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IBTEX No. 218 of 2022 — November 15, 2022

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To Watch Currency Outlook by CR Forex Advisors
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Currency Watch	
USD	81.33
EUR	84.05
GBP	95.87
JPY	0.58

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INTERNATIONAL NEWS

G20 sped up new export restrictions between mid-May-mid October: WTO report

G20 nations introduced export restrictions at an increased pace, particularly on food and fertiliser, between mid-May and mid-October 2022, as economic uncertainty exacerbated by the Covid-19 pandemic, the Ukraine war and the food security crisis, according to the WTO's Trade Monitoring Report on G20 trade measures issued on Monday.

"As of mid-October 2022, WTO members still had in place 52 export restrictions on food, feed and fertilisers, in addition to 27 export restrictions on products essential to combat Covid-19. Of these, 44 per cent of the export restrictions on food, feed and fertilisers, and 63 per cent of the pandemic-related export restrictions, were maintained by G20 economies," a statement issued by the WTO elaborated.

Review period

During the review period, G20 economies introduced 66 new trade-facilitating measures (covering trade worth $ 451.8 billion) and 47 trade-restrictive measures on goods (with a trade coverage of $ 160.1 billion). These measures were not related to the pandemic.

G20 members include India, Argentina, Australia, Brazil, Canada, China, the EU, France, Germany, Indonesia, Italy, Japan, Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkey, the UK and the US.

G20 economies also continued to phase out pandemic-related import and export measures. By mid-October 2022, 77 per cent of export restrictions had been repealed, leaving 17 restrictions in place. Although the number of the pandemic-related trade restrictions in place decreased, their trade coverage remained significant, at $122 billion, the report noted.

Trade-restrictive measures

WTO Director-General Ngozi Okonjo-Iweala called on G20 countries, and all WTO members, to refrain from adopting new trade-restrictive measures that can further contribute to a worsening of the global economic outlook.

"While some trade-restrictive measures have been lifted by G20 countries, the report indicates that the trend has been going in the wrong direction. Export restrictions contribute to shortages, price volatility, and uncertainty.

G20 economies must build on their collective pledges from the 12th Ministerial Conference and demonstrate leadership to keep markets open and predictable, so that food and fertiliser in particular can flow to where they are needed," the DG said. Iweala will attend the G20 Leaders' Summit in Bali, Indonesia, on November 15-16.

Source: thehindubusinessline.com - Nov 14, 2022

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ASEAN-Australia-New Zealand Free Trade Area upgraded

Leaders of Cambodia, the 2022 chair of the Association of Southeast Asian Nations (ASEAN), Brunei Darussalam, the ASEAN country coordinator for ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), Australia and New Zealand, recently announced the substantial conclusion of the negotiations for the AANZFTA upgrade at the 40th and 41st ASEAN Summit in Phnom Penh.

In 2021, the total merchandise trade between ASEAN and Australia reached $81.6 billion, registering a year on-year increase by 49 per cent that is higher than pre-COVID-19 rates.

Meanwhile, merchandise trade between ASEAN and New Zealand in 2021 reached $11 billion, growing by 22.5 per cent year on year.

In 2021, foreign direct investment (FDI) flows from Australia and New Zealand to ASEAN amounted to $589 million.

The agreement establishing the ASEAN-Australia-New Zealand Free Trade Area, signed in Thailand on February 27, 2009, is being upgraded to ensure that it is fit-for-purpose and is future-proofed against emerging challenges, an official press release said.

Businesses will benefit from the AANZFTA upgrade through improved transparency measures; lower costs and time for exports and imports; use of technological solutions for trade; cooperation in digital technology, sustainable development and education services; increased participation of micro, small, and medium enterprises in economic activities, including government procurement; and smoother flow of essential goods during periods of crises.

Source: fibre2fashion.com - Nov 14, 2022

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ASEAN, China launch talks to upgrade ACFTA

The Association of Southeast Asian Nations (ASEAN) and China officially launched negotiations for the upgrade of the ASEAN-China Free Trade Area (ACFTA) at the 25th ASEAN-China Summit at Phnom Penh recently. The upgrade negotiations are aimed at ensuring that ACFTA further deepens and broadens ASEAN-China economic ties and to post-pandemic economic recovery.

The ACFTA is ASEAN's oldest FTA among its dialogue partners.

The upgraded ACFTA will cover digital economy, green economy, supply chain connectivity, competition, consumer protection and micro, small and medium enterprises, an official release said.

China is ASEAN's largest trading partner and the second largest source of foreign direct investment (FDI). In 2021, the total merchandise trade between ASEAN and China reached $669 billion, registering a year-on-year increase of 29 per cent despite the lingering impact of the COVID-19 pandemic.

During the same period, FDI flows from China to ASEAN amounted to $13.6 billion, almost double the $7 billion in 2020, and equivalent to 7.8 per cent of total FDI flows to ASEAN.

Source: fibre2fashion.com- Nov 14, 2022

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USA: Demand Recovery Needed as Cotton's Price Rally Continues

Cotton prices continued to move higher as the two-week rally searches for a near term equilibrium point. December reached a weekly high of 88.75 cents with a weekly settlement of 88.20 cents, or nearly 150 points higher than the prior week's high. Too, the market ended the week well above its midpoint, as well as above the midpoint of Friday's (Nov.11) trading.

December open interest is declining, reflecting the Nov. 23 First Notice Day. Open interest will continue to fall and spread trading will dominate as the delivery period approaches. Weekly export sales, higher than the monthly average, reflected the lower prices of the first part of last week when December fell to near 70 cents. Mills were very active with contract fixations.

Too, the November supply demand report reflected lower production and lower world ending stocks. However, estimated U.S. ending stocks were increased.

It is very noteworthy that from the release of the October world supply demand report to the release of the November report that prices fell almost 20 cents, recovered, and retracted the entire decline. As has been stated in prior newsletters, 2022 has had numerous historic price runs, both up and down, and with a near record number of limit trading days.

Now that cotton trading has "settled down," the market is working to hold the old crop December in the 85 to 92 cent range while keeping the new crop December contract content within the 75-82 cent range. The initial target for old crop December is the 89.50-90.00 cent range.

USDA increased U.S. production 200,000 bales, up to 14 million, and increased ending stocks the same 200,000 bales, up to 3.0 million. A 3.0 million bale carryover is a relatively low carryover; thus, the increased carryover was market neutral.

During the coming months, carryover stocks could be increased another 200,000-400,000 bales based on potential reductions in domestic demand and/or reduced U.S. exports.

World production was reduced 1.6 million bales (700,000 in Pakistan), down to 116 million. World consumption was reduced 600,000 bales, down to 115 million. The resulting world carryover fell 600,000 bales, down to 87.3 million. This remains a relatively large carryover, but the share of carryover held by cotton exporting countries fell. This implies an improved potential for U.S. exports once demand can be rebuilt. Yet, improved demand is likely some six to nine months away as world economic growth is expected to be stagnant for at least six more months.

Growers are reminded that quality remains a key in the demand equation. The open weather during the 2023 harvest has acted to enhance the quality of U.S. cotton. The USDA loan premium will be boosted by the additional quality premium required by growers to tender cotton.

The new crop December contracted surged to nearly 80 cents, challenging its weekly high of 79.74 cents and settling the week at 79.56. Growers are cautioned that market trading will likely be limited to within 300 points, higher or lower, of current prices during the coming month and likely into late December. The market has moved past peak harvest and should consolidate around current prices as it awaits cycle highs in late December to mid-January.

Source: cottongrower.com- Nov 14, 2022

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Over 450 cotton industry delegates attend ICA Las Vegas 2022

Over 450 delegates from the global cotton community gathered from November 8–10 at Las Vegas 2022—the International Cotton Association's (ICA) first traditional trade event and gala dinner in three years. Delegates came together in the Park MGM, Las Vegas to take part in the three-day event, which saw a variety of top industry speakers take to the stage.

The event began with a series of regional forums and a diversity-focused panel session, the Power to Empower, chaired by Bill Kingdon (ICA). It continued with keynote sessions from Ron Lawson (LOGIC Advisors / SFO Commodities), Mark Pryor (The Seam) and Kim Kitchings (Cotton Incorporated), as well as a panel session focusing on sustainable supply chains chaired by Bill Ballenden (LDC Suisse SA), according to a press release by the ICA.

At the closing 'Together Again' Gala Dinner, a recorded speech saw Alex Hsu pass over the ICA presidency to Tim North.

"My term began amid global shipping issues, and I find it regretful that, at the end of my term, the shipping industry still has not fully resolved their issues. Unfortunately, these shipment delays have led to many disputes within the cotton community.

We have encouraged, and continue to encourage, more communication between buyer and seller, to work together to find solutions. We've also achieved many successes this year. The ICA fully embraces sustainability, and to that end we continue to work with sustainability platforms around the world.

This year, we have signed MOUs with Better Cotton, US Cotton Trust Protocol, and Cotton Made in Africa, and we actively engage with all organisations to promote sustainability throughout the cotton supply chain," outgoing ICA president Alex Hsu reflected on the challenging yet rewarding journey of serving as ICA president.

"The Women in Cotton group continues to make great strides in increasing diversity within the cotton industry, and I am always astounded by the energy and vibrancy that they bring to every event. But the thing that excites me the most is our return, after almost three years, to in-person meetings. I was very excited to be able to visit the subcontinent earlier this year, and I am really happy that we are able to be together again, here in Vegas, for the first time since the pandemic."

Next year's event will take place in Singapore from October 10–12.

Source: fibre2fashion.com- Nov 14, 2022

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German inflation rate 10.4% in Oct; all-time high since reunification

Germany's inflation rate, measured as the year-on-year (YoY) change in the consumer price index (CPI), was 10.4 per cent in October, following a 10 per cent increase in September. It has reached an all-time high since German reunification, said Georg Thiel, president of the Federal Statistical Office (Destatis).

Two temporary measures of the second relief package that ended in September—the €9 ticket and the fuel discount—accelerated the overall price rise.

"Enormous price rises for energy products still are the main reason for the high inflation. But we observe more and more price increases also for many other goods and services. What has become particular notable for households is rising food prices," Thiel said in an official note.

Consumer prices in October were up by 0.9 per cent over September figures, Destatis reported.

Delivery bottlenecks and significant price increases at upstream stages in the economic process affected the inflation rate. The prices of other goods and services also went up as a consequence.

Energy product prices were 43 per cent higher in October this year than in the same month a year earlier, despite the relief measures.

There was a particularly large price increase for household energy (55 per cent). Natural gas prices more than doubled (109.8 per cent rise) and district heating prices rose by 35.6 per cent.

The total prices of goods were up by 17.8 per cent YoY in October this year.

Source: fibre2fashion.com- Nov 14, 2022

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Trousers & shorts top apparel import product for Australia in Jan-Sept

Trousers and shorts remained top product in Australia's import basket of apparel during January-September 2022. It imported trousers and shorts worth $1.140 billion in the period under review, which was 21.84 per cent of its total imports of $5.221 billion. Jerseys, shirts, T-shirts, and dresses were among the top five items imported in terms of value.

Australia imported jerseys worth $695.644 million (13.32 per cent), shirts worth $549.137 million (10.54 per cent), T-shirts worth $531.570 million (10.18 per cent) and dresses worth $462.730 million (8.86 per cent), during January to September. The share of other items among top ten was innerwear (6.06 per cent), jackets and blazers (4.90 per cent), nightwear (2.92 per cent), babywear (2.86 per cent) and socks (2.84 per cent), according to Fibre2Fashion's market insight tool TexPro.

Data also shows that the country had imported 40.93 per cent womenswear during the period under review. Menswear imports were at 22.82 per cent in the period. Rest 33.39 per cent imported apparel fell under the unisex category.

Source: fibre2fashion.com- Nov 15, 2022

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Sri Lanka nine month garment exports up 18 per cent

Sri Lanka's garment exports grew by 18 per cent during January 2022 to September 2022. During the same period, textile exports from the island nation increased by six per cent year-on-year. Textiles, garment, and other made-up textile articles' exports together accounted for 57 per cent of all industrial exports from Sri Lanka during the period under review.

On the other hand, imports of textiles and textile articles rose by nine per cent while clothing and accessories imports were up by eight per cent during January 2022 to September 2022.

During the month of September 2022, garment and textile exports from the South Asian nation grew by five per cent year-on-year. Category-wise, garment exports increased by five per cent while textile exports rose by eight per cent. But exports of other made-up textile articles were down by three per cent.

Sri Lanka is attempting to finalise free trade agreements with countries like China, India, Japan and Australia. These are expected to help boost exports and strengthen the industry's resilience.

August 2022 saw a 20 per cent increase in export turnover generated by the apparel sector but at present Sri Lanka is not competing on a level playing field. Its main competitor countries like Bangladesh, Vietnam and some African nations have duty concessions in global markets, which it does not have.

Source: fashionatingworld.com- Nov 14, 2022

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Indonesian Q3 T&A grows by 8%, stares underproduction, layoffs

In the third quarter of 2022, Indonesia's textile industry grew by eight per cent year on year.

The footwear, leather and leather goods industry grew 13 per cent during this period. Cumulatively, footwear exports up to September 2022 also continued to increase by 35 per cent compared to the same period the previous year.

The growth performance of this sub-sector is still quite high, due to the diversion of orders from China and Vietnam to Indonesia. So Indonesia is trying to find new markets for exports for the industrial sector and is exploring markets like Latin and South America, Africa, Middle Eastand Asia.

However the textile and textile products and the footwear industry have experienced a slowdown in performance. This has been due to decreased utilization in the fiber industry by 20 per cent, spinning (30 per cent), weaving and knitting (50 per cent), garments (50 per cent), baby clothes (20 per cent to 30 per cent), and footwear (49 per cent). Some of these companies are said to have cut their working time to three or four days.

Meanwhile, some 92,000 workers have been affected by layoffs from the textile and garment industry and some 22,000 workers from the footwear industry.

Source: fashionatingworld.com- Nov 14, 2022

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Pakistan: Textile millers seek priority gas supply in winter

Textile millers demanded the government to prioritise the export-oriented industry in Sindh and Balochistan for gas supply so they were not forced to shut down and could continue generating electricity from the fuel during winter.

Reacting to Sui Southern Gas Company (SSGC) notice that gas supplies to all local industrial customers for power generation were being suspended for three and a half months, All Pakistan Textile Mills Association (APTMA) urged Prime Minister Shahbaz Shareef and Sindh Chief Minister Murad Ali Shah to intervene in the matter.

APTMA Southern Zone Chairman Zahid Mazhar urged the PM and Sindh CM for intervening to save the export-oriented textile industry of Sindh and Balochistan from complete closure in the backdrop of gas supply stoppage from November 15, 2022 to February 28, 2023.

Mazhar said that APTMA member mills were very disturbed after receiving the SSGC notices of gas closure for three and half months. He further said that gas closures for export-oriented textile industry would be the last nail in the coffin of the economy of Pakistan, and resultantly would lead to default in payment of foreign obligations, while the currency rate would deteriorate further and reach a point of no return.

Sindh and Balochistan's export-oriented textile industries that contribute more than 54 percent in Pakistan's total exports have been served notices of gas closure despite the two provinces producing more than 80 percent of gas produced in the country. He said that the decision was taken without taking the real stakeholders in confidence.

Mazhar pointed out that due to extremely low gas pressure and frequent unavailability, it was already very difficult for the export-oriented textile industries located in Sindh and Hub Industrial Area to run their mills and fulfil their export commitments well in time.

Export-oriented textile units run 24/7 by using natural gas as a fuel for electricity generation and/or to run processing units. Thus, if they were forced to consume only 50 percent of their load, they would not be able to run their mills smoothly and fulfil their export commitments on time.

This, the chairman pointed out would result in losing their hard earned foreign buyers. It would also lead to the country losing the already scarce foreign exchange, he added. On the other hand, SSGC announced that it was not suspending regular gas supplies to the industries. “Our letters to the industrial customers have been misinterpreted by the industrial and trade organisations,” the company said in a statement.

SSGC has written letters to each industrial customer that has been using gas for power generation for suspension of gas supplies only for power generation and not for their regular usage In view of the widening demand and supply gap, especially with the drop in mercury, the company implements Gas Load Management Plan, whereby it gives top most priority to the domestic and commercial sector for supplying gas, especially those living in Balochistan, where demand for gas increases manifolds due to space and water heating needs.

Source: thenews.com.pk- Nov 14, 2022

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NATIONAL NEWS

Sunak govt to resume free trade talks with India in December

With the political storm in the UK subsiding for now, free trade talks between India and the UK are set to resume in December with both sides brushing up their negotiating positions on key issues of contention such as market access for automobiles and Scotch whisky, rules for intellectual property rights, digital trade and government procurement, and terms of business and work visas, an official tracking the development has said.

"The sixth round of India-UK FTA negotiations is likely to take place next month and India is expected to host it. Hectic preparations are already on in the Commerce Ministry to brush up the country's stance in areas that still need to be ironed out and take stock of the negotiating space," the official told businessline.

Bilateral trade

India and the UK hope to double bilateral trade to $100 billion by 2030 through the FTA. For India, especially, there is a lot of scope for growth as it accounts for barely 2 per cent of the UK's total trade in goods and services.

The Diwali-deadline for concluding the FTA talks set by former UK Prime Minister Boris Johnson and his Indian counterpart Narendra Modi earlier this year has lapsed but the Rishi Sunak government seems keen to keep things on track and conclude the negotiations in the first half of 2023.

"The Prime Minister hoped the UK and India could continue to make good progress in negotiations to finalise a comprehensive Free Trade Agreement," per a Downing Street readout of the call between Sunak and Modi on October 27.

After Johnson resigned as PM of the UK in July this year, his successor Liz Truss, too, tried to give the FTA talks a push and the fifth round of negotiations took place that month. However, as Truss got entangled in her domestic political crisis, the FTA talks could not move towards conclusion.

"On the positive side, India and UK trade negotiators have reportedly completed discussions on 20 of the 26 chapters. Although the six remaining chapters are tricky, the negotiators can fully focus on these," the official said.

Focus areas

One of the major areas that still needs to be ironed out is the duty cuts that India will commit to in the areas of automobiles and parts and wines & liquor, mainly Scotch whisky. Both sectors are highly protected in India with steep tariffs. Although India has agreed to bring down tariffs in a phased manner, wrangling is still on the level of cuts.

Government procurement is another area where both sides are yet to come to an agreement on enforceable commitments. Similarly in the area of IP (going beyond WTO's TRIPS Agreement) and digital trade, which includes e-commerce and data transfer, India is not keen to take on additional commitments while the UK is insistent.

Apart from duty elimination on labour intensive goods, India is pressing for more work visas and longer-term business visas, which could be a difficult political call for the UK.

Source: thehindubusinessline.com- Nov 14, 2022

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'Export incentives available on payments received through SVAs'

Q. We refer to RBI's AP (DIR) Circular no. 10 dated July 11, 2022, allowing settlement of international trade transactions in INR through Special Vostro Accounts (SVAs). Subsequently, various provisions of the FTP and HBP have been amended, bringing the relevant provisions in sync with the RBI Circular. Please advise how exporters will be affected by these changes, especially in regard to availing the incentives.

First, export invoicing in INR is already allowed but the payment must come through Vostro Accounts maintained by foreign banks with a bank in India. Second, trade with Nepal, Bhutan and Myanmar in INR is covered by special arrangements. Third, settlements of trade transactions with some neighbouring countries are made through the Asian Currency Union. Fourth, as far as my knowledge goes, no foreign bank has yet opened SVAs with any bank in India.

However, this may happen soon, especially to facilitate transactions with Russia. When that happens, you will be able to invoice in INR for exports to Russia with a specific provision in the contract that the payment must be made through the SVA of a particular Russian bank with a particular Indian bank.

The Commerce Ministry has issued notification no.33/2015-20 dated September 16, 2022, allowing receipt of payments through SVAs against exports.

Its notification no.43/2015-20 dated November 9, 2022, allows payments received through SVA to be counted for recognition as an Export House and fulfillment of export obligation against advance authorisations.

It also says that where you make any import against payment through SVAs, receipt of payment for re-export of the same goods must be received through SVAs. DGFT Public Notice no.35 dated November 9, 2022, allows payments received through SVAs to be counted towards discharge of export obligation against EPCG authorisations.

The notification no. 76/2021-Cus(NT) dated September 23, 2021, says that duty credit allowed under the RoDTEP scheme is subject to realisation of sales proceeds within the period allowed by the RBI. It makes no mention of how the sales proceeds must be realised. Similarly, Section 75 of the Customs Act, 1962, and the Customs and Central Excise Duties Drawback Rules, 2017, only say that the sales proceeds must be realised. So, the entitlements of RoDTEP and Drawback will be available against payments received through SVAs also.

The refunds due to zero-rated exports under GST laws will not be affected if you get the payments through SVAs, because Rule 96B of the CGST Rules 2017 only requires you to realise the sales proceeds, and Rule 96A (ii) of the said Rules allows payments in Indian rupees, wherever permitted by RBI.

Rule 53 of the SEZ Rules, 2006, requires realisation in freely convertible currency against exports for calculating NFE. Para 6.10(a) of the HBP talks only about FOB value of exports for calculating NFE. So, payments received through SVA will enter the NFE calculations for EOUs, but not for SEZs. For supplies to SEZ units or developers, deemed exports and exports to Nepal, Bhutan and Myanmar, the present position will continue.

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

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Shri Piyush Goyal inaugurates the 41st edition of India International Trade Fair (IITF) at Pragati Maidan

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today called for more trade fairs at national and state levels to strengthen the trade fair ecosystem and to promote industry, entrepreneurship as well as local arts and crafts.

He was addressing the gathering after inaugurating the 41st Edition of India International Trade Fair (IITF) in New Delhi today.

The Minister suggested that the Trade Fair could be held twice in a year with the second one focussing on the theme of 'Athmanitbhar Bharat', showcasing India's swadeshi capabilities and its emerging strength. “This swadeshi fair must encourage participation of women, MSMEs, small entrepreneurs, exhibitors from the service sector and new exhibitors. It must also be affordable to ensure wider participation”, he said.

Shri Goyal opined that local fairs must also be organized all over the country, especially in connection with festivals and tourist seasons so that traditional and local handicrafts and handlooms receive a boost. These local fairs must also focus on improving packaging and design elements, he added.

Minister of State for Commerce and Industry, Shri Som Parkash, Minister of State for Commerce, Ms. Anupriya Patel, Ministers from Focus states, senior officials and other dignitaries were present on the occasion.

The Minister said that quality and professionalism had to be areas of focus at the IITF. He observed that IIFT was not only a matter of pride for Indians but had successfully made a name for itself all over the world. To further strengthen the fair, we must ensure that only high-quality products are sold and that exhibitors must compulsorily be quality certified, he added.

Shri Goyal opined that IITF had been successful in taking the endless the possibilities that India has to offer to the world. It is a powerful platform to showcase the diversity of the nation, he observed.

The Minister suggested that efforts could be made to drive all financial transactions at the fair to digital platforms and said that India's fintech sector was one of the strongest in the world. Around 600 crore digital transactions took place in India last month, the Minister mentioned. He also said that conducting virtual fairs could be considered.

Quoting Prime Minister Shri Narendra Modi, the Minister said that "speed is an ambition and scale is our strength. The new India that we are envisaging will engage with speed and scale". Scale, the Minister said, had a bearing on the impact and the importance of such fairs.

Shri Goyal proposed that ITPO and IIFT consider jointly developing some courses in the physical, hybrid or virtual mode, to prepare professionals who will help us make such fairs cutting edge, post-modern and much more attractive to businesses and common people.

The Minister said that the ecosystem of trade fairs needs to be given both ‘gati’ and ‘shakti’. He said that the PM GatiShakti Master Plan may be utilised to plan fairs and exhibitions throughout the country.

Shri Goyal asked that the centre and states work together in the spirit of cooperative and competitive federalism and compete and collaborate to conceive and implement initiatives like the IITF to take India forward on the road to becoming a developed nation. India will be the growth engine of the world in the time to come, he added.

IITF offers an ideal platform to showcase Indian products under the ‘Vocal for Local’ campaign, and infuse renewed confidence and vigour in the Indian economy.

The 41st edition of IITF will see the participation of nearly 2500 exhibitors from India and abroad. It is being held over a total area of 73,000 sq.mtr. This year, Bihar, Jharkhand and Maharashtra are Partner States and Uttar Pradesh and Kerala are the Focus States. Exhibitors from 29 States & Union Territories will participate in IITF. It may be noted that Leh Ladakh would be participating for the first time this year. The 41st IITF will also see overseas exhibitors from 12 countries including Afghanistan, Bangladesh, Bahrain, Belarus, Iran, Nepal, Thailand, Turkey, UAE, UK. As in the past, State Day celebrations, seminars and cultural programmes are among the added attractions to the visitors.

At the exhibition, Central Ministries/Commodity Boards/PSUs namely KVIC, Department of Income Tax, DGTS (Customs & Excise), Ministry of Ayush, Security Printing & Minting Corporation of India Ltd., National Jute Board, Ministry of Rural Development, RBI, MSME, NHDC, APEDA, LIC, DC Handicraft, Spices Board of India, Ministry of Railways, SBI, TRIFED, will display the achievements of their respective sectors.

The timings of the fair are 10.00 AM to 7.30 PM from 14th to 26th November, 2022 and 10.00 AM to 4.30 PM on 27th November, 2022. The expected footfall during 14 days shall be 10,00,000 +. The tickets are available both online and offline at selected metro stations. The tickets will not be available from Supreme Court Metro Station.

It may be noted that ITPO has made extensive efforts to improve the overall experience for exhibitors and visitors alike. It has introduced transparent online system for booking of stalls and other services, online registration for business dignitaries during first five days, mobile application for the fair and LED screens for display of information. The venue will also include a dedicated post office, banks and ATMs, and other facilities including a Media Centre.
During IITF and other events, ITPO encourages proactive steps by exhibitors to make the venue plastic-free and replacing the same with environment friendly substitutes.

Source: pib.gov.in- Nov 14, 2022

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Adityanath govt to nurture 'UP Khadi' start-ups and e-commerce

Looking to boost ethnic Indian textile and apparels, the Uttar Pradesh government has crafted a road map to nurture start-ups and e-commerce dedicated to ‘UP Khadi’.

Under the new UP Textile and Garment Policy 2022, the state has announced a host of incentives and subsidies for aggressive offline and online marketing and promotion of Khadi apparels in India and abroad.

“Apart from promoting UP Khadi, especially among the youth, the new policy focuses on the economic prosperity of the state weavers,” a senior state government official noted.

The Yogi Adityanath government 2.0 will provide financial assistance of up to Rs 12 crore to entrepreneurs opening exclusive khadi retail chains beyond the geographies of UP, including foreign countries.

Under the new policy, the promised subsidy will increase to Rs 8 crore for 200 or more outlets, and Rs 10 crore for opening 500 outlets. Moreover, organised groups of young entrepreneurs will also be eligible for financial support for online marketing of UP khadi apparels.

Besides, the government will provide up to Rs 2 crore subsidy to those launching 50 khadi outlets outside the state or the country. However, such outlets must clock annual sales of Rs 4 crore for three years to avail of the subsidy.

For opening 100 outlets outside the state or India, the entrepreneur/enterprise will get a subsidy of up to Rs 4 crore. However, such stores should clock Rs 8 crore in annual sales for three years.

In case 80 per cent of these outlets are outside the state or 25 per cent outside the country, the government will provide an additional subsidy of Rs 2 crore to the enterprise.

The children of state weavers will be given priority under the new scheme. Meanwhile, the government will provide a 75 per cent subsidy on registration of a new export house for khadi products.

Similarly, if youngsters open an online marketing company to sell khadi products, the government will provide 75 per cent subsidy on the registration of the firm. This support will be subject to a ceiling of Rs 50 lakh per company. Additionally, the government will provide 75 per cent subsidy (up to Rs 20 lakh) on setting up of infrastructure for the purpose.

The One District One Product (ODOP) scheme, launched by the Adityanath government in 2018, also promotes traditional and indigenous handicrafts through different forms of state support.

Source: business-standard.com- Nov 15, 2022

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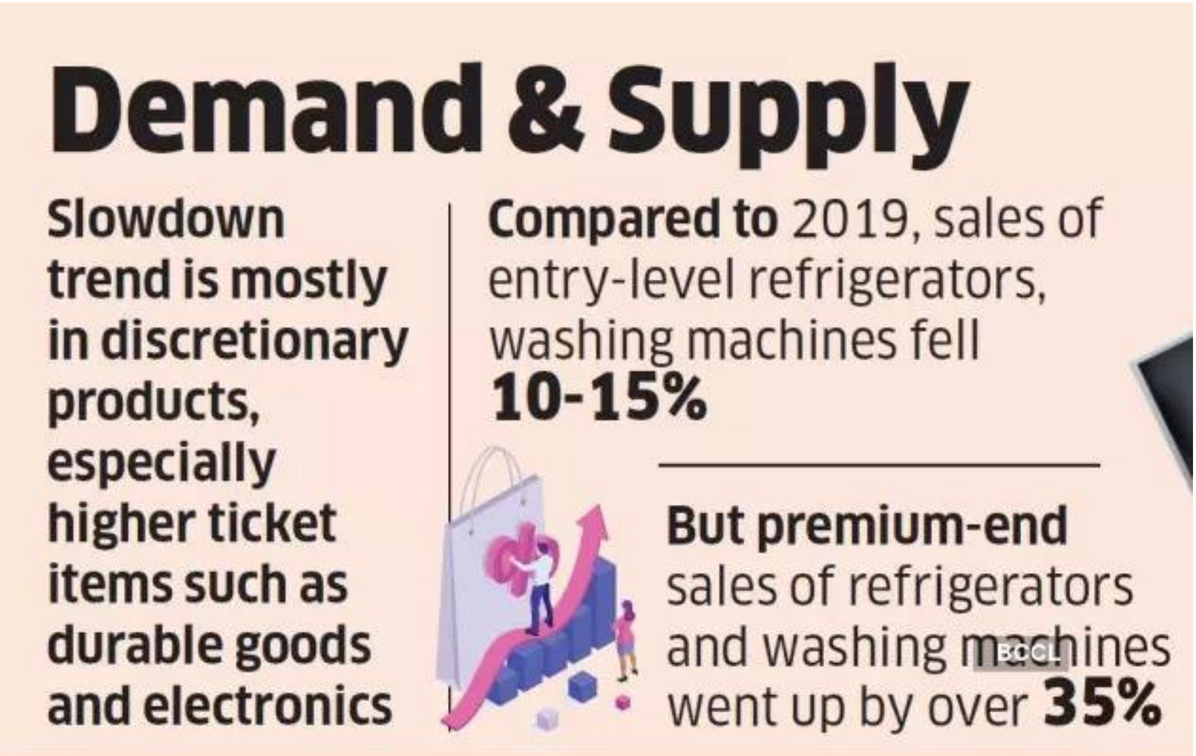
From apparels to durables, entry segment products take a hit due to inflation

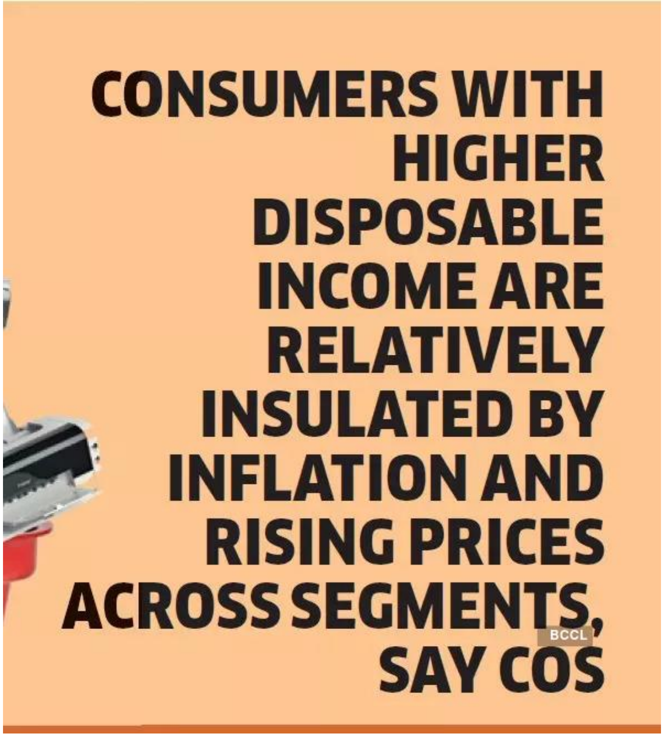
Leading Titan, Aditya Birla Fashion, Whirlpool and other top retail and electronic brands said demand for mass-priced merchandise is under pressure due to inflation and growth is largely being driven by premium products.

"I think consumers of the premium market are less affected by everything that's happening around," Ashish Dikshit, managing director of Aditya Birla Fashion and Retail (ABFRL), told investors during an earnings call. "We continue to see continued buoyancy around the better-to-do, well-to-do customers, more urban markets, and more on premium parts of the business. Pantaloons, on the other hand, has operated in an environment where consumers have been probably more affected in this current inflationary environment."

The companies said consumers with more disposable income are better insulated from inflation and rising prices across segments than those with less.



Titan Watches' chief executive officer Suparna Mitra said in an earnings call earlier this month that economy-oriented price points are not doing well and there are some pressures in terms of demand.



The slowdown is visible mostly in sales of discretionary products, especially higher-ticket items such as durable and electronic goods. The premium products segment continues to perform well, with its contribution to the overall industry pie improving year-on-year.

As per industry estimates, the number of refrigerators and washing machines sold (volume sales) between Navratri and Diwali was down by 10-15% from the 2019 festive season level, mainly due to slower demand for mass-segment products, even though premium-end sales went up by over 35%.

Whirlpool reported flat revenue growth last quarter, which managing director Vishal Bhola attributed to "muted performance in the entry-level segment".

Jitender Verma, the chief financial officer of Tata-owned Voltas recently told analysts that the consumable durable industry saw weakness due to incessant rains and consequent dipping consumer sentiment towards discretionary spending, given the high inflation rate.

"The silver lining in the overall lower secondary sales was a reference of the consumers towards higher star-rated products, which has shown a good amount of increase over the previous year," said Verma. "The adoption of the inverter technology has also seen traction, with consumers taking the share of the split inverter air conditioner to 77% from 66% in the corresponding quarter." Havells India chairman Anil Rai Gupta said consumers are not down-trading or opting for lower quality and lower spec products, as was feared. "Mass premium or the premium category continues to do well," he said.

Even in the case of smartphones, there is stress in demand in the value segment or handsets priced below ₹10,000.

According to a report by Counterpoint Research, India's smartphone shipments declined by 11% year-on-year in the July-September quarter - a first ever for this quarter - due to both a high base of last year when pent-up demand was strong, and lower consumer demand for budget handsets.

Source: economictimes.indiatimes.com- Nov 15, 2022

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India's WPI inflation falls to single digit in October

India's annual rate of inflation, based on monthly wholesale price index (WPI), declined further to 8.39 per cent (provisional) in October 2022, over October 2021, according to the ministry of commerce & industry. India's WPI inflation had gone up to a record 15.88 per cent in May 2022, compared to single digit figure of 7.39 per cent in March 2021.

The month-on-month change in WPI index for October 2022 stood at 0.26 per cent as compared to September 2022.

"Decline in the rate of inflation in October 2022 is primarily contributed by fall in the price of mineral oils, basic metals, fabricated metal products, except machinery and equipment; textiles; other non-metallic mineral products; minerals etc," the Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade (DPIIT), under the ministry of commerce and industry, said.

The official WPI for all commodities (Base: 2011-12 = 100) for the month of October 2022 was 152.5 compared to previous month's 152.1.

The index for manufactured products (weight 64.23 per cent) for October 2022 decreased to 141.9 from 142.5 for the month of September 2022. The index for 'Manufacture of Textiles' sub-group too decreased to 143.4 from previous month's 145.0. Likewise, the index for 'Manufacture of Wearing Apparel' fell to 149.3 from previous month's 149.9.

The index for primary articles (weight 22.62 per cent) increased to 181 in October from previous month's 176.2, while the index for fuel and power (weight 13.15 per cent) decreased to 155.2 from 157.8 in September 2022.

Meanwhile, the National Statistics Office, under the ministry of statistics and programme implementation, has announced that it will release the figures for the all-India inflation rate for consumer price index (CPI) for the month of October 2022, on Monday, December 12, 2022.

Source: fibre2fashion.com - Nov 14, 2022

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India's apparel index down 21.7 per cent & textiles 12 per cent in Sep

India's growth of Industrial Index of Production (IIP) rebounded in September 2022 to 3.1 per cent which could have been higher had the textile sector performed even at an average rate. Textiles and clothing sector (T&C) performed poorly on IIPs. In September, index declined 12 per cent for textile manufacturing and 21.7 per cent for apparel manufacturing.

Textile sector is facing a slowdown in India and the world at large due to economic adversities. Therefore, India's domestic and export demand for apparel has declined in the previous months. According to an analysis of Confederation of Indian Textile Industries (CITI), the index for manufacturing of textiles declined to 106.8 (-12 per cent) in September 2022 from 121.4 during the same period of last year. Manufacturing of weaving apparel went down from 158.7 to 124.7 (-21.7 per cent).

Cumulative index for April-September 2022 fell 108.8 (-5.5 per cent) for manufacturing of textiles. The index was noted at 115.1 in April-September 2021. The index of wearing apparel increased from 116.1 to 134.2 in April-September 2022.

IIP for September 2022 rose to 3.1 per cent from August's contraction of 0.7 per cent. Growth in September 2021 was 4.4 per cent. For the April-September period, IIP grew by 7 per cent compared with a 23.8 per cent rise in the previous year's same period.

Source: fibre2fashion.com - Nov 14, 2022

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Yarn prices up in north India; cotton prices down as ICE cotton drops

Cotton yarn prices gained ₹3-5 per kg in Ludhiana and Delhi as spinning mills stop selling their products. Mills are facing disparity of ₹20-25 per kg due to recent rise in cotton prices. Buyers, who were trying to buy the raw material, need to fulfil their exports commitment. However, cotton prices eased today after rising continuously in the previous week.

Ludhiana market's cotton yarn prices rose by ₹3 per kg. "Cotton yarn prices rose as mills have stopped selling due to price disparity. Lower supply will not only limit mills losses but also support yarn prices. Mostly mills are running on half capacity due to poor demand and market uncertainty," a trader from Ludhiana market told Fibre2Fashion.

In Ludhiana, 30 count cotton combed yarn was sold at ₹282-292 per kg (GST inclusive), according to Fibre2Fashion's market insight tool TexPro. 20 and 25 count combed yarn were traded at ₹275-285 per kg and ₹280-290 per kg, respectively. Carded yarn of 30 count was at ₹260-270 per kg.

In Delhi, yarn prices were slightly higher due to costlier cotton. The prices were quoted higher by ₹5 per kg by stockists and traders. Mills were not interested in selling cotton yarn here as well. A trader from Delhi market told Fibre2Fashion, "Cotton prices gained as farmers are selling their crop at current prices. But poor buying from the downstream industry is not supporting the higher prices of cotton yarn. Therefore, mills have come into disparity. It has pushed up yarn prices by ₹5 per kg."

In the Delhi market, 30 count combed yarn was traded at ₹300-305 per kg (GST extra), 40 count combed at ₹330-335 per kg, 30 count carded at ₹280-285 per kg and 40 count carded at ₹315-320 per kg, as per TexPro.

Panipat's recycled yarn market was stable but with limited trade. Sluggish demand from end users weakened sentiments in the entire value chain. 10s recycled yarn (white) was traded at ₹95-100 per kg (GST Extra). 10s recycled yarn (coloured - high quality) was traded at ₹105-110 per kg, 10s recycled yarn (coloured - low quality) at ₹80-85 per kg and 20s recycled PC coloured (high quality) at ₹110-115 per kg. 30 recycled PC coloured (high quality) was at ₹150-155 per kg. 10s optical yarn was priced at ₹100-110 per kg in the market. Comber prices were ruling at ₹125-130 per kg. Recycled polyester fibre (PET bottle fibre) was at ₹85-87 per kg.

North India’s cotton prices eased today by ₹50-75 per maund of 37.2 kg as ICE cotton dropped. According to local traders, there was some respite in cotton prices after a continued rise of around ₹350-450 per maund in the last week.

Mills were buying cotton in certain quantities with utmost caution. Cotton was traded at ₹6,700-6,725 in Punjab, ₹6,650-6,725 in Haryana and ₹6,875-6,925 per maund in upper Rajasthan, and at ₹65,500-67,000 per candy of 356 kg in lower Rajasthan. The arrival was noted at 21,000 bales of 170 kg in the north Indian region which was slightly high.

Source: fibre2fashion.com - Nov 14, 2022

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