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INTERNATIONAL NEWS

Trade facilitation measures ramped up by G20 economies

The World Trade Organization report on G20 trade measures for the period mid-May 2022 to mid-October 2022, found G20 economies introduced more trade-facilitating (66) than trade-restrictive (47) measures on goods.

Nevertheless, the pace of implementation of new restrictions by G20 economies increased during the review period. The trade coverage of the trade-facilitating measures introduced – at a value of US$451.8bn – is higher than that of trade restrictive ($160.1bn). Initiations of G20 trade remedy investigations declined sharply during the review period, the report showed.

The report is set against a backdrop of slowing international trade as the global economy struggles with several interconnected shocks, including the war in Ukraine, high inflation, devastation left by several climate change related events, and lingering side-effects from the Covid-19 pandemic.

The report estimates that the volume of world merchandise trade is expected to increase by 3.5% in 2022, with the pace of growth slowing in the second half of the year. Trade is estimated to further decelerate in 2023, with an expansion of just 1% for the year, down sharply from the previous estimate of 3.4%.

Global GDP growth is estimated at 2.8% in 2022 and 2.3% in 2023. Low-income countries are among the most vulnerable to these developments, the report warns.

"Inflation in 2022 was the highest some countries have experienced in decades. Increasing interest rates is the prevalent instrument used by some Central Banks to control inflation, but not without risks or repercussions. Under-tightening monetary policy may cause continued increases in inflation, while over-tightening may tip economies into recession. The cross-country potential inflationary effect from divergent policies and the appreciation of the US dollar are sources of inflationary pressures for some economies," the report explains.

During the period, G20 members also continued discussions on trade-related aspects of the EU Green Deal, including a set of proposals on Ecodesign for Sustainable Products Regulation (ESPR); proposals to improve Construction Products Regulation (CPR); and the EU strategy for Sustainable and Circular Textiles.

Click here to view the full report.

Source: just-style.com - Nov 16, 2022

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Moody's gives negative credit outlook to nations for 2023

As high prices of food and energy would curb economic growth and raise social tensions, Moody's Investor Service recently gave a 'negative outlook' to credit worthiness of countries globally for next year. Tighter financial conditions and economic scarring will push some debt burdens to unsustainable levels, while rising borrowing costs will erode debt affordability, it said.

As many as 13 nations, including India, would spend over 20 per cent of their government revenue in servicing debt next year, it forecast.

As governments dedicate a growing share of their revenue to interest payments, the policy dilemma between servicing creditors and meeting populations' demands for social and economic developments will intensify, it said.

Global gross domestic product (GDP) growth will slow to 1.7 per cent next year from 3 per cent this year as higher prices and tighter monetary policy hurt consumer spending, investment and economic sentiment.

Asia would outperform other regions. Large Asian countries like India will grow in excess of 4.5 per cent as domestic consumption, investment and tourism return to normal, Moody's said.

Moody's recently said global growth will slow in 2023 and remain sluggish in 2024. In its Global Macro Outlook 2023-24, India's GDP growth projection for 2022 was cut to 7 per cent from 7.7 per cent, citing global slowdown, high inflation and rising domestic interest rates.

The growth is projected to decelerate to 1.3 per cent in 2023 for G-20 economies.

Source: fibre2fashion.com - Nov 16, 2022

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China's value added of manufacturing increases by 3.4% in Oct '22

China's total value added of manufacturing increased by 3.4 per cent and that of production and supply of electricity, thermal power, gas, and water increased by 5.5 per cent as per the national bureau of statistics (NBS) of China.

The country's total year-to-date (YTD) retail sales of consumer goods reached 36,057.5 billion yuan (approximately $5088.70 billion), up by 0.6 per cent year on year (YoY), 0.1 percentage point lower than that in the first nine months.

China's industrial enterprises above the designated size went up by 4 per cent YoY in the first ten months of 2022, 0.1 percentage point faster than that in the first nine months.

In the first nine months of 2022, the total profits made by industrial enterprises above the designated size were 6,244.2 billion yuan, down by 2.3 per cent YoY.

Analysed by different areas, the YTD retail sales of consumer goods in urban areas reached 31,264.9 billion yuan, up by 0.5 per cent YoY, and that in rural areas reached 4,792.6 billion yuan, up by 0.8 per cent. Grouped by consumption patterns, the retail sales of goods were 32,522.7 billion yuan, up by 1.2 per cent YoY.

Online retail sales reached 10,954.2 billion yuan, up by 4.9 per cent. Specifically, the online retail sales of physical goods were 9,450.6 billion yuan, up by 7.2 per cent, accounting for 26.2 per cent of the total retail sales of consumer goods.

In October 2022, the total retail sales of consumer goods reached 4,027.1 billion yuan, down by 0.5 per cent YoY, or a decrease of 0.68 per cent month on month (MoM). Specifically, the retail sales of goods were 3, 617.1 billion yuan, up by 0.5 per cent YoY.

The total YTD value of imports and exports of goods was 34,616.5 billion yuan, an increase of 9.5 per cent YoY. The total value of exports was 19,711.3 billion yuan, up by 13.0 per cent. The total value of imports was 14,905.3 billion yuan, up by 5.2 per cent.

The imports and exports of general trade accounted for 63.8 per cent of the total value of the imports and exports, 2.1 percentage points higher than that of the same period last year.

The imports and exports by private enterprises accounted for 50.4 per cent of the total value of imports and exports, 2.2 percentage points higher than the same period of the previous year. In October 2022, the total value of imports and exports of goods was 3,551.5 billion yuan, up by 6.9 per cent YoY, according to the NBS.

The YTD CPI went up by 2.0 per cent YoY. In October 2022, the consumer price went up by 2.1 per cent YoY, 0.7 percentage point lower compared with the previous month or up by 0.1 per cent MoM. The core CPI excluding the prices of food and energy went up by 0.6 per cent YoY, the same as the previous month.

In the first ten months, the producer prices for industrial products and the purchasing prices for industrial producers went up by 5.2 per cent and 7.5 per cent YoY respectively.

In October 2022, the producer prices for industrial products decreased by 1.3 per cent YoY, or up by 0.2 per cent MoM. The purchasing prices for industrial producers went up by 0.3 per cent YoY, or up by 0.3 per cent MoM.

In general, the national economy withstood multiple shocks from domestic and international factors beyond expectation and sustained the momentum of recovery in October.

Source: fibre2fashion.com- Nov 16, 2022

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Cotton may be 3rd most valuable export commodity for Australia in 2022

Australian cotton is forecast to become the third most valuable export commodity after wheat and beef, in a year that also witnessed a record export result for one month. Official figures from the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), reveal that in August 2022, nearly $866 million of cotton was exported alone—almost double the entire amount of cotton exported in 2020—just two years earlier.

"In calendar year 2020, $455 million of cotton was exported to various offshore markets. That was reflected in the drought-impacted 2019-20 yield of less than 590,000 bales which was the worst result in recent history," Cotton Australia CEO Adam Kay said in a press release.

Kay said the drought stands in stark contrast to the flooding which made it difficult to get the 21/22 crop off, also meaning considerable losses from downgrades in some areas and making it even more difficult getting the 22/23 crop planted, resulting in lost winter crops. "Our thoughts go out to all those growers facing losses and hardship," he added.

ABARES figures show $1.9 billion worth of cotton was exported in 2021; however, from January to August 2022, $2.046 billion was exported, representing 562,270 tonnes.

"Our forecast for the 2022 crop was around 5.2 million bales and we exceeded that with a result of 5.5 million. What we are seeing here is the result of some harvesting delays due to the wet weather, and also some earlier issues with shipping and container availability. The good news is those bottlenecks and container shortages are showing signs of easing and that should ensure an easier passage of our cotton to the various overseas markets," Kay said.

Efforts towards clearing the backlogs and overcoming challenges, along with the international marketing of our cotton through Australian Cotton Shippers Association members, has seen export forecasts for 2022/23 reach $7.0 billion. However, that is expected to be reduced given the flooding across many growing areas, delaying picking and planting.

That third ranking in export commodity value, after wheat and beef, is the highest ranking for cotton since 1988 and coincides with falling livestock exports due to lower prices for red meat and wool.

ABARES has also released export figures per country with some surprising results. In the first three months of the 22/23 season more than $2.212 billion worth of cotton was exported to 17 countries, whereas in the entire 21/22 season the total exported was $2.228 billion.

Bangladesh has almost doubled its 2022 imports of Australian cotton to $171 million in the first three months of this season while India has imported $110 million more than the previous season. The other countries to record significant increases are Korea, Malaysia, Thailand, and Turkey.

While global growth expectations have been lowered due to widespread inflation, a sluggish Chinese economy, and dropping consumer demand, Australian cotton remains in high demand due to its quality and reduced crops from drought in the US and flooding in Pakistan.

Kay said about 30 per cent of the 2023 crop was now forward sold and those solid export totals will continue to gain momentum through the following months.

Source: fibre2fashion.com- Nov 16, 2022

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Global sales of personal luxury goods to grow by 22% in 2022: Study

A study by US consultancy firm Bain & Company commissioned by Italy's Altagamma association of high-end producers has found that luxury spending is growing faster than ever due to pent-up pandemic demand and shifting demographics. Global sales of personal luxury goods are expected to grow by 22 per cent this year to €353 billion from €290 billion in 2021.

US sales are projected to hit €113 billion this year, while Europe is the globe's second-largest market at €94 billion euros in sales.

Younger, more diverse consumers are buying into tiny handbag and post-streetwear trends, the study found.

"Consumption is back at pre-crisis levels, but it is also a rebirth, since there is a new consumer base that is younger, and some pockets of consumers that have been unlocked during COVID are here to stay and growing, like subcultures and ethnic groups in the U.S.," said Bain partner Claudia D'Arpizio, a co-author of the study.

The sector will expand to between €550 billion and €570 billion in the next five years, Bain predicts.

The sector is not recession-proof but is more resilient than it was in the 2008-2009 financial crisis, when luxury sales tanked, D'Arpizio cautioned.

Factors behind the rising resilience of the luxury industry include an enlarged customer base, stronger relationships between brands and consumers.

Mature markets in the United States and Europe are the strongest performers, each growing by about a quarter.

The Russian market, which represented 2 per cent of sales before the Ukraine conflict, disappeared after the invasion of Ukraine and led to Western sanctions, but the development has had 'almost zero impact, Bain said.

Chinese consumers are strong drivers despite the impact of ongoing COVID-19 lockdowns, but their overall weight has been reduced by the emergence of strong new markets, including South Korea and Mexico, D'Arpizio noted.

While Bain previously predicted that Chinese shoppers would represent half of all luxury consumers by the middle of this decade, the new study puts them at around 40 per cent by 2030.

The average age of luxury shoppers is dropping as well. Half of all purchases by people in their mid-20s to early 40s, while up-and-coming Gen Z, now in their teens to mid-20s, account for nearly a fifth of luxury sales.

Source: fibre2fashion.com- Nov 17, 2022

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Taiwan's textile manufacturers become invisible champions at FIFA 2022

Taiwan's textile manufacturers are set to showcase their latest innovations at the FIFA World Cup in Doha, Qatar. The invisible champions in the locker room, including Eclat Textile Co Ltd, Far Eastern New Century Corporation (FENC), New Wide Enterprise Co Ltd, Shinkong Synthetic Fibers, and San Fang Chemical Industry Co Ltd have designed some innovative tear-resistant jerseys worn by many national teams in the tournament.

Over the past few years, Taiwan textile manufacturers have consistently given new life to waste, according to a press release by the Taiwan Textile Federation. When the England National Football Team entered the quarter finals again after 28 years in 2018, the British office in Taiwan thanked local textile manufacturers in a special Facebook post. "The recycled PET bottles made of eco-friendly yarn and the seamless sewing technology can reduce the friction on the body of the jerseys, and the jerseys used by the England team this time are all made by these Taiwanese textile technologies," the UK official wrote.

Talking about Taiwan's textile manufacturers' latest innovations at FIFA World Cup Qatar 2022, for instance, Far Eastern New Century showcased its Ocean Recycling Tear-Resistant Sports Jerseys at the Taipei Innovative Textile Application Show (TITAS) in October, unveiling a creative fabric set to make waves at the upcoming FIFA World Cup Qatar 2022.

According to tallies, teams from nine countries will wear jerseys made of this new fabric, including Germany, Japan, Spain, Argentina, Mexico, Belgium, and Wales, which are poised to enter the finals. The fabric structure is reportedly designed specifically for each team.

Shinkong Synthetic Fibers used its recycled polyethylene terephthalate (PET) fibres to create tear-resistant sports jerseys for several national teams at this year's FIFA World Cup in Doha, Qatar, as the shirts are moisture-wicking and suitable for full-contact sports.

Taiwan's textile industry has a complete upstream and downstream supply chain, which can quickly respond to brand requirements such as sustainability. It relies on research and development to create high value-added products with a global market share of over 70 per cent.

"The friendly accolade highlights the spirit of the popular competition: 'Now is All'. The slogan refers to the moment when you execute the dream, achieve your goal, and own the present. That is without a doubt the feeling of pride these invisible champions in the locker room — Taiwan textile manufacturers — must feel today," the release added.

Source: fibre2fashion.com- Nov 16, 2022

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Sweden's inflation rate 9.3% in Oct 2022

Sweden's consumer price index with fixed interest rate (CPIF) 12-month inflation rate was 9.3 per cent in October this year, down from 9.7 per cent in September. The rate fell by 0.1 per cent on a monthly basis in October over September. Increased interest expenses contributed about 1.8 percentage points to the inflation rate according to CPI, which was 10.9 per cent.

While electricity prices decreased in the country by nearly 24 per cent between September and October, fuel prices increased in October, partly as the temporary tax reduction ended.

"The inflation rate according to the CPI was higher than CPIF because of the increased interest rates of mortgages. This effect is eliminated from CPIF. Otherwise, the two measures are similar," said Caroline Neander of Statistics Sweden in an official release.

Source: fibre2fashion.com- Nov 16, 2022

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Cambodian exports to US at more $7.6 billion

In the first 10 months of 2022, Cambodian exports to the United States reached $7.61 billion reported the General Department of Customs and Excise of Cambodia.

Most of Cambodia's exports are textiles, garments, clothing, footwear and travel bags, slats and agricultural products. The main goods that Cambodia imports from the United States are cars, machinery, electronics, medicine and medical equipment.

Cambodia's largest exporters after the United States are Vietnam at $ 1.664 billion, Japan at $988 million, China at $987 million, Canada with $945 million, and Germany at $914 million and the United Kingdom at $763 million.

In recent years, Cambodia-US trade relations have grown significantly. In 2021, the trade volume between Cambodia and the United States was more than $7.826 billion of which Cambodia exports were at $7.49 billion, while the United States imported more than $336 million worth of goods.

In the first 10 months of 2022, Cambodia achieved $ 18.747 billion in exports with major partners, an increase of 19.2 percent compared to the same period in 2021.

Source: khmertimeskh.com- Nov 17, 2022

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RMG: Bangladesh should look for new ways to be competitive

The garment makers' body of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and the Bangladesh Textile Mills Association (BTMA) are at loggerheads on the issue of settlement of back-to-back letters of credit with Taka.

This is as per media reports, which added that in the backdrop of dollar crisis, the BKMEA has reportedly sent a letter to the country's central bank (Bangladesh Bank) proposing it to allow the knitwear exporters to open LCs with local currency to procure raw materials from domestic source even if BTMA on its part had opposed the same.

The BTMA letter further reportedly underlined the knitwear sector to procure 80 per cent of its raw materials from local sources through back-to-back LCs and if the central bank instructed banks to settle the domestic LCs with local currency instead of dollar, it would help the country towards facing the current crisis of foreign exchange reserve.

Source: apparelresources.com- Nov 15, 2022

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Pakistan to enhance trade ties with Vietnam: President ICCI

Ahsan Zafar Bakhtawari, President ICCI while addressing the business community at Islamabad Chamber of Commerce and Industry (ICCI) on Wednesday said that Pakistan and Vietnam were enjoying cordial relations, but their bilateral trade was just around US$ 700 million in 2021, which was far below their actual potential.

He said that the main reason of low trade was the lack of awareness about business opportunities between the enterprises of both countries. He stressed for promoting strong business linkages between the private sectors of both countries in order to explore all untapped areas of mutual cooperation in order to make significant growth in trade volume.

The ICCI President said that Pakistan and Vietnam can cooperate in many sectors including IT and software, agriculture, education, energy and culture. He said that both countries had been discussing a Preferential Trade Agreement, which should be finalized to boost bilateral trade.

He said that Vietnam was an important member of ASEAN block and close cooperation of Pakistan with it could provide us easy access to the big ASEAN market. He stressed that the investors of Vietnam should explore business opportunities in CPEC and in other sectors of Pakistan's economy.

He said that Vietnam should consider investing in smartphone and computer chips, parts and accessories in Pakistan as Vietnam is one of the most advanced and large-scale producers of these products.

Ambassador of Vietnam to Pakistan Nguyen Tien Phong said that Vietnam's turnover in the first 10 months of 2022 was $675 billion with imports of $333 billion and exports $342 billion, therefore, Pakistan has great scope to enhance its trade and exports with Vietnam.

He said that Vietnam was importing many products including cotton yarn, medicines, surgical instruments, leather products, fabrics, chemicals, meat and mutton products, pet food, fertilizers and Pakistan should enhance exports of these products to Vietnam to take the bilateral trade to over $1 billion.

He said that Pakistan has a talented workforce in IT and software field and Vietnam has good demand for these professionals, so Pakistan can increase the export of its IT manpower to Vietnam.

The Vietnam Ambassador said that ICCI should form a delegation for Vietnam and he would fully support in making its visit successful. He said that exchange of trade delegations is important to explore new avenues of mutual cooperation.

He termed consistency, continuity and stability as key requirements for Pakistan to attract foreign investment from Vietnam, ASEAN and other countries.

He appreciated the ICCI plan for organizing Pak-ASEAN Forum and assured that he would fully support it.

Source: pakistantoday.com.pk- Nov 16, 2022

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NATIONAL NEWS

Modi, Sunak discuss free trade pact, defence on G20 sidelines

Prime Minsiter Narendra Modi and his UK counterpart Rishi Sunak discussed cooperation in a range of areas, including defence, security, trade and mobility, and expressed their support for the India-UK free trade agreement, in a bilateral meet on the sidelines of the G20 Summit on Wednesday.

Modi also held a number of other bilaterals on the second and last day of the G20 summit, including with leaders from Italy, France, Germany, Singapore and Indonesia, and was formally handed over the G20 presidency to India for the coming year by Indonesian President Joko Widodo.

“The leaders discussed the range of areas where the UK and India are working increasingly closely and have the opportunity to further develop our links, including defence and security,” according to a statement issued by the British High Commission in India on Sunak’s meeting with Modi.

They looked forward to the agreement of a UK-India free trade deal, which has the potential to unlock investment and increase jobs in both our countries, as well as expanding deep cultural links, it added.

“Discussions touched upon important sectors of collaboration such as trade, mobility, defence and security,”a release from the Ministry of External Affairs pointed out.

Modi and French President Emmanuel Macron reviewed ongoing collaboration in diverse areas like defence, civil nuclear, trade and investment, said an MEA release.

The Indian PM congratulated Italian PM Giorgia Meloni on her election as the first woman Prime Minister of Italy. “Prime Minister Modi looks forward to celebrating 75 years of India-Italy diplomatic relations and welcoming Prime Minister Meloni in India next year for the G-20 Summit,” the release said.

Modi's meeting with German Chancellor Olaf Scholz, the third this year, focussed on the Partnership on Green and Sustainable Development signed by the two at the 6th India-Germany Inter-Governmental Consultations earlier this year. "They also agreed to deepen trade and investment ties and further increase cooperation in the areas of defence and security, migration and mobility, and infrastructure," the release said.

With his Australian counterpart Anthony Albanese, Modi reviewed the progress made in deepening cooperation across a diverse range of sectors, including defence, trade, education, clean energy and people-to-people ties.

In his brief bilateral introduction with US President Joe Biden on Tuesday, Modi reviewed the continuing deepening of the India-US strategic partnership and expressed satisfaction about the ongoing strong cooperation between the two countries in groupings such as the Quad, Foreign Secretary Vinay Kwatra said in a briefing.

Source: thehindubusinessline.com- Nov 16, 2022

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India to start talks for new FTA with a region next week: Piyush Goyal

India will be launching negotiations for a free trade agreement (FTA) with a region next week, Commerce and Industry Minister Piyush Goyal said on Wednesday.

He said that negotiations are going on with countries, including the UK, European Union, Canada and Israel.

"Next week, we will be launching one more very important FTA," Goyal said here at a function of consumer electronics.

Though the minister did not disclose the name of the region, there is a likelihood that the talks may start with the Gulf Cooperation Council (GCC) as the region was keen to increase economic engagement with India.

GCC is a union of six countries in the Gulf region -- Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain.

India has already implemented a free trade pact with the UAE in May this year.

In a free trade agreement, two countries or regions either significantly reduce or eliminate customs duties on a maximum number of goods traded between them. Besides, they also ease norms to promote trade and investments.

Goyal said that the world sees huge opportunities in India and that is the reason for increasing engagement with India.

He also said that the country's economy may touch USD 30 trillion by 2047 and if things perform "slightly better", it may touch USD 49 trillion.

Source: business-standard.com- Nov 16, 2022

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Indian textile exports down 41% in Oct 2022 due to global slowdown

Global economic slowdown has hit Indian textiles and apparel exports, causing its share in total merchandise exports to decline to 7.68 per cent in October 2022 from 9.72 per cent of the corresponding period of last year. Last month, textile exports witnessed a steep fall of 41.53 per cent year-on-year (YoY), while apparel exports declined by 21.16 per cent.

High inflation across the developed world has reduced consumers' purchasing capacity, which is the main cause of slowdown in textiles and apparel exports. Developing countries including India are facing serious challenges in textiles exports.

Textile exports dropped to $1,298.34 million in October 2022 compared to $2,220.39 million in October 2021. Exports of cotton yarn, fabrics, made-ups, handloom products etc declined to $719.03 million in October this year from $1,335.97 million in October last year.

Shipment of manmade yarn, fabrics, made ups, etc declined from $468.69 million to $350.56 million, and carpet exports decreased to $107.13 million from $173.19 million, India's ministry of commerce and industry said in a press release.

As per the latest data, exports of apparel were down 21.16 per cent to $988.72 million in October this year from $1,254.13 million in the same period of last year. Cumulative exports of textiles and apparel during Oct 2022 registered a fall of 34.18 per cent as compared to October 2021.

During April-October 2022, textile exports registered a YoY decline of 20.78 per cent to $11,348.46 million. However, apparel exports witnessed a growth of 6.67 per cent to reach $9,160.89 million during the same period.

Cumulative exports of textiles and apparel during the first seven months of the current fiscal (April- March) were down 10.49 per cent to $20,510 million. Share of textiles and apparel in India's total merchandise exports declined to 7.68 per cent in October 2022 as compared to 9.72 per cent in October 2021.

The imports of various raw materials also increased in October. Imports of cotton raw and waste increased by 351.67 per cent to $172.13 million in October this year from $38.11 million in the same period of last year. Inbound shipment of textile yarn, fabric and made-ups grew 4.13 per cent to $207.71 million from $199.48 million in the same period.

During April-October 2022, imports of cotton raw and waste increased by 273.72 per cent to $1,253.3 million over $335.36 million in the same period of last year. Imports of textile yarn, fabric and made-ups increased from $1,096.57 million to $1,623.42 million during the period under review.

Source: fibre2fashion.com- Nov 16, 2022

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Fine-tuning district export boost

India's Foreign Trade Policy (FTP), due to be released on September 30, was delayed owing to some last-minute changes in plans, and FTP 2015-20 will remain in effect until the end of March 2023. Secondary sources claim that the upcoming FTP might shorten the target window to three years (usually for five years) and grant flexibility in policy amendment during its implementation.

Such changes primarily aim at: addressing growing global uncertainties and their concurrent impact on global trade (outlook of a global recession, uncertain global capital flows, and high energy prices); and delinking further the process of launching trade-related incentives schemes from the FTPs.

Last year, the government hinted it by announcing Remission of Duties and Taxes on Exported Products (RoDTEP) and Rebate of State and Central Levies and Taxes (RoSCTL) schemes, replacing the previous Merchandise Export Incentive Scheme (MEIS) under FTP 2015-20.

A most notable change in the upcoming FTP is the expected addition of a new chapter on the District as Export Hubs (DEH). If included, this will help make targeted interventions possible for existing pockets of districts across the country where the exports are concentrated. It is a sound policy decision in shaping and strengthening India's export landscape.

However, selecting the right districts to promote them as export hubs is paramount to making this policy succeed. Understanding the current export landscape of India at State and district levels could aid in this regard as a first step.

India exported goods worth $422 billion in FY 2021-22. It is $130 billion or 44.6 per cent more than the $291.8 billion recorded in FY 2020-21. While this is a spectacular performance, even discounting the recovery from Covid-19, India merely ranks 18th amongst its global peers. This relatively smaller size of Indian export is not commensurate with its GDP, which stands as the fifth largest in the world.

An important factor that determines the economic success of India is the vibrancy of its States. India being a Federal Republic, a snapshot of exports at the State level is necessary to understand States' contribution to national exports. Out of the 37 (29 States and 8 Union Territories), the top ten States account for 85.3 per cent of India's overall exports.

The significant contribution comes from the top five States — Gujarat, Maharashtra, Tamil Nadu, Karnataka and Uttar Pradesh. These States alone contribute 66.8 per cent of India's overall exports in FY 2020-21 (Table 1).

Table 1

Top exporting States

State	Exports FY20-21 ($ billion)	Export share of India (%)
Gujarat	126.81	30.05
Maharashtra	73.12	17.33
Tamil Nadu	35.17	8.33
Karnataka	25.87	6.13
Uttar Pradesh	21.03	4.98

Source: DGCIS, the Ministry of Commerce

Unsurprisingly, except for Uttar Pradesh, four out of the top five largest exporters are States located in the South and West of the country that benefits from coastal access.

Significant variations

The export data show significant variations in performance at a district level. Out of the 766 districts in India, the top 10 per cent of districts contribute 85 per cent of India's overall exports. Yet, only the top 20 districts (2.6 per cent of overall districts) export goods worth more than $5 billion, contributing 51.5 per cent of the total exports (Table 2).

Specifically, six districts in Gujarat account for half of it, followed by five districts from Maharashtra (24 per cent), and another 20 per cent is associated with Tamil Nadu, Karnataka and Uttar Pradesh.

Top exporting districts of India

Table 2

District	Top export product	Export value of top products in district ($ billion)	Total exports of district ($ billion)
Jamnagar	Mineral fuels, mineral oils & products; bituminous substance	45.62	50.71
Surat	Pearls, precious or semi-precious stones/ metals and article	13.9	19.05
Mumbai suburban	Pearls, precious or semi-precious stones/ metals and article	13.47	15.62
Mumbai	Pearls, precious or semi-precious stones/ metals and article	6.84	15.46
Pune	Nuclear reactors, boilers, machinery and mechanical appliance	2.96	11.4
Bharuch	Miscellaneous chemical products	2.67	9.89
Kanchipuram	Road vehicles and parts	4.27	9.83
Ahmadabad	Pharmaceutical products	2.21	9.52
Gautam buddha Nagar	Electrical machinery & equipment & parts thereof	3.83	9.06
Bengaluru urban	Electrical machinery & equipment & parts thereof	1.33	7.91
Kachchh	Cereals	0.91	7.47
Devbhumi Dwarka	Mineral fuels, mineral oils & products; bituminous substance	6.73	6.75
Dakshina Kannada	Mineral fuels, mineral oils & products; bituminous substance	4.43	6.41
Thane	Organic chemicals	0.72	6.03
Visakhapatnam	Organic chemicals	1.64	5.85
Raigad	Organic chemicals	1.03	5.62
Chennai	Mineral fuels, mineral oils & products; bituminous substance	0.75	5.59
Gurugram	Road vehicles and parts	1.5	5.14
Jharsuguda	Aluminium & articles thereof	5.06	5.1
Kolkata	Pearls, precious or semi-precious stones/ metals and article	1.16	4.9
Exports of top 20 districts			217.3
Total exports of India			422

Source: DGCIS, the Ministry of Commerce

The top exports from these districts are often commodities that are more susceptible to price volatility and shocks. Most surprisingly, 82 districts do not engage in any exports at all.

India's economic dynamism depends on its States' and districts' robustness, particularly export strength. However, only a limited numbers of States and districts currently possess the economic vibrancy and contribute significantly towards its exports. Also, the majority of exports concentrate on non-manufactured goods.

Hence, these variations and types of exports have to be kept in mind before launching potentially targeted schemes such as DEH. The shortlisting process will aid not only in better targeting but also in the possible success of such new initiatives.

Source: thehindubusinessline.com- Nov 16, 2022

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US, China, UAE drive India's first export contraction in nearly 2 yrs

Exports to seven of the top 10 destinations of India, including the US, the United Arab Emirates (UAE), and China witnessed contraction in October, leading to the country's overall outbound shipments dipping for the first time in two years, according to the data compiled by the Department of Commerce.

SHIPMENTS SHRINK

India's exports to top 10 countries in October

Country	Value ($ mn)	YoY change (%)
US	5,383	-25.6
UAE	1,989	-18
Netherlands	1,220	21.6
China	947	-47.5
Singapore	711	24.8
Bangladesh	615	-52.5
UK	789	-22
Brazil	821	57.7
Saudi Arabia	689	-20.4
Hong Kong	757	-23.6
Top 10 total	**13,921**	**-21.4**
% share of total exports	**47**	
Total exports	**29,782**	**-16.6**

Source: Department of Commerce

These 10 nations have a share of 47 per cent in India's overall exports.

The three nations that saw positive growth in exports were the Netherlands (21.6 per cent), Singapore (24.8 per cent), and Brazil (57.7 per cent). The US, which has been India's largest export market for a decade, saw a dip in its value of exports by a fourth to $5.38 billion in October, according to the data reviewed by Business Standard.

The UAE, which signed a free trade agreement with India earlier this year, witnessed 18 per cent fall in shipments at $1.98 billion.

Similarly, a slowdown in economic activity in China due to its zero-Covid policy and real estate market crisis resulted in 47.5 per cent degrowth in outbound shipments to the country to $947 million.

The ICR indicates the number of times a company's operating profit is, in relation to its interest expenses.

Exports...

India's import sources in October: Top 10

Country	Value ($ mn)	YoY chg (%)
China	7,851	-9.7
UAE	3,867	1.5
US	3,526	-4.7
Saudi Arabia	2,721	11.6
Russia	3,842	441.4
Iraq	2,628	44.1
Indonesia	2,260	46.9
Singapore	1,970	27.5
South Korea	1,607	1.7
Australia	1,300	-30.9
Top 10 total	31,572	13.9
% share of total imports		56
Total imports	56,693	5.7

Source: Department of Commerce

Analysts say this signals the end of the cycle of corporate deleveraging seen after March 2020. "A boom in corporate profits in the post-pandemic period allowed companies to prepay debt and lighten their balance sheet.

The cycle now seems to be over and operating metrics and financial ratios worsened due to a decline in profits and operating cash flows in the first half of FY23," said Dhananjay Sinha, director and chief strategist at Systematix Institutional Equity.

He expects the trend to persist in the second half of FY23, which could have a significant impact on the companies' growth trajectory.

"Poor finances may force many companies to put brakes on their growth plans and scale back operations. This could result in net sales growth decelerating to around 8 per cent in H2FY23 from nearly 30 per cent-plus in H1FY23," added Sinha.

Other experts attribute the rise in corporate indebtedness to higher working capital, which they said will self-correct in the forthcoming quarters. "Companies have been forced to sit on higher inventory in recent quarters due to volatility in commodity prices and disruptions in global supply chains, leading to higher working capital borrowings.

In their management commentary for Q2FY23, most manufacturing companies projected a decline in inventory and working capital requirements in H2FY23 due to a fall in commodity prices and improvement in supply chain," says Shailendra Kumar, chief investment officer (CIO), Narnolia Securities.

The net current assets, or the total working capital for the companies, in the Business Standard sample were up 27.5 per cent YoY in H1FY23, while their combined inventory of finished products and raw materials was up 28 per cent. In comparison, the combined fixed assets were up 12.5 per cent YoY in this period.

On the brighter side, incremental borrowings by corporations translated into higher demand for bank credit and boosted banks' earnings in H1FY23.

"The credit outstanding of the industry segment registered a robust growth of 12.6 per cent YoY in September 2022 from 1.7 per cent growth in the year-ago period. It was due to robust growth in MSMEs, which were driven by inflation-induced working capital requirements, ease of doing business supported by increasing digitisation in the banking system for faster loan turnarounds, and demand for new capex," analysts at CARE Rating noted in their recent report on corporate credit.

A faster growth in corporate credit and a rise in interest rates have, however, resulted in a surge in companies' interest expenses, which grew by 12.5 per cent in H1FY23, the fastest in two-and-a-half years.

Source: business-standard.com- Nov 17, 2022

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National Conclave on Technical Textiles "Protech" under National Technical Textiles Mission

The Ministry of Textiles in partnership with Northern India Textile Research Association (NITRA) and Indian Technical Textile Association (ITTA) organized a full-day event "National Conclave on Technical Textiles – Protech" here today. The Chief Guest, Ms. Rachna Shah, Secretary, Ministry of Textiles, Government of India, inaugurated the Conclave.

The Secretary, Ministry of Textiles, also inaugurated the exhibition of companies encompassing wide range of protective textile products.

There were three panel discussions in the conclave covering Prospect of indigenisation of Protective Textile products in India, Experience and Expectations of consumers towards adoption of Indian protective textiles and Market promotion & Export opportunities of Protective Textiles in India along with Global Best Practices. Around 450 participants attended the conclave including Officials and Representatives from Central Government, Indian Forces, researchers, entrepreneurs and professionals related to technical textiles especially Protech.

Speaking at the event, Ms. Rachna Shah, Secretary, Ministry of Textiles, Government of India, highlighted that India's textile industry is a major contributor to the Indian economy and India's exports. The Technical Textile is a sunrise industry with a robust growth rate of 10% annually. However, the sector is still small in size and there is a lot of opportunity for India to be a prominent player in the global arena.

Talking about the vibrancy and energy in the Technical Textiles sector, she added that India is poised to emerge as a powerful destination for manufacturing and exports. However, it is the need of the hour to focus on product diversification, design, aesthetics, as well as need for training for the manpower involved.

She highlighted the concerted effort by the Ministry of Textiles under the NTTM to develop and implement standards for the technical textiles items and produce and market quality products that are at par with international standards.

She highlighted that one of the most prominent applications of technical textiles is in protective segment, which are used for its functional performance in the areas of protection. Focus should be on indigenization of technology and implementation of quality standards in niche Protech items, given the spur in global demand and usage for Protech products, she further added.

Ms. Roop Rashi, Textile Commissioner, Ministry of Textiles, Government of India, in her address she mentioned that there is a need to focus on outcome-oriented R&D in the sector, and given Ministry of Textiles' focus on R&D which is a major component of the NTTM, tremendous growth is anticipated in the coming years.

She apprised about the Government's efforts on resolving issues in this sector in terms of credit support, subsidy support, facilitation of investment flow among others. She mentioned that the Technical Textiles industry will be a catalyst to fulfil India's vision of Industry 4.0.

Mr. Rajeev Saxena, Joint Secretary, Ministry of Textiles, Government of India, presented on the credentials of Indian technical textiles market, especially protech, to the august gathering of the conclave. He emphasized on the National Technical Textiles Mission (NTTM) and its components including Research, Development and Innovation; Skilling, Training and Education; Promotion and Market Development; and Export Promotion.

He highlighted on the various initiatives undertaken under the mission such as supporting R&D Projects in niche and strategic Protech areas, QCOs on 12 protech items, among others.

He stated that the Government will soon be coming up with guidelines to support create an education ecosystem and skilled workforce in the field of technical textiles with the development of new courses & laboratory infrastructure in technical textiles, amongst others to promote the growth of technical textiles in India.

Mr. Raj Kumar Jain, Chairman, NITRA, said that the market for Technical Textiles is expanding as the products are being put to use by an ever-increasing number of end users in various industries such as protective wear, agriculture, amongst others.

Furthermore, with the increase in disposable income, the consumption of technical textiles is expected to increase even in retail households in the near future. He appreciated Ministry of Textiles for launching many Schemes for growth and development of technical textiles such as PLI scheme, PM MITRA, National Technical Textiles Mission etc. He highlighted that the Government of India is promoting indigenous manufacture of technical textiles to explore the global opportunities and cater to the domestic demand as well.

Mr. Amit Agarwal, Chairman, ITTA, highlighted that protective textiles are not only used in fire scenarios, but have wider usage in many hazardous prone activities related to energy transmission, radiation energy, amongst others.

He stated that there exists a huge potential for protective textiles in India given increasing exposure to hazards and presence of five crore people in organized and almost equal people in unorganized sector. India should focus on enhancing the standardization for technical textiles items, he added. He emphasized that mandation for the use of technical textiles by user industry would significantly drive the growth of technical textiles in India.

Dr. Arindam Basu, Director General, NITRA, apprised about the research facilities and projects undertaken by Northern India Textiles Research Association in the field of technical textiles, especially protective textiles.

Source: pib.gov.in- Nov 16, 2022

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‘Scale’ and ‘Speed’ will make a difference to India's growth story: Shri Piyush Goyal

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said ‘Scale’ and ‘Speed’ will make a difference to India's growth story. Quoting PM Shri Narendra Modi, Minister highlighted the scale at which India offers opportunity and the speed with which India is adopting technology and integrating with a global economy.

He was addressing Consumer Electronics and Appliances Manufacturers Association (CEAMA) 43rd Annual Function ACE Dialogues 2022 in New Delhi today.

The Minister congratulated the Award winners and appreciated the Industry for their passion and commitment to contribute to India's growth story, and taking it towards the path of self-reliant and self confident Economy. He particularly lauded the LED manufacturers for their contribution in India’s LED success. He said that the entire nation adopted LED, and highlighted that India was able to roll out LED bulbs to the length and breadth of the country in just four years.

Addressing the gathering he said India with 1.4 billion people today provides the largest market opportunity available anywhere in the world. This is the calling card, Shri Goyal said, because of which world wants to engage with India today. They recognise that India offers a huge opportunity in terms of market.

Shri Goyal highlighted that developed countries of the world are now keen to do free trade agreements or comprehensive economic partnerships with India. India’s vibrant startup ecosystem and innovation is attracting the world to come and set up operations in India.

Shri Goyal informed that FTA negotiations are underway with UK, Canada, EU, Israel and one more important FTA will be launched next week (With GCC). He complimented industry for their bold leadership on negotiating on an equal basis while dealing with the developed nations. This shows the courage of conviction of Industry in their ability to compete with the best, he added.

Shri Goyal said the government's focus has been to promote manufacturing in India. He added that the Government has made significant structural changes to the Indian economy and cited ease of doing business, improvement in Global Innovation Index rankings, success of schemes like production linked incentive scheme. Shri Goyal said remarkable growth in the mobile industry from two manufacturers to nearly 200 manufacturers is a living example of the success.

Shri Goyal said India taking over the presidency of the G 20 is a matter of pride for us. Shri Goyal said India is a 'SMART' country. Elaborating on it, he said 'S' stands for sustainability. Sustainability should be the hallmark of the consumer electronics industry.

'M' stands for India's manufacturing capabilities, can we manufacture high quality products, Can we become recognized globally, can we adopt and Implement world quality standards, he added.

'A' stands for Atmanirbhar Bharat. We must encourage the component ecosystem in India to become an atma nirbhar consumer electronics manufacturing base.

'R' stands for Rating. He asked the industry to consider having quality ratings with the Made in India label on self regulation principles. He asked to encourage people to adopt modern standards and buy high quality goods.

'T' stands for technology. It will determine the success of our industry. We must look at new emerging trends and pick up the contemporary trends at early stages.

Shri Goyal concluded by saying that the industry will truly become the flag bearers of new prosperous India, which will provide job opportunities to every single child born in India, and produce world class products in India.

Source: pib.gov.in- Nov 16, 2022

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What's making India more susceptible to global trade shocks than before

According to GoI data released on Tuesday, India's merchandise exports fell by 17% - from $35.45 billion in September to $29.78 billion in October. Merchandise imports, too, declined from $61.16 billion to $56.69 billion in the same period, with the October merchandise trade deficit widening from $25.71 billion to $26.91 billion.

The dominance of the domestic economic sector in production and employment is often cited as the key reason for India's economic resilience amid global trade downswings. However, a gradual shift was already underway before the pandemic, and has been accentuated by the pandemic. India's growth is now more reliant on exports and its exports are more closely tied to global trade.

First, India's exports. Analysis shows that India's real exports of goods and services are quite elastic to world trade. Using a suitable model, the long-run elasticity coefficient between 2005 and 2019 was found to be 1.25. An elasticity coefficient is a measure of sensitivity. Which means that between 2005 and 2019, all else equal, a 1% rise in global export volumes boosted India's by 1.25%, reflecting a more-than-proportionate impact. Interestingly, over the last five years, the elasticity coefficient was found to be significantly higher at 1.49.

Some developments in the last few years contributed to the increased sensitivity of India's exports to global trade. The country's increased participation in key global export segments, such as engineering and electronic goods, has meant a closer integration in global value chains. This was likely triggered by the US-China trade war in 2018 and accentuated by the pandemic amid the global surge in demand for electronic goods. In fact, at their peak in late 2021, these two hi-tech items delivered nearly one-third of India's total export earnings, which in October 2021 stood at $35.73 billion.

On this front, matters have taken a turn for worse as the global tech cycle is rapidly losing steam. The Philadelphia Semiconductor Index, a leading indicator for the global electronics sector, has slumped nearly 40% year-to-date. The combined share of electronic and engineering goods in India's total goods exports has also fallen back to end-2019 levels.

So, while enhanced participation in trade of hi-tech items surely brings greater productivity benefits and increased share of world trade to India, it also makes the country more susceptible to global trade shocks than before. This is also true for India's evidently rising services exports, predominantly IT services, which are conventionally known to be elastic to world growth.

India's domestic demand has also become more dependent on exports during the pandemic. This channel of feedback is generally strong for trade-heavy economies such as South Korea and Taiwan, where a significantly larger share of firms and households participates in the export sector. However, an increased share of India's formal sector during the pandemic may have amplified the vulnerability of domestic demand to the export cycle. GDP data show that the correlation between investment - gross fixed capital formation (GFCF) - spending and real export growth is robust, at about 0.7. Taking the modelling a step further, investment spending in India is generally quite elastic to export growth. This relationship tightened materially during the pandemic. The results for the impact of exports on private consumption were, however, inconclusive.

Putting the data together, the risks to growth from an export recession seem to be larger this time than on previous occasions. Therefore, net external trade will remain a significant drag on growth, especially as import volumes remain stronger than export volumes. The growth in the latter, as indicated by proprietary indices, may soon hit 'zero'. On the other hand, strong domestic demand will likely continue to buttress import volumes amid weak domestic supply. The external sector challenges to growth will, therefore, persist.

All else unchanged, this presents a unique challenge to the Reserve Bank of India's (RBI) monetary policy committee (MPC) that next meets during December 5-7. On the one hand, the near-term task is cut out well - further rate hikes are needed to curb excess domestic demand and imports to bring the current account deficit back to sustainable levels. On the other hand, from a medium-term perspective, an intricate balance has to be struck due to increased growth risks. So, the MPC should not 'over-tighten' rates now and hurt future growth amid a slowing world economy - two of the six MPC members rightly echoed these trepidations at the last monetary policy meeting.

Source: economictimes.indiatimes.com- Nov 17, 2022

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Garment exports slump 21% led by steeper fall in knitwear shipments

Apparel exports contracted 21% last month to $988.72 million, from $1.25 billion in October 2021, according to provisional export data. Of this, knitwear exports shrank 32.5% in dollar terms and 25.8% in rupee terms, with the knitwear hub of Tiruppur, registering an almost 40% contraction (in dollar terms) last month.

Knitwear exports contracted for the third straight month, according to the Tiruppur Exporters' Association (TEA), with shipments from Tiruppur progressively shrinking month-on-month by 17.4%, 33.1% and 39.8% in August, September and October, respectively.

Average capacity utilisation at garment exporting units in Tiruppur was 30% now, observed Kumar Duraiswamy, joint secretary of TEA. The U.S., EU, and the U.K. account for 85% of shipments from Tiruppur.

With high inflation in these economies, clothing was not a priority for consumers now, according to Mr. Duraiswamy. Further, with buyers saddled with huge stocks, they were postponing delivery. This had resulted in stocks piling up at the producers' end. "We have huge inventory of finished goods as the brands are asking us to defer shipments," said a leading garment exporter in Tiruppur, speaking on the condition of anonymity.

With buyers in the EU and the U.S. holding high inventory, and expectations of better sales during the Thanksgiving holidays and Christmas, orders were likely to revive only by January, the exporter added. Further, there was stress on pricing, with buyers asking for significant reductions in the per piece dollar rate, the exporter observed.

TEA's Mr. Duraiswamy said the government had to step in and support the exporters. An official in the Ministry of Textiles, who did not wish to be identified, said there were reports that orders from the U.S. had started reviving. While it was possibly only from a small set of buyers as of now, it did, however, signal prospects of an improved performance in the next quarter, the official added.

Source: thehindu.com- Nov 16, 2022

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War, slowdown prompt Tiruppur exporters to explore alternate markets

With demand coming down from the United States due to the economic slowdown, and in Europe due to the Ukraine war, exporters from India's largest garment hub Tiruppur are looking to diversify their export baskets to countries like UAE, Australia and Japan. This is after the exports from Tiruppur dipped 21 per cent year on year in October.

The plan to diversify the basket is coming at a time when the global situation is threatening to affect the annual sales numbers of the garment hub. However, some exporters believe that things will be much better during the coming months as yarn prices have declined and dollar rates are favourable for exporters.

"We are looking at countries like the UAE, with whom we have a free trade agreement. We are also looking at Australia, Japan," said K M Subramanian, president, Tiruppur Exporters' Association (TEA). According to a report by the Confederation of Indian Textile Industry (CITI), India's textile exports dipped 17 per cent during April-September of the current fiscal year to $10.05 billion, from $12.11 billion during the same period in 2021-22.

Overall textile and apparel segment exports declined by 6.3 per cent to $18.22 billion during the period under review. In September, textile and apparels saw a 27 per cent decline in exports.

According to another industry study, items like man-made yarn, fabrics and made ups saw a dip of 25 per cent in October, while readymade garment exports were down 21 per cent. Despite this, the region has so far posted total exports of Rs 22,000 crore, as compared to Rs 33,525 crore during the entire financial year 2021-22, Subramanian added. "We expect the orders to go up as yarn prices have reduced by over 40 per cent and the dollar is on favourable turf," he added.

"We are not seeing any major rise in exports because of the war situation in Europe and the US economic situation. Orders are down too compared to the same time last financial year," said M P Muthurathinam, president, Tiruppur Exporters and Manufacturer Association (TEAMA). During the last financial year, the United States contributed to around 40 per cent of exports from the region, while for Europe it was 35 per cent.

"Since we've seen the orders at a historic low, a rise is only to be expected. We aren't seeing any huge change in the export pattern at this point. We aren't able to compete with countries like Bangladesh and Vietnam because they are duty free countries," said Raja M Shanmugam of textile company Warsaw International and former president of TEA.

The industry in Tiruppur is expecting the India-UK Free Trade Agreement to happen soon, which may also push the region's exports by 10 per cent.

Source: business-standard.com- Nov 16, 2022

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India as the world's factory: China may be in denial

Apple's recent decision to shift manufacturing of its flagship smartphone product, the iPhone, to India has sparked a fresh wave of speculation on India emerging as the world's factory. While analysts like JP Morgan estimate that India could garner a share of between 5 per cent and 25 per cent of iPhone manufacturing, certain close observers of hi-tech manufacturing in China estimate a 150 per cent growth year-on-year on Apple's manufacturing in India, by Apple's lead contract manufacturer Foxconn. The smartphone manufacturing boom in India goes well beyond the iPhone, with Samsung and other players expanding their India production capacity.

Curiously enough, the shift to India has triggered a debate in China on which country is best placed to be an alternative manufacturing and supply chain destination. This topic was the subject of a recent essay by Xu Qiyuan, a Chinese researcher at the Institute of World Economics and Politics, Chinese Academy of Social Sciences. In an English version of the original essay in Chinese, titled "Vietnam, India, and Mexico, who is challenging China's status as the world's factory?" published by the Beijing Channel newsletter, one gets a rare insight into the Chinese perception of India as a potential competitor.

In the essay, Xu writes on the transformation India has seen in recent years registering 8 per cent GDP growth in 2021 while recognising the efforts put in by the Indian government under Prime Minister Narendra Modi towards creating "a large unified market" through the GST regime.

Duly recognising India's talent pool in science and technology, Xu also notes that "India's innovation and technology capabilities should not be underestimated". Of particular interest to Xu is India's IT prowess, presence of nine Fortune 500 firms in India and India's self-sufficiency with low dependence on China.

However, it is Xu's comments on India's socio-cultural environment that are interesting for they lead to the conclusion that India is unlikely to be a viable alternative to China. Specifically Xu attributes "India's transcendental religious beliefs" for what is termed as a "low desire of the people for economic development".

Further, Xu, while duly noting Prime Minister Modi's clarion call for an "Aatmanirbhar Bharat", draws the hasty conclusion that it is primarily directed towards domestic consumption, while going on to reiterate that "religion and culture" stand in the way of tough economic reforms in India. This repeated emphasis by Xu on "religion and culture" and "transcendental religious beliefs" is helpfully put into perspective when Xu makes a questionable assertion on the contribution of "Confucianism" to the Vietnamese society's desire for development as a factor in its emergence as a manufacturing base.

It is interesting that the myths around the influence of Confucianism on Southeast Asia come not from Chinese scholars but from futurologist Hermann Kahn, who had labelled the Southeast Asian economies as "neo-Confucian". Writing in a 2009 paper titled "The Confucius connection: From cultural roots to economic growth", Geert Hofstede and Michael Harris Bond have further expanded on this theory of Kahn on the influence of religious and cultural programming on economic development to make claims on the role of Confucianism in Southeast Asia, which seems to have wrongly coloured the perceptions of contemporary analysts in China with regard to India.

The 2009 paper, while focusing on religious factors behind economic growth, also highlights other factors such as open markets and favourable political conditions. It is also noteworthy that the 2009 paper was ambiguous on the extent to which Confucianism had contributed to economic development within the People's Republic of China, on account of lack of data, while recognising that Southeast Asian culture is influenced by more than a single religious or cultural thought giving the examples of Hinduism and Buddhism among others.

While Chinese analysts such as Xu may be overstating the role of Confucian thought in economic development, it is their shallow and stereotypical understanding of India that needs further examination. It is this stereotypical image of India that manifested itself in the New York Times cartoon some years back on India joining the elite space club and is what is seen in the manner in which India is portrayed by Hollywood and others, conjuring images of snake charmers and godmen.

It would seem that most of these analysts have been overly focused on "moksha" to draw false conclusions of a "transcendental religious belief system", while missing out on the role "dharma" and "artha" play in the pursuit of uplift of society.

From aviation to hi-tech manufacturing, as India opens up to the world of manufacturing and seeks to develop an alternative ecosystem for global supply chains, it is no surprise that Chinese analysts are looking to stretch the limits of logic to seek comfort in China's manufacturing prowess.

India under Prime Minister Narendra Modi has its task cut out in improving ease of doing business and boosting competitiveness to attract more global manufacturing. China, on the other hand, may have to come out of the twin bubbles of zero-Covid and Confucianism to come to terms with the low trust deficit globally that is seeing it not only being ejected from Canadian mines but also witnessing a flight of entrepreneurs from its mainland.

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

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High raw material costs drag SVP Global Textiles' net

SVP Global Textiles, one of the largest compact cotton yarn manufacturer and leading multinational textiles company, has reported a net loss of ₹20 crore against net profit of ₹40 crore logged in the same period last year, due to sharp rise in raw cotton price.

The company's revenue dipped 28 per cent to ₹294 crore (₹406 crore). Ebitda dropped to ₹39 crore (₹93 crore).

Maj Gen (Retd) OP Gulia, CEO, SVP Global Textiles said the raw material (cotton) prices continued to remain at higher levels in September quarter and put the textile industry under stress.

However, he said the company has managed to reduce losses by improving on operational and financial efficiencies along with some softening in cotton prices.

The next quarter is looking very promising due to improved demand of apparel and cotton prices declining from a peak of ₹1,15,000 per candy to approximately ₹70,000 per candy now.

The company is in the process of analysing various restructuring options available including the sale of assets of subsidiaries to reduce debt, he said.

The company has received approval to set up a technical textile facility at Jhalawar under the Ministry of Textile's PLI scheme.

Source: thehindubusinessline.com - Nov 16, 2022

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Sluggish demand causes poly, PC yarn prices to decline in India

Polyester-cotton (PC) and poly spun yarn prices have eased in the domestic market as sluggish demand forced sellers to cut prices. Polyester and PC yarn prices reduced by ₹3-8 per kg in the last couple of days.

Cheaper PSF and raw materials also led yarn prices to go down. Reliance Industries Limited (RIL) has reduced the prices of PSF by ₹2 per kg for the second half of this month.

Slightly better demand seen last week could not be sustained, causing a decline in polyester yarn and blended yarn prices, according to trade sources. Price cut of PSF and raw materials by RIL also drove yarn prices downwards.

"Buyers were absent from the market. Recent report of steep fall in India's textiles and apparel also gave bearish indications," a Ludhiana based trader told Fibre2Fashion.

Polyester-cotton and poly spun yarn lost ₹5-8 per kg in Ludhiana. While Surat market noted a decline of ₹3-5 per kg, sources said. 30 count PC combed yarn (48/52) was sold at ₹210-220 per kg (GST inclusive).

30 count PC carded yarn (65/35) was priced at ₹180-185 per kg. 20 count PC (recycled-O/E) PSF yarn (40/60) was traded at ₹152-158 per kg. 30 count poly spun yarn was sold at ₹155-160 per kg and recycled polyester fibre (PET bottle fibre) was at ₹83-86 per kg, according to Fibre2Fashion's market insight tool TexPro.

In the Surat market of Gujarat, 30 count poly spun yarn was traded at ₹137-138 per kg (GST extra) and 40 count poly spun yarn at ₹145-147 per kg.

RIL had increased the prices of purified terephthalic acid (PTA) and MELT for the current week and cut prices of monoethylene glycol (MEG). On Friday, RIL fixed prices as: PTA at ₹81.70 per kg (+0.50), MEG at ₹51.70 per kg (-0.50) and MELT at ₹87.84 (₹+0.26) per kg. RIL has reduced prices of PSF by ₹2 to ₹103 per kg for the current fortnight.

North Indian cotton prices increased again after declining yesterday. Weaker dollar supported ICE cotton to move upwards. According to local traders, purchases being made by MNCs at high prices are also supporting cotton prices. They are buying the natural fibre to fulfil their commitment.

Cotton arrival was noted at 20,000 bales of 170 kg in north Indian region. Cotton prices increased by ₹150-200 per maund of 37.2 kg in the last one week. The natural fibre was traded at ₹6,800-6,900 in Punjab, ₹6,700-6,800 in Haryana, ₹6,950-7,000 per maund in upper Rajasthan and at ₹66,000-67,500 per candy of 356 kg in lower Rajasthan.

Source: fibre2fashion.com - Nov 16, 2022

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Jockey to invest Rs 290 crore in Telangana

In yet another significant investment in the textile and garment manufacturing sector in Telangana, Page Industries, makers of the Jockey brand of innerwear, has decided to set up garment manufacturing factories in Ibrahimpatnam and Mulugu with an investment of Rs 290 crore to manufacture one crore garments and create 7,000 jobs.

Page Industries will lease the 'Plug and Play' facility in Ibrahimpatnam, which is being built by Whitegold Spintex Park in a 1.50 lakh sq. ft space. It is expected to employ 3,000 locals. Page Industries will build and develop a second facility in Mulugu, Siddipet district, on a 25-acre land parcel, employing 4,000 locals. Both the facilities will manufacture garments which include sportswear and athleisure wear.

On Tuesday, a top management team from the company led by V. Ganesh, managing director, met with industries minister K.T. Rama Rao at Pragathi Bhavan.

“Delighted to share that popular innerwear brand Jockey (Page Industries) will be setting up garment manufacturing factories in Ibrahimpatnam and Mulugu, producing 1crore garments

creating 7000 jobs in the State. Hearty welcome and best wishes to the company as it embraces Telangana," Rama Rao tweeted.

The minister welcomed Page Industries to Telangana and assured them of the state government's full cooperation. The meeting was attended by principal secretary (industries) Jayesh Ranjan, TSIIC VC and MD E.V.Narsimha Reddy, and director (textiles) Mihir Parekh. Telangana has already attracted investments from major textile and garment manufacturing companies, including Kitex, Welspun, Ganesha Ecosphere, Youngone, Gokaldas Images, Whitegold Spintex, Divya Textiles and others.

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