

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EVFTA, EVIPA pose several challenges to luring capital from EU: Report

Though the European-Vietnam Investment Protection Agreement (EVIPA) and the European Union (EU)-Vietnam Free Trade Agreement (EVFTA) have helped the country attract foreign direct investment (FDI), the treaties have also posed several challenges to luring capital from EU businesses, especially amid the pandemic-induced uncertainties and geopolitical and economic instability, a recent report said.

Since 2010, EU enterprises have increased their investment in Vietnam despite the fact that the United Kingdom (UK) left the bloc.

The number of EU partners investing in Vietnam seems to be rising over the years. In 2020, 26 out of 27 countries in this bloc registered to invest in the country. By August, the EU had a total of 2,378 valid projects in Vietnam, worth $27.59 billion, according to the report released at a workshop on 'FDI flows from the EU to Vietnam in the context of EVFTA and EVIPA'.

EU businesses have recently shown interest in service industries, clean energy, supporting industries, food processing, high-tech agriculture and pharmaceuticals.

EVFTA and EVIPA have raised the scale of FDI from EU member countries and and other nations as well due to commitments on tariff reductions and creating competitive advantages for countries, the report was cited as saying by a news agency.

The primary competitors of Vietnam in the region do not have FTAs with the EU, barring Singapore. However, this advantage may be short-term, as the orientation of both ASEAN and the EU is to sign an FTA between the two region, it noted.

The agreements also contribute to the re-organisation of the EU's investment in Vietnam by sectors and assist in creating a favourable environment through changes to the institutional and legislative framework, it added.

The digital transformation process may narrow the EU's investment flows into Vietnam, especially those investing in high-value sectors, due to the change in investment objectives of multinational corporations.

“Foreign investors tend to choose Vietnam for its cheap labour or natural resources, but in Industry 4.0, their goal is to find knowledge and technology. Unfortunately, this is not an advantage of the country because it still has many limitations in terms of skilled workforce and technological and financial capacity, while the quality of infrastructure for high-tech industries is still underdeveloped,” noted Nguyen Thi Thanh Mai, co-author of the report.

The EU's FDI also brings with it high corporate social responsibility standards in protecting and training workers as well as respecting and protecting the environment. Therefore, the implementation of EVIPA requires continuously improving the competitiveness of the Vietnamese economy and its readiness to take advantage of opportunities from the agreement.

Hence, Vietnam risks becoming a destination for low-quality FDI projects due to resource limitations, the report pointed out.

Source: fibre2fashion.com- Oct 28, 2022

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Bangladesh Commerce Minister for duty-free access of ‘Made in Bangladesh’ apparel in Malaysia

To increase bilateral trade and commerce between Malaysia and Bangladesh, Bangladesh Commerce Minister Tipu Munshi has called upon the Malaysian Government to provide duty-free market access of readymade garment items made in Bangladesh to its market.

According to media reports, the Bangladesh Commerce Minister made this call during his recent views exchange meeting with Malaysian High Commissioner in Bangladesh Haznah Md Hashim, even as he maintained even though Malaysia has extended duty-free market access for 99 per cent of Bangladeshi products, readymade garments, the major export item from the country, was still out of the purview of the same.

Meanwhile, the Malaysian High Commissioner reportedly urged Bangladesh to reduce duty on automobiles produced in Malaysia while adding Malaysian automobiles were becoming popular in the world market, but the export of the four-wheelers was not increasing in Bangladesh due to high duty.

Source: apparelresources.com- Oct 28, 2022

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NATIONAL NEWS

"India will become a global economic power with collective efforts": Union Minister Shri. Piyush Goyal

Union Minister for Commerce and Industries, Consumer Affairs, Food, Public Distribution and Textiles Shri. Piyush Goyal attended as Chief Guest at the inagural of Indian Institute of Foreign Trade (IIFT), Kakinada Campus, in Andhra Pradesh today. Union Minister of Finace, Corporate Affairs Smt. Nirmala Sitaraman inagurated the IIFT Kakinada campus.

Union Minister Piyush Goyal, on this occasssion said that Union Finance Minister Smt. Nirmala Sitaraman paid special attention and initiative for the establishment of IIFT campus. The establishment of this new campus marks the beginning of a new chapter.

He further said that an expert management of human resources is necessary for Indian commerce to gain more international recognition in the future. These human resources will be made available through IIFT's.

With political stability, high competitiveness, collective efforts and developing economic system, India will become an economic force in the world to rekonwith.

He also said that at present, the Indian economy is worth of 3.5 trillion US dollars. A developing country can be taken to the level of a developed country with integrated economic growth and collective efforts. With continuous efforts Indian economy will reach tenfold in the next 25 years, by 2047, when we mark the 100th year of independence. The development can be achieved by making available expert human resources to the maximum extent.

He mentioned that the actions and special allocation of budgets by the central government under the Atman Nirbhar Bharat makes country's economic system much stronger and enriched. , He also said that Andhra Pradesh is growing a lot in the fields of agriculture, fisheries etc, and the state of Andhrapradesh also have various special economic zones.

The minister has called for the promotion of local products, artisans, skilled weavers etc, as it is important to support them in every way.

The programme was attended by Members of Parliament, Smt. Vanga Geeta, Shri GVL Narasimha Rao, Shri P. Subhas Chadnrabose, Shri M. Bharat Ram, Andhra Pradesh Finance Minister Shri B. Rajendranath Reddy, Civil Supplies Minister, Shri K. Venkata Nageswara Rao, BC Welfare, I&PR and Cinematography Minister Shri Ch. Venugopala Krishna, R&B Minister Shri D. Raja and others.

Source: pib.gov.in- Oct 28, 2022

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Foreign trade will help India become $30 trillion economy: Piyush Goyal

Commerce and industry minister Piyush Goyal on Friday said foreign trade will help India become a $30-trillion economy with a per capita GDP of $15,000. India is a bright spot in the world today when several other countries are in recession and facing severe inflation, which is five times higher than normal in some countries, Goyal said.

"We have reached that inflection point...we are at the cusp where we are going to take off... We have the ambition to be at least ten times in the next 25 years where we are looking to cross the $30 trillion economy with a per capita GDP of $15,000," he said.

The minister pushed for seamless foreign trade and free movement of goods and services across borders while inaugurating the Kakinada campus of Indian Institute of Foreign Trade.

The Indian economy grew nearly 12 times in dollar terms in the last 30 years to $3.5 trillion today, from less than $300 billion, he said.

The world is seeking to engage with India because it is a growing economy, he said, adding that political stability, decisive leadership and deft handling of the economy have made the world look up to India.

"The world wants to do more and more business...free trade agreements with us," Goyal said. "World wants to expand trading relationships and friendship with India, looking at the potential in terms.

Source: economictimes.indiatimes.com- Oct 29, 2022

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India needs to remove certain taxes impacting exporters, says Finance Minister Nirmala Sitharaman

India's finance minister today pushed for easing some tax burdens for exporters and even incentivising them through a central policy, as New Delhi seeks to boost overseas shipments.

"There's a repetitive and very relevant line that the Commerce Minister refers to ... 'We can't be exporting taxes.' We also should identify ways in which those taxes - whether Centre, State or local - that are on these products should be removed so that we don't burden their exporters," Nirmala Sitharaman said after inaugurating the third campus of the Indian Institute of Foreign Trade in Kakinada. The governments did not get much revenue from those products but burdened the exporters nevertheless, she noted.

The Commerce Ministry is working on an export policy that will help the exporters by giving them incentives and promoting many things, she added.

India targets to ramp up exports of goods and services to $2 trillion by 2030 and aso eyes to raise the share of its exports in global trade to 3% by 2027 and 10% by 2047 from the current 2.1%, promoting hundred Indian brands as global champions.

While urging the states to adopt a multi-modal approach and ensure logistics did not become a burden on exporters, Sitharaman also said that increasing cost of electricity and logistics was also affecting the exports.

"With better roads and ports coming... electronic facilitation for the customs operations coming...surely, the logistics element is being addressed little by little. State governments should also spend some time to see that logistics doesn't become a burden on exporters," Sitharaman said.

She reffered to Prime Minister Narendra Modi's suggestion that States should open export promotion offices in Indian embassies abroad, Sitharaman said "If you have the capacity to tell the kind of things you produce that are international class... our embassies are the place where you should be and target the markets there. Some of our States are the size of some European countries. We have the capacity even as a district to capture the market outside".

Meanwhile, she took a dig at the Indian economic service and Indian trade service officers for doing only a "copy-paste" job.

"You have Indian economic service and Indian trade service officers giving papers to the Minister, saying, 'Oh, minister can you please take this up?' But, many a time I find them copy-paste. I am sorry to say this. The Minister doesn't get an advantage," Sitharaman remarked.

Source: economictimes.com- Oct 28, 2022

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Customs brokers must register online: CBIC

The Central Board of Indirect Taxes and Customs (CBIC) has made it mandatory for the customs brokers to register themselves online to integrate them in the "paperless" Customs regime.

The CBIC recently launched an online portal called Customs Brokers Licence Management System (CBLMS) and has asked all customs zones to register all customs brokers on it by October 31. With the implementation of CBLMS, the process of management of customs brokers will become completely online.

Source: economictimes.com- Oct 29, 2022

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India, UK set to revive FTA talks; no new deadline yet

India and the United Kingdom are set to resume formal talks for a bilateral free trade agreement (FTA) with the prime ministers of the two sides on Thursday agreeing on the need for its early conclusion, officials said.

While no new deadline to conclude the talks has been set after the Diwali target was missed, people aware of the developments said. India's gains in lieu of likely duty cuts for British alcohol and automobiles, and visa flexibilities would be the focus areas.

So far, 16 chapters across 27 policy areas have been agreed to in the negotiations, they said.

Political changes in the UK and British home secretary Suella Braverman's recent remarks on Indians being the largest group of people overstaying in the UK were seen to be major hurdles in concluding a deal, an official said.

"The home secretary's factually incorrect remarks and no prime minister there had bothered us and stalled the progress, but now the formal talks will be revived," the person told ET.

Source: economictimes.com- Oct 29, 2022

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RBI to hold MPC meet on November 3

The Reserve Bank has called a special meeting of the Monetary Policy Committee on November 3 to prepare a report on its failure to keep retail inflation below 6 per cent for three consecutive quarters.

"Under the provisions of Section 45ZN of the Reserve Bank of India (RBI) Act ...an additional meeting of the MPC is being scheduled on November 3, 2022," the central bank said in a statement on Thursday.

Section 45ZN of the Act deals with failure to maintain the inflation target.

Inflation has remained above the upper tolerance limit of 6 per cent for nine straight months or three quarters.

Source: thehindubusinessline.com- Oct 27, 2022

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Exporters feel heat as recessionary fears loom in West

Recessionary trends in major economies and high inflation in the West have started hitting exporters across all sectors in the region. The major sectors which have been affected include engineering goods, hand tools, bicycles, ready-made garments and yarn.

“The high energy cost, which has risen by almost four times in the European countries and the US, has affected the masses and is one of the factors responsible for the slowdown in demand. A significant portion of the people’s income is spent on meeting the energy (petrol, diesel and electricity) needs. As a result, the exporters are facing contraction in demand and operating at one-third of their capacity,” said SC Ralhan, a hand tools exporter from Ludhiana.

Steep inflation and record-high power costs are accentuating the demand slowdown. Garment exporters said the Russia-Ukraine war has devastated the demand from Europe and the US.

“Amid the slowdown in demand, exporters are not able to take advantage of lower raw material prices and ocean freight. Though the surge in dollar is favourable for exporters, the recessionary trend has played a spoilsport. As a result, the demand for all types of knitting yarn, except the pure wool, is going down. Currently, yarn makers are operating at 70-75% capacity as compared to 110% last year,” said Amit Thapar, president, Ganga Acrowools Ltd., and chairman, CII Punjab. There are indications that new orders will be hit for the subsequent few months due to the recessionary trends.

Upkar Singh Ahuja of the Chamber of Industrial and Commercial Undertakings said even the auto parts sector, which was doing fine till now, had also started feeling the heat. “If we compare the capacity utilisation of auto parts exporters, it has gone down by 20% in October as compared to September,” he said.

Source: tribuneindia.com- Oct 28, 2022

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Dedicated freight corridor gives boost to shift from roads to rail: Report

A dedicated freight corridor has given a boost to the modal (freight movement) shift from road to rail even as a host of factors, including the absence of a sector regulator, impeding this shift, a report said on Friday.

According to credit ratings agency CareEdge, container cargo transported through railways (rail volumes) grew by a healthy 17.63 per cent year-on-year to 74.38 million metric tonnes during the previous fiscal as compared to 12.51 per cent growth in overall container cargo volumes.

The rail co-efficient also expanded by 115 bps to 26.70 per cent during FY22, mainly supported by partial connectivity of the dedicated freight corridor (DFC) with Mundra and Pipavav ports on the western coast, it said.

This marks the beginning of the modal shift from roads to rail, the ratings agency added.

It noted that the slated completion of the DFC project by June 2023, increased trips of cost-effective double-stack container trains and incremental volumes of cement cargo through railways are major factors influencing the switch from roads to rail.

CareEdge said it believes that transit assurance under DFC with a reduction in transit period by 40-50 per cent for some of the routes will accelerate this transition.

Based on estimates, inventory carrying cost constitutes 43 per cent of the overall cost of logistics. Thus, a significant reduction in transit duration is expected to help in achieving just-in-time based inventory management thereby boosting the cost competitiveness of domestic goods, it said.

However, higher haulage rates for freight traffic due to extensive cross-subsidization of passenger traffic and the absence of a regulatory body for the railways are the underlying key challenges for the modal shift, according to the report.

"CareEdge Ratings expects container rail volumes to grow at a healthy CAGR of 15.60 per cent for FY2022 to FY2025 with a steady improvement of rail-coefficient by 430 bps to 31 per cent and incremental freight volumes primarily cement," it said.

CareEdge also said it believes that transit assurance under DFC aiming to squeeze the travel period by 40-50 per cent for some of the major routes and over 3x growth in the movement of cost-effective double stacker container trains by FY25 will accelerate this transition.

Nevertheless, prevailing high haulage rates for operating container trains due to extensive cross-subsidization with passenger freight, challenges in establishing end-to-end connectivity and the absence of regulator in Railways unlike other key infrastructure segments are impeding the modal shift of cargo from roads to rail, said Rajashree Murkute, Senior Director for Corporate Ratings at CareEdge Ratings.

Source: business-standard.com- Oct 28, 2022

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Trade unions urge Centre to scrap labour codes which are against workers' interest

The joint platform of 10 central trade unions, barring the RSS-affiliated Bhartiya Mazdoor Sangh, have urged labour minister Bhupender Yadav to scrap the four labour codes saying they are against the interest of the workers.

Besides, they have sought government's intervention on the issue of raising the minimum pension and holding the Indian Labour Conference, among others. These decisions were taken at the meeting of the joint platform of central trade unions and independent federations and associations last month.

"The Labour Codes impose more derogatory working conditions on the workers and almost open-endedly empower the governments and employers to further curtail the labour rights," the CTUs said in a joint memorandum submitted to minister Yadav on Thursday.

"We collectively urge upon you not to notify and implement the Labour Codes. We demand that they should be scrapped," they said, suggesting that the entire issue should be revisited and renegotiated with the trade unions representing the workers.

The 10 trade unions include the Congress-backed INTUC, Left's CITU and AITUC and others like AIUTUC, TUCC, HMS, SEWA, LPF, AICCTU and UTUC.

The CTUs have further asked the minister to convene the Indian Labour Conference at the earliest as the same has not been held since 2015 despite the fact that it is binding on the government to hold the ILC once every year. The last ILC was held in July 2015.

"The meeting of the standing labour committee, comprising representatives of all central trade unions and employers' organisation also needs to be convened immediately for deciding the agenda of ILC," the CTUs said in the letter.

The CTUs have also reiterated their demand for implementation of the recommendations of the earlier ILCs on minimum wages.

“No action has been taken by the government to implement these recommendations despite being a party to those recommendations. Immediate steps are required to be taken to ensure implementation of ILC recommendations on minimum wages,” CTUs said.

The CTUs have also urged the Centre to increase the minimum pension under the Employees’ Pension Scheme while introducing a fully funded universal pension scheme to benefit the majority of unorganised workers in the country, saying that the pension for traders has failed to take off.

“We urge upon you to please intervene and initiate steps to resolve these long-standing issues in consultation with the trade unions in the interests of workers,” the CTUs concluded.

Source: economictimes.com- Oct 28, 2022

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Shift in price dynamics; Vietnam now yarn supplier to India

The scarcity of cotton along with a comparatively higher price in India has resulted in a shift in its trade dynamics with Vietnam. The far-eastern country, which was earlier one of the major markets for Indian cotton yarn, has now become a supplier to India. While India's yarn exports show downward trend this year, its imports from Vietnam have jumped.

According to Fibre2Fashion's market insight tool TexPro, India's yarn export to Vietnam dropped to $6.485 million in July 2022 from $18.084 million in February this year. Monthly export was noted at $17.130 million in March, $12.715 million in April, $10.435 million in May and $9.828 million in June 2022. According to trade sources, the yarn export reduced from India due to price disparity. Cotton prices in India are still ruling higher than international market.

It is to be noted that India's yarn exports to Vietnam had registered growth during preceding years. The export increased in 2020 to $169.087 million from $131.540 million in 2019. It further rose to $220.579 million in 2021.

On the other hand, India's import of yarn from Vietnam increased drastically to $24.875 million in July from $4.521 million in March 2022. India had imported yarn worth $6.612 million in April, $7.733 million in May and $7.714 million in June 2022.

Annually, the import recovered to $60.155 million from $37.530 million in 2020, which fell from $130.416 million in 2019 due to COVID-19 disruption. India's yarn import was valued at $61.270 million in the first seven months of the current year, which is already more than the total inbound shipment of 2021.

India imported yarn worth $120.707 million in 2017 and $129.885 million in 2018 from Vietnam, as per TexPro.

Source: fibre2fashion.com- Oct 28, 2022

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Walmart and Ikea continued to bleed in India as losses widen

Global retail giants Walmart and Ikea continued to bleed in India as their losses widened in 2021-22, despite a surge in sales, as per the latest regulatory filings.

Three of Walmart entities in the country – Flipkart Internet, which operates the namesake e-commerce marketplace, Myntra and Walmart India, which operates Flipkart Wholesale stores (formerly known as Best Price) that sells goods to mom-and-pop stores, all expanded losses by 40-50% largely due to higher spending on delivering orders, advertisement and promotions, while their revenues grew by up to 45%.

Ikea India's net loss too went up by 12%, while revenue jumped by 77% in FY22, filings made to the Registrar of Companies and sourced from business intelligence platform Tofler showed.

"Walmart and Ikea are currently in a market acquisition mode in India to establish a dominant position and may sacrifice profit in the short term," said Devangshu Dutta, chief executive of consulting firm Third Eyesight. "But in the long term, these companies will definitely chase profit in India. Also, the market environment has been tough last fiscal due to increased competition despite a bounceback post-Covid," he said.

Walmart is yet to publish the FY22 results of Flipkart India Private Ltd, which is a business-to-business entity which supplies goods to online sellers and also Flipkart's online B2B business. The entity posted a revenue of Rs 7,840 crore in FY21.

Furniture and home décor store Ikea India reported revenue from operations at Rs 1,076 crore in 2021-22, while the net loss was Rs 902 crore.

In the filings, the company said it continued to work on its plans towards positioning, growth and profitability of the omni-channel business in India. It said expansion plans and operations were impacted due to Covid-19 in FY22, but the management is optimistic about future prospects.

Of the Walmart arms in India, Flipkart Internet, posted a 33% rise in operating revenue of Rs 10,476 crore in the year ended March 31, 2022, while its loss widened to Rs 4,361 crore from Rs 2881 crore in FY21. The filings showed the company spent Rs 5,045 crore in delivering orders, which was 46% higher compared with the year before, while advertisement and promotional expenses almost doubled to Rs 1,945 crore from Rs 1,073 crore.

The company's revenue comes from multiple sources, including platform fees collected from sellers, and services such as shipping and carrying advertisements. Revenue from marketplace services remained largely flat at Rs 2,823 crore while that from advertisements increased 50% to Rs 2,083 crore. The Indian company is the top contributor to parent Walmart's ad revenue globally. Revenue from logistics services grew 57% to Rs 3,848 crore.

Meanwhile, Walmart India – which owns and operates 28 cash and carry wholesale stores – posted 6% jump in revenue at Rs 5362 crore in FY22, while net loss went up by 49% at Rs 299 crore as compared to the year ago.

Myntra Design, the Walmart entity which owns the fashion marketplace Myntra, reported a 45% jump in revenue from operations to Rs 3,501 crore while losses widened 40% to Rs 597 crore in FY22. Revenues of Myntra Design come from commission and service charge collected from brands and sellers on the platform.

Revenue from marketplace service increased 18% to Rs 1,610 crore, while income from logistics services almost doubled to Rs 1,498 crore and revenue from advertisement jumped 76% to Rs 344 crore.

ET reported on September 13 that Amazon Seller Services, which runs the Amazon India marketplace, reported a 32% jump in overall revenue to Rs 21,633 crore on a standalone basis in FY22.The local unit of Seattle-based Amazon had also cut losses by almost 23% to Rs 3,649 crore in FY22.

Source: economictimes.com- Oct 29, 2022

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Gujarat announces ₹630 crore relief package for kharif crop damage

The Gujarat government on Friday announced a relief package worth ₹630 crore for farmers who suffered crop damages during the kharif season this year.

Heavy rains in the 14 districts of the State had caused widespread loss of agricultural crops. The State government conducted a survey of the regions where 2,554 villages were found to be affected.

Those farmers who have suffered crop losses of 33 per cent or more in their fields, will be eligible for the compensation under the State Disaster Relief Fund (SDRF). As per the Government assessment, 9.12 lakh hectares of land was found to be affected, covering about 8 lakh farmers.
South Gujarat affected

Gujarat has recorded kharif sowing on an area of 85.33 lakh hectares across 33 districts. The affected ones included the districts of South Gujarat - parts of Saurashtra, Kutch and Central Gujarat. The affected districts mostly grow groundnut, cotton, paddy and other oilseeds during the kharif season.

State Agriculture Minister Raghavji Patel gave details of this assistance package stating that the crop loss in agricultural crops (except banana leaf) will be eligible for ₹6,800 assistance from SDRF as well as State budget within a maximum limit of two hectares.

For the loss of planted crop, a total of ₹30,000 per hectare assistance up to a maximum of two hectares will be provided.

An important decision has also been made that a minimum assistance of ₹4,000 will be paid irrespective of the quantum of damage. In such case, the amount of assistance payable in addition to the assistance available from SDRF will be paid from the State Budget, a statement said. Farmers will have to apply online and they will be required to provide necessary documents at the nearest e-Gram centre.

Source: thehindubusinessline.com - Oct 28, 2022

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After GM mustard, GEAC set to recommend 'environmental release' of Bayer's herbicide-tolerant cotton

After Delhi University's transgenic hybrid mustard, India's biotechnology regulator is set to recommend the "environmental release" of a genetically modified (GM) cotton of German multinational company Bayer AG that allows farmers to spray the herbicide glyphosate.

The transgenic cotton — Bollgard II Roundup Ready Flex (BG-II RRF) — contains three alien genes, the first two ('cry1Ac' and 'cry2Ab') being isolated from a soil bacterium, Bacillus thuringiensis or Bt, and coding for proteins toxic to the American bollworm, spotted bollworm and tobacco caterpillar insect pests. The third gene, 'cp4-epsps', is sourced from another soil bacterium, Agrobacterium tumafaciens. Its incorporation into cotton makes the crop "tolerant" to glyphosate. This herbicide cannot be applied on normal cotton, as the chemical does not distinguish between the crops and weeds.

The regulatory body, Genetic Engineering Appraisal Committee (GEAC), in a meeting on July 27, had constituted an expert sub-committee under Department of Biotechnology (DBT) scientist Sanjay Kumar Mishra to conduct a detailed review of the application by Mahyo Pvt. Ltd, Mumbai, the licensee for the BG-II RRF technology in India.

The Indian Express has learnt that the panel has given its approval for said genetically modified (GM) crop event. "The review was completed last week and the sub-committee's report will be taken up at the next meeting of the GEAC," said an ICAR official, who requested anonymity. GEAC is a body under the Ministry of Environment, Forest and Climate Change that appraises GM products for their testing and commercialisation (environmental release).

The expert sub-committee's members also included the director of the Indian Agricultural Research Institute (IARI) A K Singh, Assistant Director General (Seeds) of the Indian Council of Agricultural Research (ICAR) D K Yadava, former head of IARI's Division of Microbiology K Annapurna, Head of the All-India Coordinated Research Project on Cotton A H Prakash, DBT scientist Nitin K Jain and Environment Ministry scientist Abhilasha Singh Mathuriya.

Incidentally, the same panel had submitted a report on October 8, based on which the GEAC had recommended the environmental release of the GM hybrid mustard DMH-11 along with its parental lines for seed production, commercial cultivation and breeding of new hybrids. The GEAC meeting took place on October 18, 10 days after the expert sub-committee's report was submitted.

BG-II RRF cotton had already undergone biosafety research and field trials by 2012-13. The dossier containing the results of these trials were submitted by its original developer, Monsanto, to the GEAC in March 2013. Amid the regulatory uncertainty and no decision being taken, the American company withdrew its application seeking environmental release of the herbicide-tolerant GM cotton product.

In 2018, Monsanto was acquired by Bayer, following which the latter, through Mahyco, resubmitted its application early this year.

"The atmosphere has changed considerably in the last 7-8 months. There is more appreciation of the need to create an atmosphere to promote agricultural research and allow new products to boost crop yields," said the official quoted above.

The real push in this direction, according to him, has come from Prime Minister Narendra Modi's Independence Day speech where he made a strong pitch for "anusandhan" (research). Jai Anusandhan was added to the slogan given by previous prime ministers that extolled the "jawan" (soldier), "kisan" (farmer) and "vigyan" (science).

Source: indianexpress.com - Oct 29, 2022

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