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

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INTERNATIONAL NEWS

US Cotton industry welcomes House's approval of railroad bill

The National Cotton Council (NCC) has expressed its appreciation towards the United States House of Representatives for its approval of the legislation that would force a tentative rail labour agreement and avert a national strike or lockout in the US.

“A rail strike would have had severe consequences on our industry from producers to textile manufacturers. We are grateful the House recognised the gravity of the situation and urge the Senate to do likewise and approve this much-needed legislation,” National Cotton Council chairman Ted Schneider said in a press release.

“The deal provides a historic 24 per cent pay raise for rail workers. It provides improved health care benefits. And it provides the ability of operating craft workers to take unscheduled leave for medical needs,” President Joe Biden said in a statement released by the White House

The NCC had earlier joined numerous food and agriculture groups and sent a letter to the House and Senate leadership urging legislation be passed immediately to adopt the tentative agreement.

Source: fibre2fashion.com- Dec 01, 2022

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ITMA 2023 to gather over 1K exhibitors from 42 countries in Milan

Online visitor registration for trade fair ITMA 2023 has been opened, so that visitors can enjoy early bird rates until May 7, 2023 when they buy badges online. The event's supporting organisation members may take advantage of a special group rate. ITMA 2023 is set to make a strong presentation in Milan, Italy with over 1,570 exhibitors from 42 countries.

ITMA 2023, the world's largest international textile and garment technology exhibition, will be held at Fiera Milano Rho, Milan from June 8–14, 2023, according to a press release by event organiser ITMA Services.

To date, ITMA 2023 has garnered the support of more than 140 trade and professional associations. Currently, exhibition space is almost sold out. Over 100 companies are still on the wait list, hoping to get exhibit space in ITMA.

Visitors can register for ITMA conferences and forums, and request an invitation letter when ordering their badge if they require a visa to enter Italy. In addition, visitors will be able to access ITMAconnect, the newly launched online platform from March 8, 2023 to plan their exhibition visit. They will be able to explore exhibitors' digital spaces and make appointments for stand visits at the exhibition in Milan.

"Despite various challenges, ITMA 2023 has the unstinting support of leading textile machinery manufacturers and other solution providers. Space bookings have surpassed ITMA 2019's net exhibition space of 114,550 square metres. All the halls have been fully booked and there are only pockets of space left," said Ernesto Maurer, president of the European Committee of Textile Machinery Manufacturers (CEMATEX), the show owner of ITMA 2022.

"We are also pleasantly surprised that a number of exhibitors have taken up larger stand surface. On average, we see more than 10 per cent increase in the space booked by exhibitors. Despite the current uncertainties, an important agenda of our exhibitors is engagement with future prospects and to be ready when the global economy strengthens. Many of our members are gearing up to launch their new or improved innovations at ITMA 2023, especially helping textile manufacturers to be more sustainable," added Maurer.

Expectations are high for quality solutions in the sustainable innovation space across the textile value chain that will be showcased at next year's exhibition. The halls featuring the finishing, weaving, nonwovens, spinning, and winding sectors were fully booked since the close of space applications as per ITMA Services.

Ardent exhibitors who have been participating at ITMA include the Saurer Group which will be having a huge presence on the show floor in the spinning sector. "ITMA 2023 allows us to show the latest innovations supporting the textile industry's transition towards a circular economy," said Pia Terasa, Saurer Group's vice president of marketing and communications.

"As a company with a long tradition, our focus has always been on enabling our customers to face the changing challenges along the textile value chain. We started early to focus on energy efficiency, raw material utilisation, and intelligent automation," she added, giving a sneak preview of the group's innovations to be launched at ITMA 2023.

Besides Saurer, other exhibitors taking big stands include Epson, Groz-Beckert, Karl Mayer Stoll, Lonati, Muratec, Oerlikon, Pai Lung, Picanol, Reggiani Macchine, Rieter, Savio, Staubli, Trutzschler, and Vandewiele.

A total of 38 companies from 15 countries applied for the Start-Up Valley grant given by CEMATEX. Sixteen applicants have been selected for the grant. The list of successful applicants is available on the ITMA 2023 website.

The Start-Up Valley is a new initiative by CEMATEX to showcase young enterprises with game-changing solutions for the textile and garment industry. Successful applicants have been awarded a CEMATEX grant to exhibit at ITMA 2023.

Source: fibre2fashion.com- Dec 01, 2022

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Vietnam to reduce environmental impact of textile and garment industry by 2030

The Vietnam Textile and Apparel Association (Vita) has set a goal of helping Vietnam's textile and garment industry be more environmentally friendly by 2030.

By 2023, the industry plans to reduce energy consumption by 15 per cent and water consumption by 20 per cent.

Green growth is an important part of sustainable development. In recent years, enterprises in the textile - garment - footwear industries have paid special attention to this issue.

According to Trương Van Cam, Viata's general secretary, a greener textile and garment industry not only contributes to implementing the national strategy on green growth but also fulfils the requirements of large textile and garment import markets in the world, such as the European Union (EU).

Vietnamese textile-garment and leather-footwear firms need to improve the sustainability of their production for export to the EU after the European Commission (EC) proposed the goods must comply with ecological design criteria.

Earlier this year, the EC proposed a new strategy to make textiles more durable, repairable, reusable and recyclable, to tackle fast fashion, textile waste and the destruction of unsold textiles, and ensure their production takes place in full respect of social rights.

Europe is a traditional and key market for Vietnam's textile and footwear industries, especially with the EU-Vietnam Free Trade Agreement (EVFTA).

Source: thestar.com.my- Dec 01, 2022

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Sri Lanka's fabric manufacturer sees opporutunity for thicker textiles in Western markets

Sri Lanka Hayleys fabrics sees more opportunity in Europe and Western markets for thicker , with energy consumption expected to reduce in those markets due to an energy crisis after the Ukraine Russia war, officials at Hayleys fabrics said. Dinusha Somasiri. Head of Innovation & product development at Hayleys, said, due to the energy consumption reduction in the European countries, the customers of have requested thicker fiber to cope with the cold.

"They have asked us to produce thicker fabric to make the winter clothing," Somasiri told EconomyNext."Due to the energy use reduction, they have to now reduce the use of in-house heaters. So at the moment that is a market we have more opportunity". He also said, the firm is also focused on designing and manufacturing high tech sportswear as well.

"The sports world need more water absorbing and heat resisting clothes, and that is another trend we are seeing growing at the moment" Somasiri said. Europe is in an energy crisis and a recession after the Ukraine and Russia war, with deliberate reduction of gas supplies by Russia is the main cause of the recent skyrocketing gas prices in the EU, which have impacted the price of electricity produced in gas-fired power plants and affected electricity prices overall.

Due to the energy crisis, the Europe Union has taken measures reduce electricity by 10 percent by the end of 2023, and asks the European countries to take reduction measures in their countries respectively. With the energy consumption being reduced, the EU has warned the countries to be prepared to withstand a harder winter season where the energy consumption usually goes high.

Hayleys Fabrics currently earns a 150 million USD per annum and produces around 17,326 metric tons of fabrics per year after acquiring South Asia Textiles Limited on 22nd April 2021.

Source: economynext.com- Nov 30, 2022

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Pakistan, EU say GSP+ beneficial for trade, sustainable development

Pakistan and the European Union acknowledged on Tuesday that the EU's GSP Plus scheme has been a successful template of trade for development and mutually beneficial trade cooperation when the two sides met during the 8th Round of Pakistan-European Union political dialogue held in Brussels.

"Acting Foreign Secretary Jauhar Saleem and Enrique Mora, Deputy Secretary General of European External Action Service (EEAS), led their respective sides. Both sides noted the special significance of this round of political dialogue, marking the 60th anniversary of Pakistan-EU relations," said the Foreign Office.

Sharing Pakistan's position on the proposal for new GSP Plus scheme, the acting foreign secretary expressed the hope that mutual objectives, including sustainable development, poverty alleviation and employment generation will be appropriately prioritised in the new scheme.

Earlier, speaking in Karachi, the Ambassador of Belgium, Charles Delonge, said that the EU parliament will be determining new regulations under the 10-year Generalised System of Preferences (GSP+) scheme which is likely to affect the duty-free access for textiles, clothing and leather items currently being exported from Pakistan.

The GSP+ scheme is set to expire on December 31, 2023. "Of course, this change has implications in the field of human rights and the EU will probably be more demanding and would also like to see progress in the environmental policy. The idea is to not only have free trade but to also promote societal values," he said, adding that because of GSP+, the EU was by far Pakistan's main partner in trade with overall trade of around €7 billion per annum, which was very impressive.

Expressing satisfaction with the positive trajectory of the relations, they agreed to continue working together to further broaden bilateral cooperation. Both sides agreed to explore opportunities for cooperation under the EU's flagship programs like Global Gateway and Horizon Europe.

They also welcomed the recent launch of a comprehensive dialogue on migration and mobility. ”The dialogue will provide an institutionalised platform for legal pathways for migration to Europe, seek talent partnerships, and enable effective implementation of the Pakistan–EU readmission agreement”, hopes Pakistan.

The Ukraine conflict was also raised during the political dialogue with the Acting Foreign Secretary, reiterating Pakistan’s principled stance for universal and consistent application of UN Charter Principles, including non-use or threat of use of force, respect for sovereignty and territorial integrity of states, pacific settlement of disputes and equal security for all states to ensure lasting peace and security.

“Pakistan continued to call for an immediate cessation of hostilities and stressed the need for diplomacy and dialogue for an early, negotiated end to the Ukraine conflict,” added the Foreign Office.

The dialogue covered a broad range of subjects in the context of Pakistan–EU relations, as well as regional and global developments. Both sides underlined the importance they attached to their multifaceted partnership.

The acting Foreign Secretary appreciated the timely and invaluable humanitarian assistance provided by the European Union for the victims of the massive climate-induced floods in Pakistan.

He underscored that as a key trade and development partner, the EU’s continued support would be pivotal in helping Pakistan effectively carry out rehabilitation and reconstruction efforts, and to build the damaged infrastructure in a climate-resilient manner.

He also conveyed Pakistan’s keenness to diversify the scope of trade, investment and development cooperation between Pakistan and the EU.

The Acting Foreign Secretary apprised the Deputy Secretary General of the dire human rights situation in the Indian Illegally-Occupied Jammu and Kashmir (IIOJ&K). He called upon the international community to use its influence to urge India to honour its commitment to the UNSC Resolutions.

He also highlighted that Indian illegal and unilateral actions of August 5, 2019, were aimed at undermining the internationally-recognised disputes, and altering the demographic structure of the IIOJ&K were a blatant violation of the UNSC resolutions, 4th Geneva Convention and international law.

Taking note of the multiple, complex challenges confronting Afghanistan, the Acting Foreign Secretary reiterated the importance of sustained engagement of the international community with the Interim Afghan Government to ensure the well-being of Afghan people. Both sides agreed to hold the next round of the political dialogue in Islamabad in 2023.

Source: thenews.com.pk- Dec 01, 2022

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Bangladesh: November export hits all-time high, crossing $5b mark

For the first time in history, Bangladesh's export earnings crossed the $5 billion-mark in November, according to the Export Promotion Bureau (EPB), thanks to resurging Western fashion orders, pricier raw material imports and shipment of on-hold export consignments.

The export earnings were $3.91 billion and $4.36 billion in September and October respectively.

On a positive trend, the earnings in the first five months of FY23 grew by 11% compared to the corresponding period of last year, show the latest EPB data on Thursday.

According to the bureau, Bangladesh exported goods worth $5.09 billion in November, which was 26% higher than the corresponding period of the previous fiscal year.

Meanwhile, Bangladesh also bagged the second position again in the global apparel export market in 2021, according to the recent World Trade Organization (WTO) Trade Statistics Review, as the country was pushed back in third position by Vietnam in 2020.

Exporters and EPB officials attributed the overall success to start producing relatively higher value products compared to the past.

"Apparel export growth to non-traditional markets such as Japan, Korea and Australia also contributed to this achievement," AHM Ahsan, vice-chairman of the EPB, told The Business Standard.

However, some apparel-makers did not agree with the bureau's export data.

"EPB's data do not seem credible," Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers Association (BKMEA), told The Business Standard.

He said exports are increasing a bit, but not at the pace claimed by the EPB. Raw material import data against export orders do not support it either.

However, the EPB vice-chairman said they calculate the export statistics based on the revenue board information.

The local apparel industry stands for Bangladesh's 82% export earnings.

According to the latest WTO trade statistics review, Bangladesh has now 8% of the global share of ready-made garment export, $35.8 billion, in 2021.

Vietnam's share of readymade garment exports fell from 6.4% in 2020 to 5.8% in 2021 followed by Türkiye (3.5%), India (3%), Malaysia (2.7%), and Indonesia (1.7%). China has 32.8% of the global clothing market share worth $176 billion.

Apart from apparel, many other sectors failed to meet the anticipated export earnings in the first five months of the current financial year.

Echoing Hatem on EPB data credibility, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan told TBS that the growth is not supposed to be at such a high rate.

"Orders had been plummeting in the last couple of months, but now it ticked up a bit recently," he said.

To make sense of the apparel export growth, the BGMEA president pointed out a surge in raw material prices, resuming shipment of on-hold consignments and switching to manufacturing of high-end clothes in recent times.

According to the EPB, exports of frozen and live fish, agricultural products, jute and jute goods, specialised textiles and home textiles decreased in July-November compared to the same period of the previous year.

On the other hand, exports of some products including leather, leather items and plastics increased in July-November.

Remittance falling on uniform rate

Money transacted home by Bangladeshi nationals abroad has been on a gradual fall since banks introduced the uniform dollar rate in September.

According to the central bank, the country received $1.5 billion per month on an average from September to November. In November, the remittance inflow stood at $1.59 billion.

But the remittances were $2.09 billion in July and $2.03 billion in August.

In the September-November period of FY23, the remittance outlook was at $4.65 billion – $267 million or 5% less than the corresponding period of the previous year.

"The introduction of a uniform dollar rate by banks for remitters is one of the key reasons for the fall," Zahid Hussain, former lead economist of World Bank's Dhaka office, told The Business Standard.

He also pointed the finger at different greenback rates for the while collar and blue-collar Bangladeshis abroad. The white-collar job holders are getting Tk107 for remitting through the formal banking channel. But blue-collar job holders, who are getting paid in bank cheques, are being offered Tk99.

Zahid Hussain said only a very small number of expatriates are white collar job holders, which is only 10%. More than 90% of the expatriates do blue collar jobs. The low dollar rate to the majority of the migrants is contributing to the remittance fall.

Mustafizur Rahman, distinguished fellow at the Center for Policy Dialogue (CPD), said dollar rates offered by the formal channel and informal Hundi are quite close. Therefore, it does not seem that Hundi is eating up too much of the foreign currency inflow.

He called for investigations by the central bank to verify whether hundi syndicates are buying remittances abroad and investing there. According to the central bank, remittances through banking channels totalled $21.03 billion in FY22 – which is 15% less than the previous fiscal year.

In FY22, around 9 lakh people went abroad, but it failed to boost the remittance inflow eventually.

Source: tbsnews.net- Dec 01, 2022

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NATIONAL NEWS

FTAs and their discontents: Do free trade agreements benefit India?

India's new-found eagerness to sign a slew of free trade pacts with key trading partners has revived the old question of whether the existing free trade deals have actually benefited the country.

Till date, India has signed 13 free trade agreements (FTAs), key among them being Japan, South Korea and the ASEAN (Association of Southeast Asian Nations) grouping.

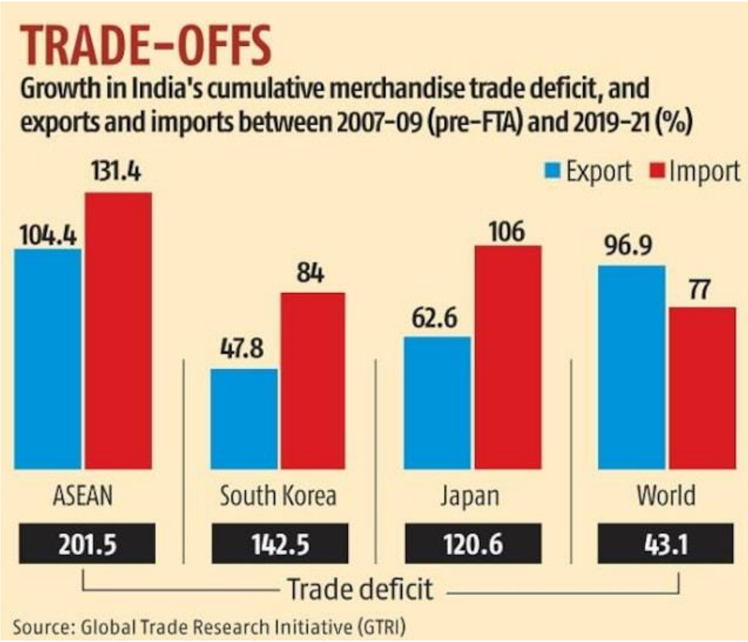
During the first half of the current fiscal (April-September), imports from these Southeast Asian countries grew at a much faster pace compared to exports. For the 10-member ASEAN nations, imports grew 56.33 per cent compared to an 11.61 per cent growth in exports.

Outbound shipments from India to Japan witnessed a 5 per cent contraction, while imports saw nearly 11 per cent growth. Similarly, in the case of South Korea, imports jumped 38.78 per cent, compared to a mere 2.69 per cent growth in outbound shipments.

A report published earlier this month by Delhi-based think tank Global Trade Research Initiative (GTRI) shows a comparison of the data from pre- and post-FTA periods of 2007-09 and 2019-21 — the first FTA was signed in 2010 — respectively.

During this period, India's merchandise trade deficit with these three key FTA partners — Japan, South Korea and ASEAN — increased at a faster pace than its global trade deficit. The jump was the sharpest in the case of ASEAN (201.5 per cent), followed by South Korea (142.5 per cent), and Japan (120.6 per cent). In comparison, India's overall trade deficit grew only by 43.1 per cent during this period.

"As high import duties in India came down post-FTA, India's FTAs have provided immediate and sharp price advantages to partner country firms exporting to India, over their competitors.



But Indian firms exporting to partner countries had no such luxury, as MFN duties were zero or low in most partner countries. This led to a high trade deficit. Hence, we say FTAs serve partner countries and not our interests," Ajay Srivastava, co-founder of GTRI, said. The MFN or the Most Favoured Nation status refers to the protocol that requires countries to offer the same trade terms or customs duties to all World Trading Organization partners.

But Sachin Chaturvedi, director general at Research and Information System for Developing Countries (RIS), said though imports from these countries had grown at a faster pace compared to India's exports, it was important to note that in the case of Japan and ASEAN, imports of parts and components had a higher share than that of finished goods. "This has only added to our export basket," he pointed out.

"However, in the case of trade deals with countries such as South Korea, exports from India faced non-tariff barriers. Therefore, there is a need to review the agreement," Chaturvedi said.

Another challenge that experts pointed out is the poor utilisation of the existing FTAs. The reasons range from the cumbersome process of getting a certificate of origin and the related manual verification process to low awareness about FTAs in the industry. Non-tariff barriers, such as the inability to follow certain standards in the partner country, also hinder India's exports efforts.

Since the start of the year, India has signed two trade agreements — with the United Arab Emirates (UAE) in a record 88 days and another one with a developed nation, Australia. The agreement with the UAE kicked in from March, while the Australia FTA is scheduled to kick in from December 29.

India is also negotiating FTAs with some other key developed nations such as the United Kingdom (UK), Canada and the European Union (EU). These nations are not only India's key export markets but the economies also have greater complementarities.

On the other hand, Southeast Asian countries often compete with India for exports of labour-intensive products and information technology jobs.

The shift in focus towards signing trade deals with Western developed countries has been aided by rising anti-China sentiment among these economies following Covid-19-related disruptions and the focus on diversifying supply chains under the China-plus-one strategy.

Commerce department officials had earlier said that fast-tracking these bilateral trade deals assume greater significance now since India is not part of any local or regional arrangement. FTAs can also help India achieve an ambitious target of exporting goods and services worth $2 trillion by 2030.

Arpita Mukherjee, professor, Indian Council for Research on International Economic Relations, said gains from FTAs India signs with its key export markets will be greater if the trade deals are comprehensive.

"However, if India is unable to remove some of the restrictions on foreign direct investment and lower tariffs, partner countries may offer a lower level of liberalisation than what they offered to their other FTA partners. In that case our exporters will be at a disadvantage even after the agreement," she pointed out.

According to Ajay Sahai, director general and chief executive officer of Federation of Indian Exports Organisations (FIEO), FTAs are also of strategic consideration now. "I think partnerships with countries such as UAE and Australia are a win-win on both sides.

India will be able to make manufacturing exports competitive by importing duty-free raw materials and intermediate goods from these sources, and get greater market access by exporting value-added products to these countries because they are not producing the same items in sizeable numbers," he said.

In this FTA signing spree, however, the big question remains: whether India will opt back into the Regional Comprehensive Economic Partnership (RCEP), the first FTA between Asia-Pacific nations.

Although India had been part of the drafting committee for the agreement, it opted out in November 2019 on the grounds that the country's concerns were not being addressed. As one of the world's largest such trade agreements, trade economists consider India's absence as significant.

Source: business-standard.com- Dec 01, 2022

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Haryana Cabinet approves new 'Haryana AatmaNirbhar Textile Policy'

The Haryana Cabinet on Thursday approved a new AatmaNirbhar Textile Policy 2022-25, which aims to attract investment worth Rs 4,000 crore and generate 20,0000 new jobs in the state. A decision in this regard was taken in the meeting of the council of ministers held under the chairmanship of chief minister Manohar Lal Khattar here, said an official statement.

The new textile policy will supersede the previous Haryana Textile Policy 2019 and it aims to promote value-added textile activities with suitable policy interventions to harness the potential of the entire textile value chain in the state, it said.

The estimated budget for the policy is Rs 1,500 crore with capping for capital incentive cases, it said.

The 'Haryana AatmaNirbhar Textile Policy 2022-25' aims at fostering an ecosystem of self-reliance and innovation by offering a robust incentive framework for backward integration, enhanced production of man-made fibres, promoting circular economy, attracting investments in weaving, knitting, processing, ready-made garments, apparel making, technical textiles, integrated units, textile parks, textile clusters, etc.

It will have a special emphasis on value addition, employment generation and productivity enhancement, the statement said, adding that the policy was in line with the "5F" vision of the prime minister -- 'Farm to Fiber to Factory to Fashion to Foreign'.

The policy aims to attract investment in the textile sector to the tune of Rs 4,000 crore, generate 20,000 new jobs in the textile sector across the value chain, achieve higher and sustainable growth in the entire textile value chain with emphasis on innovation, backward integration and adoption of clean and green technologies, it said.

"It also provides an impetus for diversification of Haryana's textile industry to the 'B', 'C' and 'D' category blocks and on the promotion of the sunrise sector within textile i.e., technical textiles, circular economy, open end spinning etc. and support setting up textile parks in the state," the statement said.

It also targets to support the industry, adopt world-class state-of-the-art technology in conformity with the environment and social standards, encourage the industry to innovate, develop new designs, diversify and enhance value addition and facilitate and promote sunrise sectors like technical textiles in the critical areas such as defence, automobiles, construction, etc.

The policy further aims to support the industry with a skilled workforce and create additional employment opportunities and promote the export of all types of textiles with a special thrust on products such as garments, made-ups, technical textiles etc.

Source: economictimes.com- Dec 01, 2022

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The UAE's U-turn

It takes two to tango, especially in bilateral trade agreements. The free trade agreement "Comprehensive Economic Partnership Agreement" (CEPA) between India and the UAE was signed on February18, and came into force on May 1. India's press note on the occasion stated "overall, India will benefit from the preferential market access provided by the UAE".

According to WTO, market access means "the conditions, tariff and non-tariff measures, agreed by the members for the entry of specific goods into their market". Preferential market access provides countries a relative advantage against others. An FTA promises not only tariff reductions, but also reductions in non-tariff measurers. When a party to a FTA chooses to breach the mutually-agreed tariff and non-tariff measures, trade eventually suffers. All FTAs come with binding and mandatory norms on sanitary and phytosanitary (SPS) measures. The CEPA is no exception.

Per the WTO, SPS measures are those applied by member countries in the field of food safety, and animal and plant health standards. The WTO Agreement on the Application of Sanitary and Phytosanitary Measures sets out the basic rules. It allows countries to set their own standards, but also says these must be based on science and risk assessment. SPS measures include pesticide residues in the food exports. The SPS Agreement encourages WTO members to use international standards set by the Codex with regards to pesticide residues.

Pesticide residues are traces of pesticides in or on agricultural commodities at the time of harvest. Maximum Residue Limit (MRL) is a cap on such residue that is legally tolerated in food and agricultural products traded. It is often expressed in parts per million (ppm). MRL is not a toxicological safety standard, but only a trading standard.

Chapter 4 of the CEPA carries complete information about the SPS measures mutually agreed and binding between India and the UAE. It states, among others, that the parties, while facilitating trade, must:

reinforce the SPS Agreement,
ensure that the SPS measures implemented do not create unjustified barriers to trade,

encourage adoption of science-based international standards and their implementation, and
affirm their rights and obligations under the SPS Agreement.

The U-turn by UAE

After having agreed to these norms, the UAE seems to have taken a U-turn as it now applies the European Union's (EU's) pesticide MRL of 0.01 ppm for several pesticides and food commodities. This is not in conformity with what has been expressly agreed with UAE in Chapter 4. This has significant economic and social impact on our agricultural exports to the country.

In the EU, the MRL is as low as 0.01 ppm for pesticides whose registration and use has been withdrawn/cancelled. The 0.01 ppm cap equals 1 gm per 100 tonnes of an agri-commodity. At this level, a pesticide residue is well past being toxicologically, biologically or environmentally relevant. It only serves as a major non-tariff barrier to access the market. The 0.01 ppm MRL is as good as zero tolerance.

The EU import tolerance of 0.01 ppm lacks adequate support required under the WTO SPS Agreement and deviates unjustifiably from the Codex MRL which is considered to be "international standard". When a WTO member chooses a different MRL, it must be based on risk assessment and supported by sufficient scientific evidence, as per Articles 2 and 5 of the SPS Agreement.

The EU MRL of 0.01 ppm is not based on a scientific evaluation of risks, a requirement under Article 5.1. It is hazard-based. The WTO-SPS Agreement provides that while determining the appropriate SPS measures, the WTO members should minimise negative trade effects.

Without realising the fact that the EU import tolerance of 0.01 ppm is completely inconsistent with the SPS Agreement and, therefore, breaches Chapter 4 obligations of the CEPA, the UAE has taken to applying this. This is shocking.

Agricultural commodities that comply with our national MRLs may often be non-compliant while entering the UAE if the 0.01 ppm MRL is applied. This has emerged as the most contentious non-tariff barrier (NTB) between India and the UAE in recent months.

Rejection of exported consignments applying the WTO-inconsistent MRL of 0.01 ppm by the UAE produces serious consequences on agricultural production, price and farmers income in India.

Our directorate general of foreign trade (DGFT) does not maintain data and records about rejections by the UAE on account of the WTO-inconsistent pesticide MRL of 0.01 ppm. Our interactions with Indian exporters of spice, vegetables, rice, etc, to the country show widespread concern about the adoption of the EU standard. It is time for Indian authorities to immediately solve this through bilateral discussions.

Source: financialexpress.com- Dec 01, 2022

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India manufacturing shows signs of stress, economists say

Contraction in the manufacturing sector signals stress in Asia's third-largest economy, economists warn, after growth slowed in the second quarter amid rising prices and higher borrowing costs. India's gross domestic product grew at 6.3% in the July-September period, less than half of the preceding quarter's 13.5%. But it is a sharp fall in the manufacturing sector, which contributes nearly 16% to India's GDP, that has raised alarm bells.

"We see signs of stress – ongoing and more to come," said HDFC Bank Ltd. economists led by Abheek Barua. Pressure on corporate profitability due to elevated costs and lower exports weighed on production, he said, adding that a slowdown in domestic consumption is another worry.

Weak manufacturing activity plays against the Narendra Modi-led government's efforts to attract global industrial houses to set up units in India and diversify away from China. The South Asian nation is poised to attract a large share of foreign investments, particularly in the electronics sector, and policies in the next few years should be geared toward that objective, Goldman Sachs Group said in a recent note.

"There have been certain laggards, particularly factory activity, that have been disappointing," Upasna Bhardwaj, an economist with Kotak Mahindra Bank Ltd., said in an interview Thursday with Bloomberg Television's Haslinda Amin and Rishaad Salamat. "India needs to push harder to bring manufacturing activity at par with the globe," she said.

India's growth cycle has most likely pivoted, Nomura Holdings Inc. economists Sonal Varma and Aurodeep Nandi wrote. They said consumption remains worryingly K-shaped, rural wage growth has now stalled, and consumer optimism is lower than pre-pandemic levels. That means the "growth rate cycle has peaked and a broad-based slowdown is underway," they wrote. Nomura economists forecast growth of 4.7% in 2023, and 5.2% for the fiscal year ending in March 2024. Those figures are sharply below the roughly 7% growth rate expected for the current fiscal year.

Source: financialexpress.com- Dec 02, 2022

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Gross merchandise value of online marketplaces to touch $350 billion by 2027: report

The online marketplaces sector in India is expected to more than triple to achieve a Gross Merchandise Value (GMV) of $350 billion in the next five years, a new report by Bain & Company and Accel, has said.

Titled 'The Rise of Digital Bazaars in India', the report highlights that these marketplaces will create $400–$500 billion in enterprise value, contribute more than 5 per cent to India's GDP, enable more than 15 million micro, small, and medium enterprises (MSMEs) to grow online, and create 7 million jobs by 2027.

Arpan Sheth, Partner at Bain & Company and co-author of the report, said: "Marketplaces have contributed to India's growth story by offering greater access to capital and innovative financing solutions for traditionally underserved segments; enabled MSMEs to transact online, with increased pan-India reach; and have provided employment opportunities to more than 3 million gig workers in India."

B2C e-commerce marketplace

Currently, online marketplaces in India contribute more than $100 billion in GMV, with B2C e-commerce marketplaces being the single largest segment, contributing $50 billion.

Anand Daniel, Partner at Accel and co-author of the report said, "Our report on the country's digital bazaars reveals the extent to which marketplaces have grown in this market, across both business-to-consumer and business-to-business segments.

More than 1/3rd of large outcomes in our start-up ecosystem have been marketplaces and contribute more than $100 billion in GMV".

The report highlights that the next wave of scale marketplaces has the potential to emerge in two additional major categories — (1)'Bharat-first' models driven by participation from tier-3+ cities, and (2) global cross-border models addressing India's export potential.

Gaming, caregiver services nascent

Gaming, caregiver services, creative content, Web 3.0 have large-scale marketplaces in mature markets, but are currently nascent in India. They represent future trends in the Indian marketplace landscape, and are a precursor for these segments to grow large in India, given proof of scale in the US and China that have multiple unicorns in these areas, according to the report.

India has cultivated a vibrant and successful marketplace landscape, demonstrated by the sheer breadth of more than 300 funded marketplaces across multiple categories such as retail, education, healthcare, travel and financial services. Almost 20 marketplaces have achieved a GMV of more than $1 billion and many players are turning profitable.

While online marketplaces will continue to be dominated by B2C e-commerce, with 40 per cent of the total GMV in 2027, the GMV of B2B e-commerce marketplaces is slated to grow by five times its current size to reach $55 billion, followed closely by online food delivery, which will almost triple in size to nearly $22 billion.

Funding

Not just for buyers and sellers, marketplaces have also seen significant traction with investors in recent years, having received cumulative funding of $30 billion between 2018 and October 2022.

B2C e-commerce, B2B e-commerce, and online food delivery were among the highest funded marketplaces sectors, together accounting for close to 60 per cent of total funding received in the last five years. From B2C e-commerce marketplaces leading the share of deal volumes in 2018, B2B e-commerce marketplaces have emerged as the frontrunner in 2022, with deal volumes growing to 31 per cent of total deals in the year so far.

Prabhav Kashyap, Partner at Bain and Company and co-author of the report said, “Deal-making in the short to medium term is likely to be more measured and valuation multiples will see some degree of rationalisation. The future of marketplaces, on the other hand, is robust and with strong growth in their GMV and continued interest from investors, we expect the segment to see ample opportunities and a strong pick-up”.

2021 was a landmark year, which saw funding in marketplaces reaching $16 billion, growing four times compared to 2018, and deal volumes doubling in the same period.

However, in 2022 year-to-date (YTD) marketplace funding activity has been moderate at $4.5 billion, given the tempering of 2021 highs, valuation corrections, and muted sentiment in global public markets.

Source: thehindubusinessline.com- Dec 01, 2022

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Enabling resilient supply chains

There is an urgent need to make global supply chains more resilient to endure another 'black swan' event like the Covid-19 pandemic.

The global supply chain dynamics was badly disrupted in the last two years of the pandemic and recently by the geopolitical shocks of the Ukrainian crisis. Further, the rise of MSMEs and start-ups has added a new dimension to what once was 'a multinational enterprise-specific supply chain' which is now a 'sector specific supply chain'.

In India many MSMEs and start-ups source from across the country. However, when the pandemic hit, the lack of modal mixes of transportation became a significant issue. The traditional reliance on road transportation proved costly when drivers were not available, leaving imports in gateway docks with no other modes of connected transportation.

So the international imperative now is to diversify the supply chains across countries and companies.

Inflation in food and medicine has sparked unrest and tensions world over. Ideas over identifying affordable, resilient, and sustainable supply chains soon started being discussed in regional forums such as the QUAD, G10, and even multilateral forums such as Unctad as soon as the pandemic began to recede.

During the pandemic, the resilience of supply chains was stressed as they were on the verge of collapse. But, today, though there is a softening of prices, and a relative redundancy in the logistics component of the supply chain, there is still a worry among the shipping lines for sustaining operations and resilience in the logistics domain in the long term.

Logistics continuum

In fact, resilience is necessary not only for these components but also for the logistics sector as a whole supplementing the global supply. Especially at a time when the world is just coming out of the pandemic's impact, there is a need to think about various strategies to bring about resilience in GSC, GVC and the logistics continuum.

The National Logistics Policy is an agenda to transform India's logistics landscape by 2024. Launched on September 17, the policy received widespread appreciation, both at home and abroad.

The policy comes at a time when the country is already seeing big changes in infrastructure planning. The PM GatiShakti National Master Plan has been transformative. By adopting a 'whole of the government approach' more than 1,400 connectivity projects have been planned which include 2,00,000 km of National Highways, more than 65 ports, three National Waterways, over 100 airports and helipads and increasing the capacity of the rail network in the next few years.

The National Logistics Policy adopts a similar approach. Known as the Comprehensive Logistics Action Plan, the proposals include efficiency drivers such as digitisation for enhancing human resource development. The policy dedicates specific chapters to creating an efficient EXIM Logistics landscape. It takes note of the need to build hinterland logistics infrastructure, strategic trade corridors, create a pool of knowledgeable and skilled experts, and promote the use of new-age technologies for creating greater efficiency.

Growing complementarity

What makes this NMP-NLP complementarity interesting is how various other ongoing initiatives will receive a greater boost. For instance, the government's One District, One Product (ODOP) and District as Export Hubs (DEH) schemes have been a significant effort towards building regional value chains across districts.

The ODOPs and DEH's primary focus has been on identifying, branding, and promoting products from each district for exporters through district-level management and production. While the PM GatiShakti NMP can provide the infrastructure for these districts, the NLP can handhold the exporters from district in developing their regional supply chains.

The introduction of new age technologies such as AI, Blockchain, Machine Learning, along with creation of a pool of skilled and knowledgeable workforce through the policy will enhance resilience.

PM GatiShakti and rhe National Logistics Policy together have the potential to not only bring resilience to the global supply chain dynamics that India can be connected to but also make the supply chain more standardised, predictable, and cost-efficient.

The combination will enable synergies between human resource and technology and increase the efficiency of logistics. Such a complementarity between the two will also de-risk global investments in setting up manufacturing bases within the country thus helping India leverage the China+ 1 strategy.

And, as it takes over the presidency of G20, opportunities open up for India to lead by example in bringing about the desired resilience through transformative policy interventions and state-of-the-art technology.

Source: thehindubusinessline.com- Dec 01, 2022

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Upswing in services sector but SMEs and exports to slow manufacturing

A pick-up in demand due to the festive season in the October-December quarter is likely to be supportive to manufacturing output, but slower exports amid weak global demand and recessionary conditions in major economies are expected to stymie a perceptible rebound.

With the overall growth of the Indian economy seen tapering in the coming quarters on the back of a waning base effect and slower exports amid weak global demand, the growth trajectory could be predicated on the divergent trend between manufacturing and services segments that was clearly at play during the July-September quarter this fiscal.

While the services sector is seen as improving further in the coming quarters as Covid concerns wane, manufacturing output, which registered a contraction of 4.3 per cent in the latest reported quarter, is unlikely to show a strong rebound. Much of the performance of the manufacturing sector is predicated on the interplay between the organised corporate sector and unorganised SME (small and medium enterprises) segments, with a faltering export performance and continuing struggle of SMEs acting as headwinds, according to multiple experts contacted by The Indian Express.

A pick-up in demand due to the festive season in the October-December quarter is likely to be supportive to manufacturing output, but slower exports amid weak global demand and recessionary conditions in major economies are expected to stymie a perceptible rebound. Also, typically, demand wanes after the festive season, so manufacturing output may taper off beyond this quarter, said experts.

“I don’t see a rebound in manufacturing. The contraction will turn into a positive number, that can’t be ruled out but that’s more of statistical impact.

Performance of manufacturers will be a mixed bag because undoubtedly there will be some respite coming in from lower commodity prices and some festive demand centred in the months of October-November, but there’s also the visibility that global growth is not going to be in their favour.

Exports are seen lower, October print was not conducive, and rupee depreciation may play spoilsport for imports. All these factors are resulting in a mixed bag, there is no clear signal that manufacturing is seen on a better footing. The number may look better but there are no strong support factors," QuantEco Research economist Yuvika Singhal said.

Nomura India, in a report after the GDP data release, said India's growth rate cycle has peaked and a "broad-based slowdown is underway". While lower inflation should help support private consumption in coming months, the lagged effects of tighter financial conditions and weak global demand will weigh on both investment and exports, it said. SBI Research said there are segments of private demand which may have contracted, particularly in manufacturing, and thus, recovery is patchy and not broad-based.

Behind contraction

Elevated input prices impacting corporate profitability, continuing distress faced by smaller-sized firms, and tepid pre-festive stocking are among the reasons cited for the manufacturing downturn during the September quarter.

The dichotomy between the organised and unorganised segments may also be reflective of the benefits of the two key government decisions — corporate tax cut and production-linked incentive scheme — accruing more to the larger firms than the smaller ones, experts said.

"The government has taken two big steps to encourage manufacturing by cutting corporate tax rate, which applies largely to bigger firms but a lot of manufacturing in India is by companies which are either partnerships or proprietorships, which continue to pay a higher tax rate.

The second measure, the PLI scheme, is very much a large-company benefit, smaller entities can't take PLI. They are big steps but both benefit the corporates more than SMEs…the PLI is still a work in progress. Companies are ramping up capacities and outputs, and these are corporates… As they start producing, manufacturing is going to pick up but I don't think it is going to happen that quickly. It may improve depending on how PLI fares," said former Chief Statistician of India Pronab Sen.

"...in the GDP estimates, the corporate sector is extrapolated from quarterly returns of listed companies, for the non-corporate sector, it is the IIP. IIP has not behaved well and it is suggesting that the weakness in IIP is outweighing what the corporates are doing," he said.

Higher input prices affected the profits of manufacturing firms in Q2, with the impact being seen more for the unorganised segment, as was reflected in the factory output measured by the Index of Industrial Production (IIP). IIP grew by 1.5 per cent in the July-September quarter, with contraction in consumer durables and non-durables, as against a growth of 9.5 per cent in the year-ago period and 12.8 per cent in the April-June quarter this year.

On the other hand, manufacturing activity, as measured by the S&P Global India Manufacturing Purchasing Managers' Index (PMI) has recorded expansion for 17 straight months, rising to 55.7 in November from 55.3 in October, which is being seen more as an indicator of better performance by large manufacturing firms.

After the release of the GDP data, Chief Economic Advisor V Anantha Nageswaran said on Wednesday that the Indian economy is on track to grow 6.8-7 per cent in the current fiscal and the manufacturing sector will see a rebound due to steady demand.

"The festival season was quite strong. Therefore, you will see a rebound in the numbers in the third quarter of the fiscal year...there was probably a bit of a caution ahead of the festival season, manufacturers were probably reluctant to add too much to the inventory. Now that they have had a strong festive season and they are seeing that overall demand remains steady, manufacturing sector outcomes should start to improve in the coming quarters," he said.

The services sector, however, is seen improving further as some services such as "trade, hotels, transport, communication and services related to broadcasting" have not reached full pre-pandemic levels. "Services still have some scope for moving up because trade, hotels, hospitality may improve with people travelling. It's a story which would play along in Q3 but not with the same intensity which we saw in Q1 and Q2. The intensity could wane a bit but it'll play out given the festival season in Q3. Broadly speaking, services will fare better than manufacturing," Singhal said.

"There is pent-up demand for services but we need to ask questions about GDP… (it) is over 2019-20 levels but services continue to be lower, particularly, trade, hotels and restaurants. So there is still headroom for services to go up," said Sen.

Trade, hotels and transport services recorded a GVA growth of 14.7 per cent in July-September and a growth rate of 2.1 per cent over Q2 of FY20. For H1, that is, April-September, the levels are lower than the Covid phase.

Source: indianexpress.com- Dec 02, 2022

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India needs to focus on apparel manufacturing: Arvind Ltd official

India needs to focus on apparel manufacturing and diversification of products in the textiles sector, an official of leading textile firm Arvind Ltd said on Thursday.

The government also needs to incentivise apparel manufacturing by way of extending the PLI scheme which has been given to some other sectors, the company's executive director Kulin Lalbhai said.

Production-Linked Incentive (PLI) schemes for 13 key sectors are designed to create national manufacturing champions and generate employment opportunities for the country's youth.

Speaking virtually at a session organised by MCCI here, Lalbhai said, "India is good at making fabrics but not in apparel manufacturing. The country needs to focus on apparel manufacturing to move up in the value chain for which it has to be incentivised," he said.

India has a thriving textiles sector where the domestic market size is USD 100 billion and growing at a rate of eight per cent annually, he said.

"This gives a good opportunity for the textile companies. There is also a need to diversify from cotton textiles to man-made fibres (MMF) which the world is moving towards," Lalbhai said.

The domestic market needs to grow as it provides an "exciting route for the textiles sector", the company official said.

To a query, Lalbhai said, "I do not see any Indian brand becoming a global 'aspirational' brand in the near future. The aspirational brands have emanated from developed economies. The most important thing is that Indian brands have to be relevant domestically."

Source: theprint.in- Dec 01, 2022

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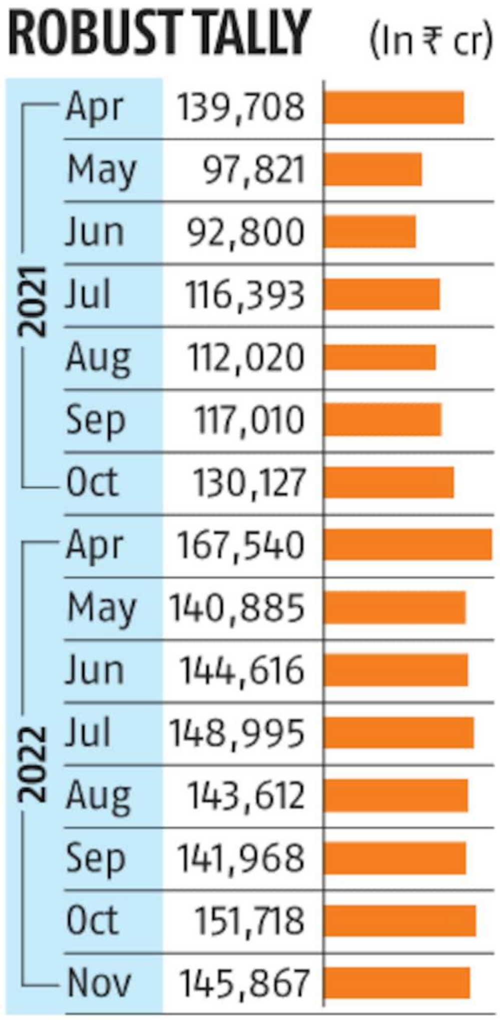
GST collection up 11% more than Rs 1.45 trn in Nov, gains from imports

Goods and services tax (GST) collection came down in November to Rs 1.45 trillion as against Rs 1.52 trillion in October, but remains more than the Rs 1.4-trillion mark for the ninth straight month, the official data released on Wednesday showed.



Source: Ministry of Finance

The revenues for November were 11 per cent higher than what they were a year ago. In November 2021, collection was Rs 1.31 trillion.

The latest GST numbers pertain to transactions made in October.

However, collection in November was the lowest since August. Collection in September and October was Rs 1.48 trillion and Rs 1.52 trillion, respectively.

According to experts, the month-on-month decline is because collection in October had benefited from festive demand.

“The sequential dip reflects the boost from quarter-end payments in the latter month, as the inflows in each month pertain to the activity in the previous month,” said Aditi Nayar, chief economist, ICRA.

Moreover, while festive spending is assessed to have been high in October, the generation of e-way bills had moderated sequentially, given the higher number of holidays in the month, she said.

E-way bill generation, which is considered a high-frequency indicator, declined in October to 76.8 million from 84 million in September.

She added GST inflows in November printed in line with "our expectations".

Of the gross GST mop-up in November, central GST (CGST) was Rs 25,681 crore, state GST (SGST) Rs 32,651 crore, integrated GST (IGST) Rs 77,103 crore (including Rs 38,636 crore collected on import of goods), and cess Rs 10,433 crore (including Rs 817 crore collected on import of goods).

"During the month, revenues from import of goods (were) 20 per cent higher and the revenues from domestic transaction (including import of services) are 8 per cent higher than the revenues from these sources during the same month last year," the finance ministry said on Thursday while releasing the provisional data.

The revenues of the Centre and the states after regular settlements in the month stood at Rs 59,678 crore for CGST and Rs 61,189 crore for SGST.

"The latest figures indicate there is no effect of recession on the Indian economy so far. IGST on imports has been down 6-8 per cent this month compared to the last four months (except October, which was a festive month), which is an indicator that India is moving towards a more self-reliant economy," said Saurabh Agarwal, tax partner, EY India.

The Centre had released Rs 17,000 crore as GST compensation to states during the month.

GST touched a record of about Rs 1.68 trillion in April. The Budget 2022 had set a CGST target of Rs 6.6 trillion, excluding compensation cess.

Source: business-standard.com- Dec 01, 2022

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National Single Window System facilitates over 44000 approvals since launch; over 28 thousand applications under process

The National Single Window System (NSWS) currently accepts applications for 248 G2B clearness from 26 Central Ministries/ Departments, in addition to different State/UT Level clearances in 16 States/ UTs.

The portal is rapidly gaining traction amongst the investors community and as of date has about 3.7 lakh plus unique visitors. 44,000+ approvals have been facilitated through NSWS and 28,000+ approvals are currently under process. The portal will progressively onboard a greater number of approvals and licenses, based on user /industry feedback. The Government is committed to reforms and other bold measures for creating a conducive business and investment environment in all sectors.

NSWS was soft launched to all stakeholders and the public on the 22nd of September 2021 by the Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal. NSWS was created by Department for Promotion of Industry and Internal Trade (DPIIT) as per the budget announcement of creation of an Investment Clearance Cell (ICC) to provide a single platform to enable the identification and obtaining of approvals and clearances needed by investors, entrepreneurs, and businesses in India.

The system is envisioned to reduce duplicity of information submission to different ministries, reduce compliance burden, promote sector specific reforms and schemes, reduce gestation period of projects, and promote ease of starting and doing business. NSWS enables the identification, applying and subsequent tracking of approvals for all integrated States and Central Departments, making it a true National Single Window System

It may be noted that the Know Your Approvals (KYA) service is live on NSWS with 544 approvals across 32 Central Ministries/ Departments and 2895 approvals across 30 States/ UTs. A total of 3439 approvals are listed. Total of 1,32,510 investors have used KYA module to know about the type of approvals they need for their businesses. 26 Ministries/ Departments onboarded with 248 approvals are live (Total Approvals in scope: 376). 16

States/UTs onboarded namely Andhra Pradesh, Bihar, Goa, Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Odisha, Punjab, Tamil Nadu, Telangana, Uttar Pradesh, and Uttarakhand.

The teams are working with 5 more states (Haryana, Andaman & Nicobar, Tripura, Jharkhand and Arunachal Pradesh) to integrate by 15 December. Total of 71,000 approvals has been applied on NSWS till date. NSWS sees visitors coming from 157 countries on NSWS with USA, UK, and UAE (United Arab Emirates) on top. It is expected that the onboarding of remaining 8 Ministries/Deptts of Govt of India would happen by 31 Dec 2022 and the balance states/UTs by 31 March 2023.

A review of the progress and status of NSWS (National Single Window System) is set to happen on 5th December 2022 with Ministries, States/UTs and Industry representatives. In this regard, preparatory meetings have been held to discuss the integration status of various States/UT and Central Ministries with National Single Window System.

These meetings have witnessed active participation from the stakeholders. DPIIT and Invest India have been proactively holding regular reviews with the Ministries, States and Industry associations in the process of setting up the NSWS to ensure an inclusive approach for building this national portal. Over 150 participants from States and Ministries have participated in the review meetings held by Special Secretary, DPIIT and held discussions on the way forward for NSWS.

During the interactions with stakeholder Ministries and States and UTs, the strong growth trajectory of the country was highlighted, and how a 'whole of Govt' approach' is critical to realize our ambitions and targets. In this context, the NSWS initiative is the perfect example of the 'whole of Govt' approach with different Ministries, Deptt of Govt of India and the States and UTs coming together to facilitate investor related clearances on a single portal, with transparency and accountability, and enhancing ease of doing business.

Source: pib.gov.in- Dec 01, 2022

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MCX January cotton contract to come after revision of specifications

India's Multi commodity Exchange (MCX) is likely to announce the lifting of the ban on cotton future contracts. The launch of the new cotton future contracts could also be announced with revised specifications. January 2023 cotton future contract may be launched soon, and subsequent contracts will be launched at an interval of 2-3 months instead of monthly.

Cotton Product Advisory Committee (PAC) has finalised the changes in the specifications after detailed deliberations with the entire textile value chain, which often complains regarding the wild volatility in cotton future trade. MCX had expanded the committee to include more representation from the textile value chain.

For long term solutions of industry's concerns, SEBI, MCX and cotton value chain participants have decided that the cotton contract specifications shall be revisited and modified in consultation with the product advisory committee of the exchange and other stakeholders including members of the Textile Advisory Group. As short-term corrective measures, SEBI had suspended trading in all-cotton futures contracts on MCX from January 2023.

Therefore, cotton contracts are temporarily not available for trading till the revised contract specifications are finalised. In the last week of August 2022, cotton future contracts of January 2023 and onwards were temporarily restricted for one month. But the restriction was extended due to the delay in revision of contract specifications.

Currently, only one cotton future contract is available for December 2022 for trade. Consumer industry, traders, importers, exporters, and investors trade mostly in immediate month and next month contracts. Therefore, there is a dire need to launch January 2023 contract. Traders and buyers in spot market are lacking future contracts for market direction.

"The committee has already finalised the revision of specifications of cotton future contract. January cotton contract of MCX may be announced very shortly," a veteran industry source told Fibre2Fashion. Regarding the changes in the specifications, he said that cotton future contracts will come at an interval of 2-3 months like ICE cotton.

The committee has recommended some other changes in the specifications which will be announced with the launch of the January 2023 contract.

Source: fibre2fashion.com- Dec 01, 2022

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Aditya Birla's TMRW acquires majority stake in D2C brand bewakoof, invests Rs 200 crore

TMRW, an Aditya Birla Group house of brands, on Thursday said it has invested Rs 200 crore for a majority stake in D2C brand Bewakoof. TMRW has acquired a majority stake of 70-80 per cent in Bewakoof, which was founded in 2012 by Prabhkiran Singh.

Bewakoof "aims to touch Rs 1,500 crore in revenues over the next five years. With this partnership with TMRW, Bewakoof will be leveraging varied capabilities to help blitz scale and grow its leadership position as the largest D2C apparel and Digital First brand in India," said a joint statement.

TMRW CEO and Co-founder Prashanth Aluru said: "We are excited to partner with the team at Bewakoof. It is an innovative brand in the casual wear space... With Bewakoof and other D2C brands in our portfolio, we see the leading Digital First brands of tomorrow disrupting & fueling E-commerce growth in India."

Prabhkiran Singh said: "With this capital infusion, we will invest on brand building and expansion into Teens and Kidswear over the next 2 years."

Earlier this week TMRW announced a partnership with 8 Digital-First lifestyle brands.

"With these 8 brands on board, TMRW has achieved a revenue run-rate of INR 700 crore plus and is on a path to cross an annual revenue rate of INR 1500 crore plus in the next 12 months," it had said.

TMRW is building India's largest portfolio of disruptor brands in the fashion & lifestyle space and enabling the next phase of direct-to-consumer (D2C) growth in India.

Source: economictimes.com- Dec 01, 2022

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