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NEWS CLIPPINGS

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INTERNATIONAL NEWS

NATIONAL NEWS

No	Topics
1	Year-End- Review of Department of Textiles– 2022
2	Year End Review- 2022 Ministry of Micro, Small & Medium Enterprises
3	India self-reliant in textiles, food products, iron & steel
4	India to become $10-trillion economy by 2035: CEBR
5	CAI seeks withdrawal of 11% import duty imposed on cotton
6	Textiles PLI scheme draws Rs 1,536-crore investments so far
7	Textile, apparel units in many states issue Covid advisory
8	Tamil Nadu has a lot of scope to be a hub for technical textiles
9	'DGFT should align RoDTEP, Customs Tariff HSN Codes'
10	Cotton arrivals dip in Telangana, AP as prices ruling low
11	Prospective entrepreneurs apprised of benefits inherent in mini textile park scheme
12	Cotton yarn prices steady in north India amid thin trade, fibre falls
13	Demand for additional coaches in trains to transport textile goods

INTERNATIONAL NEWS

China to continue to widen opening up, make cuts to negative list

China will continue to widen opening-up and guide foreign firms to invest in areas like energy conservation, modern services and advanced manufacturing in its market next year, according to the ministry of commerce. The government will make appropriate reductions to the negative list for foreign investment, said ministry spokeswoman Shu Jueting.

China will actively seek to join high-standard economic and trade agreements, follow relevant rules, regulations, management and standards, and steadily expand institutional opening-up, the official said.

The Central Economic Work Conference, which concluded last week in Beijing, pledged to make more efforts to attract and utilise foreign capital, widen market access and grant foreign-funded enterprises national treatment.

"China will continue to optimise the structure of foreign investment, implement the new version of the cataloguw of industries to encourage foreign investment and guide global businesses to invest in key areas including high-end manufacturing, modern services, environmental protection, and technological innovation in 2023," she told an online news conference.

The ministry said the actual use of foreign direct investment on the Chinese mainland expanded by 9.9 per cent on a yearly basis to 1.16 trillion yuan ($165.99 billion) during the January-November period, while investment from South Korea and Germany climbed by 122.1 per cent and 52.6 per cent year on year respectively.

Shu said China will intensify efforts to conduct trials on advanced platforms like pilot free trade zones and national economic and technological development zones, and accelerate the replication and promotion of pilot experience in other parts of the country next year, official Chinese media reported.

Foreign-funded companies in China saw their export value grow 2.4 per cent year on year to 6.87 trillion yuan during the January-November period, said the general administration of customs.

Source: fibre2fashion.com- Dec 26, 2022

HOME

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China cancels orders for US cotton

China has cancelled purchases of US cotton. This is the largest purchase cancellation in a decade in fresh signs of demand headwinds for the world's biggest exporter. China nixed 1,44,400 bales of purchases for the week ended December 15, 2022. This has been the biggest weekly cancellation since June 2012. It pulled down overall American sales.

China's demand has slowed due to Covid lockdowns and a contraction in manufacturing. The Asian nation is the world's biggest importer of the fiber and the biggest US customer.

Cotton futures tumbled as much as 4.5 per cent on ICE Futures US, on pace for the biggest loss since November 21. The price has plunged more than 45 per cent since reaching a decade high in May amid mounting demand worries.

International sanctions against cotton produced in the region of Xinjiang, by far China's largest producing province, are also keeping more of the fiber at home, reducing Chinese imports of yarn.

China's cotton consumption in the 2022/2023 crop year that began in September 2022 was 7.5 million tons, 2,00,000 tons lower than the forecast. Growing enthusiasm by farmers to sell corn ahead of next month's Lunar New Year holiday as well as easing Covid restrictions on movement have boosted supply of the grain, pressuring the market.

Source: fashionatingworld.com- Dec 26, 2022

HOME

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EU apparel imports up 25 per cent

For the first nine months of 2022, the EU's apparel imports grew by 25 per cent.

Apparel imports from China grew by 25 per cent. Imports from Turkey grew by 14 per cent. Imports from India grew by 25 per cent. Imports from Vietnam grew by 29 per cent. Imports from Pakistan grew by 30 per cent, Cambodia 41 per cent and Morocco 12 per cent during the January to September period of the current year. And imports from Bangladesh grew by 43 per cent.

Obviously, among the top apparel suppliers to the EU, Bangladesh attained the highest growth rate. Considering the war and the ongoing global economic situation, Bangladesh is in a better position than most of its competitors. Bangladesh is always at the top of buyers' choice as the safest sourcing destination.

Moreover, Bangladesh is now at the top as a sustainable producer with a better working atmosphere and an improved eco-friendly industry. If all this is maintained, when the world economic situation gets back to normal, then Bangladesh hopes to face a vastly improved situation.

Moreover, some other issues such as Sino-US relationsand brands' moving away from Myanmar have also strengthened the advantageous position of Bangladesh.

Source: fashionatingworld.com- Dec 26, 2022

HOME

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Japan's Nov core consumer prices rise at fastest pace YoY since 1981

Core consumer prices in Japan rose at their fastest pace 3.7 per cent year on year (YoY) since 1981 in November this year, partly due to higher energy costs, according to data recently released by the internal affairs ministry. The figure far exceeds the Bank of Japan's long-term goal of 2 per cent. Excluding fresh food and energy, the index was up by 2.8 per cent.

The figure is, however, well below the levels witnessed in the United States, the United Kingdom and elsewhere.

"Although low by international standards, Japanese consumer price inflation at three percent to four percent is high enough to feel uncomfortable with stagnant wage growth," wrote Sarah Tan, economist at Moody's Analytics, was quoted as saying in a note by a global newswire.

Since the year began, the headline core consumer price index (CPI) has risen consistently, exerting pressure on the Bank of Japan to tweak its longstanding monetary easing policies. The central bank sees the recent price rises as temporary and feels there is no reason to change course now.

It is widely expected by analysts that price rises in the country will peak around the end of the year or early next year.

Source: fibre2fashion.com- Dec 26, 2022

HOME

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Italy's imports from non-EU27 nations up 26.8% YoY in Nov '22: Istat

In November 2022, Italy's imports from non-European Union (EU27) countries increased by 26.8 per cent, compared to the corresponding month of the previous year, according to the preliminary data from Italian National Institute of Statistics (Istat). The country's exports rose by 22.5 per cent in November 2022, compared with the same month of the previous year.

Italy's exports, in seasonally adjusted terms, increased by 8.3 per cent in November 2022, compared to October 2022. The country's imports declined by 3.4 per cent month-on-month (MoM) in November 2022. During the September to November period in 2022, seasonally adjusted data, compared with the previous three months, showed a 2.6 per cent increase in outgoing flows and a 4 per cent decrease in incoming flows, as per Istat.

The trade balance with non-EU27 countries registered a surplus of €2,011 million in November 2022, compared to the surplus of €2,351 million in November 2021. Excluding energy, the surplus was equal to €10,679 million, up compared with a €8,072-million surplus in November 2021.

Source: fibre2fashion.com- Dec 26, 2022

HOME

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Turkiye's apparel exports to Russia may breach $300 mn in 2022

The exports of apparel from Turkiye to Russia stood at $255.087 million in the first ten months of this year and are likely to breach $300 million in 2022. Last year, Turkiye's apparel shipment to Russia was $273.818 million. Turkiye has emerged as a close ally of Russia in the context of Ukraine crisis, which has pushed up bilateral trade between the two.

Turkiye's apparel exports to Russia had grown to $273.818 million in 2021 from $213.802 million of 2020, when exports declined due to COVID from $265.154 million in 2019. There has been an increasing trend in the previous years. The shipment was at $191.162 million in 2017, which increased to $242.492 million in 2018, and $265.154 million in 2019, according to Fibre2Fashion's market insight tool TexPro.

The monthly apparel export from Turkiye to Russia was $22.275 million in January 2022, which slipped to $14.356 million in May 2022. It again rose to $36.658 million in August, but fell to $28.581 million in October, as per TexPro.

However, Russia still remains small partner for apparel shipment from Turkiye. Russia was the 13th largest apparel importer from Turkiye, and accounted for only 1.73 per cent of the total $13.081 billion of Turkish apparel exports during January-September 2022.

Source: fibre2fashion.com- Dec 27, 2022

HOME

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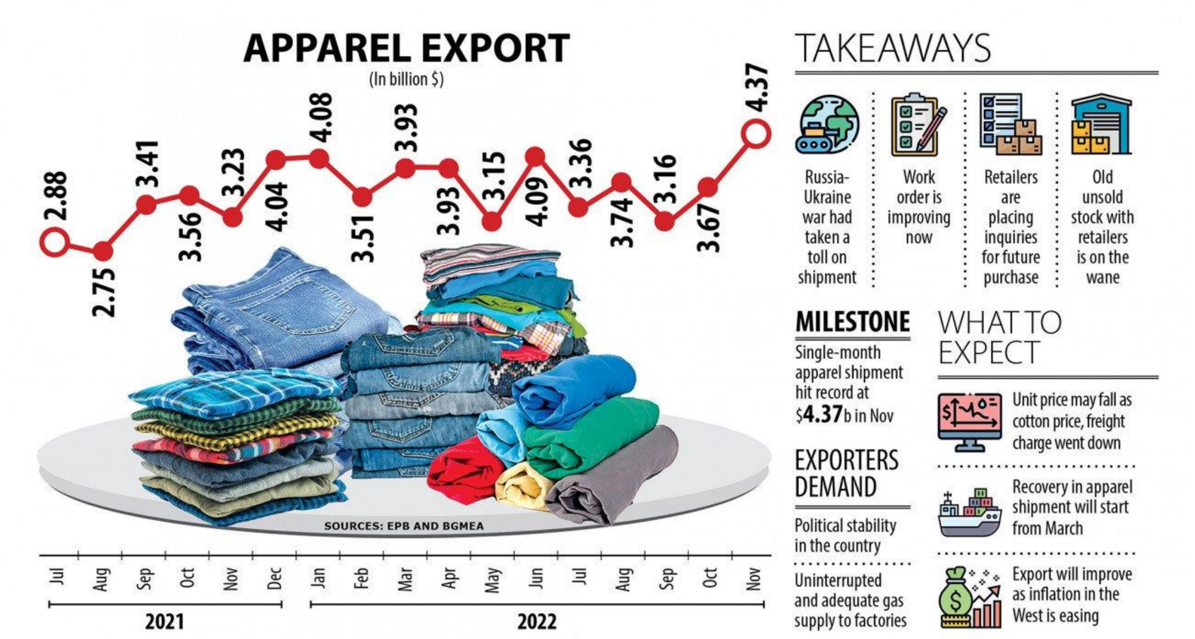
Bangladesh: Garment exporters see moderate recovery in 2023

Local apparel suppliers are expecting moderate recovery in exports in the upcoming year as sales in the Western world are gradually gaining pace with a new normal arising from the Russia-Ukraine war and falling prices of petroleum products.



This in turn is causing inflationary pressure in the Western world to subside gradually, effectively leaving more money in the pockets of the consumers, enabling them to start spending behind the purchase of clothing items.

One variant of the crude oil was selling at $79.56 per barrel in international markets yesterday whereas it had surpassed $123 at one point in the outgoing year because of the severe fallout of the war.

As a result, Christmas sales were also upbeat, with old stockpiles of clothing of international retailers and brands worth billions of US dollars being sold off.

This has prompted international clothing retailers and brands to start coming up with new work orders for factories and make inquiries for future purchases.

November retail sales dipped from a surge of early holiday shopping the month before but still saw solid year-over-year growth that marked a strong start to the holiday season, according to the US-based National Retail Federation (NRF).

The trade association contributes $3.9 trillion to the annual GDP of the US and supports one in four US jobs – 52 million working Americans.

"Consumers continued to spend on household priorities and holiday gifts for loved ones this November despite continued inflation and rising interest rates," NRF President and CEO Matthew Shay said in a statement last week.

"Holiday shoppers are demonstrating resilience, and retailers are providing great products and experiences at the right price levels to help stretch household budgets," he said.

"Consumers have been shifting back to in-store shopping for a more traditional holiday shopping experience, and we expect record participation for this year's Super Saturday shopping weekend," Shay said.

"While job and wage gains and built-up pandemic-era savings supported holiday shoppers in November, shoppers were squeezed by inflation and higher interest rates," NRF Chief Economist Jack Kleinhenz said in the statement.

"However, the recovery of the apparel shipment will not be strong, it would be moderate," said Md Fazlul Hoque, managing director of Narayanganj-based garment exporter Plummy Fashions.

"The real recovery is expected to start from March onwards," he said.

"We need not be worried as there will be moderate growth at the end of next year even in the difficult time of war," Hoque said.

If no war had taken place, there would have been a strong recovery, he said.

Also, uncertainty still prevails over when the war will come to an end and many issues have not been resolved yet, which may have an impact on global trade, said Hoque.

He also said earnings from garment shipments last month should not be taken into account as purchase trends have not been that strong at the buyers' end.

November's export earnings from garment shipment amounted to $4.37 billion, an all-time high for a single month.

Kutubuddin Ahmed, chairman of Envoy Textiles, a leading garment exporter, echoed Hoque regarding the recovery.

Because consumers entered a new normal as had been after the pandemic as no one knows when the war will come to an end, Ahmed told The Daily Star over the phone.

"People started adapting to a new normal as they are going through the severe impacts of war and inflation. Everybody is getting ready keeping in mind that this is wartime," Ahmed said.

He, however, said domestic issues such as political stability, uninterrupted gas and power supplies and low bank interest rates must be maintained to gain the global market share even in this tough time of war.

Adequate and timely gas supplies to industries is a must because the local suppliers may have to undertake expensive air shipments if they cannot supply goods on time because of a shortage of gas and power, he said.

If any exporter faces air shipment, s/he will very much end up losing out at this time of stiff competition, he added.

The year 2023 is a crucial year for local exporters as business in the Western world grew only by 4 per cent to 5 per cent year-on-year, said AK Azad, chairman and chief executive officer of Ha-Meem Group.

This is due to the fact that sales of old inventory increased but by not that much of an extent, he said. Work orders for the next season between January and April are still some 15 per cent to 20 per cent less than what had been in the preceding season between September and December, he added.

Chances of a strong recovery are very thin and there will be a moderate recovery next year because of the war, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

In such tough times, business operation costs should be reduced through smart operations of customs, bonds, ports and banking issues, he said.

The good news is that freight charges have declined significantly alongside cotton prices in international markets, which will also have a positive impact at the factory level, he said. But at the same time, international retailers and brands will use it as an excuse to decrease the price per unit of clothing items, he added.

Source: thedailystar.net- Dec 27, 2022

HOME

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Pakistan: Restoring Cotton Production Key to Textile Sector's Revival

The Federal Committee on Agriculture was briefed in October that cotton production for the year 2022-23 was estimated to suffer a historic slump of 43% compared to the past year. The primary reason for this year's situation is the devastating monsoon floods that damaged major cotton-growing regions of Sindh and Balochistan, but cotton production has been waning for almost a decade now, raising questions over government policies and programs.

The Economic Survey of Pakistan 2021-22 showed that Pakistan is the 5th largest cotton producer globally, but a recent article showed the country is estimated to import at least 5 million bales in the ongoing fiscal year to meet the shortfall in demand by the textile sector. Attributing this year's loss to floods would've been reasonable if this year's situation was an exception. Data from the Pakistan Bureau of Statistics shows that the crop's production likely plunged 48% from 2011-12 to 2020-21.

There is a long account of inabilities, inefficiencies, and incompetence behind the doom looming over the agriculture sector for years, but setting priorities would rank at the top when discussing the downfall of cotton.

Every government, one after the other, has championed the farmer's rights but farmers have continued to grapple with severe droughts and catastrophes like floods. This year, cotton suffered drought in sowing in April and floods in August-September when it was almost ready. Every administration claimed it would revive the cotton segment, but sugar mills kept popping up or shifting from other areas to Southern Punjab.

At the moment there are six sugar mills located in one district of Rahim Yar Khan alone, which used to be the home of cotton. The unchecked rise of sugarcane rode alongside the decline of cotton. Even mango orchards shifted to sugarcane.

There is no doubt that sugarcane proved a better alternative for farmers tired of failing to protect cotton from Pink Boll worm and other constraints, but the reward couldn't outweigh the cost borne by the country in terms of losing textile exports.

We populated our fields with biotechnology cotton, originally developed for temperate environments with lower pest infestations and never intended for subtropical climates like in Pakistan and India. The Center of Excellence in Molecular Biology (CEMB) at Punjab University has successfully developed transgenic cotton resistant to pests & herbicides, but professional jealousy among federal and provincial research institutes is keeping innovations from masses.

"Cotton has never been among the top priorities of any government," Rai Danish Raza from Kisaan Seed Trial System (KSTS) told ProPakistani. "Bacterial treated cotton doesn't grow well at temperatures above 40 degrees, which are usually our average in summers. Secondly, we still have not developed a cultural or chemical control for Pink Boll worm (leading pest of cotton) and other sucking insects."

He explained that given the year-long crop cultivation with no crop planning, insects stay in the field for the whole year. He also admired the efforts of Punjab University's Dr. Idrees Ahmad Nasir in pioneering transgenic cotton in Pakistan but criticized the lack of efforts by federal and provincial institutions in promoting transgenic varieties that could prove to be key in battling pests, weeds, and climate.

Cotton's primary consumer is the textile sector, whose demand has been constantly met by imports. The Pakistan Textile Exporters Association has demanded to lift the ban on Indian cotton imports, which would have been cheaper compared to the American cotton.

There is an argument to be made here in support of Indian imports, implying that the land and other natural resources could be put into use of better high-value crops, but this will put the last nail in the coffin of indigenous cotton production.

This kind of aggressive transformation in crop priorities would leave the vast majority of farmers broke and could render high-value crops useless in some cases by saturating the supply end with no progress in developing exports. One thing is for sure, something needs to be done decisively to right the ship.

There is need to take strong ownership of innovations made in certain research institutions. All agri-institutions should immediately accept and promote the transgenic cotton, keeping any differences aside. Either we should be importing cotton and move on, or be ready to dedicate all resources toward enhancing our domestic yield. Cotton cultivation has to be incentivized at the grass-root level to ensure the price stability even in the face of much-needed imports, and this is one of those policies which has to be made and ratified for the next decade regardless of who comes into power.

Source: propakistani.pk- Dec 26, 2022

HOME

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NATIONAL NEWS

Year-End- Review of Department of Textiles– 2022

From receiving proposals under PM Mitra to investment under PLI Scheme, it was an eventful year for Ministry of Textiles. The Ministry provided financial assistance to handloom sector and organized several Handicraft exhibitions.

Some of the key initiatives and achievements of the Ministry in the year 2022 are:

PLI Scheme

Government has launched the Production Linked Incentive (PLI) Scheme with an approved outlay of Rs.10,683 crore to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textiles Industry to achieve size and scale and to become competitive.

Applications under PLI Scheme for Textiles were received through web portal from 01.01.2022 to 28.02.2022. A total of 67 applications have been received. Selection Committee chaired by Secretary (Textiles) has selected 64 applicants under the scheme.

56 applicants have completed the mandatory criteria for formation of a new company and approval letters have been issued to them. Investment to the tune of Rs. 1536 crore approximately has been made so far. Quality Control Order wrt VSF is under issuance.

PM MITRA

The Government had approved setting up of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks to develop world class infrastructure including plug and play facility with an outlay of Rs. 4445 crore for a period up-to 2027-28. The guidelines in respect of scheme have been published and there have been multiple interactions with State Governments for inviting proposals.

In response 18 proposals from 13 States have been received. National Conference was organized on 04.05.2022 for discussion on proposals with the Senior Officers from State Governments and Industry Associations. Evaluation of proposed PM MITRA park sites was done through Gati Shakti portal to understand locational advantage. As of now detailed scrutiny for selection of sites through challenge matrix is underway.

National Technical Textile Mission (NTTM)

Under NTTM, 74 research proposals valuing Rs.232 cr have been approved in the category of speciality fibre and technical textile.

For market development and promotion of technical textiles, 4 major conferences have been organised viz. (i) International conference with CII in Delhi on 12/03/22, (ii) Conference on Geotech and Agrotech with ICC at Imphal on 23/08/2022, (iii) National conclave on protective textiles on 16/11/2022 at Delhi and (iv) International conference with CII and Govt. of TN on 25-26 November 2022 in Chennai. 31 new HSN codes have been developed in the technical textiles sector. SRTEPC have been assigned the role of export promotion council for technical textiles.

Amended Technology Upgradation Fund Scheme (ATUFS)

Investment of Rs.10,218 crore confirmed by the industry in 2443 subsidy cases. A total of Rs. 621.41 crore subsidy was released in 3159 cases under Amended Technology Upgradation Fund Scheme and Special campaigns organized at major clusters for settling backlog cases.

SAMARTH

A total of 73919 persons (SC: 18194, ST:8877 and Women: 64352) have been provided training of which 38823 persons were provided placement under SAMARTH – Scheme for Capacity Building in Textile Sector

National Institute of Fashion Technology (NIFT)

A new Campus at Daman was made operational for the academic session 2022-23. Moreover new Campus Buildings for Bhopal and Srinagar are also coming up.

Silk Sector

The total Raw Silk production was 28106 MT. R&D projects numbering 44 were initiated and 23 were concluded with the achievement of training 9777 persons in various activities related to silk sector.

Jute Sector

JUTE-ICARE (Improved Cultivation And Advanced Retting Exercise) Scheme: covers 170 jute growing blocks with 1,89,483 hectare had benefitted 4,20,309 jute farmers. Export Performance has improved due to Market Development & Promotion Scheme (MDPS) as export performance rose by 38% from the last year with current value at Rs. 3786 crore.

The value of exported Jute Diversified Products is Rs. 1744 crore with increasing trend by 46% from the last year. A total quantity of around 26.87 lakh bales of jute bags worth Rs.9.80 thousand crores (approx.) have been indented.

Cotton Sector

Cotton cultivation has been increased by 5% to 125.02 lakh hectare as against 119.10 lakh hectare during last year. Brand named KASTURI COTTON INDIA for Indian cotton has been launched and to encourage mechanized harvesting of cotton, improving quality of cotton and to reduce labour cost. Further 75000 hand held kapas plucker machines are being distributed.

Wool Sector

Projects to Animal/Sheep Husbandry Dept., Leh have been approved of revolving fund of Rs.2 Cr for procurement of pashmina wool, distribution of 400 portable tents to Nomads of Leh in order to improve living conditions.

Further construction of 300 Predator proof corrals for safety of pashmina goat along with project to procure 50 sheep shearing machines to Uttarakhand

Handloom Sector

Financial assistance of Rs.76.60 Crore has been provided to 91 Handloom Clusters. 1,109 weavers provided improved looms and accessories under HSS. Skill up-gradation training was imparted to 2,107 handloom workers under Handloom Clusters of National Handloom Development Programme.

Assistance amounting to Rs.18.49 crore has been released for 141 marketing events. Moreover assistance of Rs.10.40 crore has also been released for various activities sanctioned to Mega Handloom Clusters under Comprehensive Handloom Cluster Development Scheme. 102.05 lakh kg of yarn was supplied under transport subsidy component, 73.79 lakh kg of yarn supplied under-price subsidy component and total of 175.84 lakh kg of yarn supplied under Raw Material Supply Scheme (RMSS).

Handicrafts Sector

A total of 272 marketing events were organized, benefiting 19330 artisans. Pahchan cards were issued to 30 lakh artisan and uploaded on public domain. 52 artisan Producer Companies were formed and supported. 418 training programme and Design workshops were conducted benefiting 12480 artisans. Modern Toolkit were distributed to 13579 artisans. Shilp Guru & National Awards for the years 2017,2018 & 2019 were awarded to 108 artisans.

Source: pib.gov.in- Dec 26, 2022

HOME

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Year End Review- 2022 Ministry of Micro, Small & Medium Enterprises

Micro, Small and Medium Enterprises (MSME) sector, with more than six crore enterprises, has emerged as a highly vibrant and dynamic sector of the Indian economy, fostering entrepreneurship and generating self-employment opportunities at comparatively lower capital cost, next only to agriculture.

Ministry of MSME promotes growth and development of the sector, including Khadi, Village and Coir industries, by implementing various schemes/programmes towards credit support, technological assistance, infrastructure development, skill development and training, enhancing competitiveness and market assistance. Organizations under the Ministry include Office of Development Commissioner (MSME), Khadi and Village Industries Commission (KVIC), Coir Board, National Small Industries Corporation Ltd. (NSIC), National Institute for Micro, Small and Medium Enterprises (ni-msme) and Mahatma Gandhi Institute for Rural Industrialization (MGIRI).

Ministry has a vast network of field formations spread across the length and breadth of the country to support and handhold MSMEs, which include MSME Development and Facilitation Offices (MSME-DFO), Branch MSME-DFOs, MSME Testing Centres, MSME-Testing Stations and Technology Centres (Tool Room & Technical Institutions) and field offices of KVIC, Coir Board and NSIC. Major achievements of the Ministry in the year 2022 are detailed as follows.

UDYAMI BHARAT

Prime Minister of India, Shri Narendra Modi launched key initiatives for the MSME sector in the 'Udyami Bharat' programme held on 30.06.2022 at Vigyan Bhawan, New Delhi. Minister of MSME, Shri Narayan Rane and Minister of State (MoS) for MSME, Shri Bhanu Pratap Singh Verma were present on the occasion.

During the event, Prime Minister conferred 'National MSME Awards, 2022' to MSMEs, States/UTs, Aspirational Districts and Banks to recognize their efforts in the growth and development of MSME sector.

Prime Minister launched the 'Raising and Accelerating MSME Performance' (RAMP) scheme, 'Capacity Building of First-Time MSME Exporters' (CBFTE) scheme and new features of the 'Prime Minister's Employment Generation Programme' (PMEGP). He also digitally transferred assistance to beneficiaries of PMEGP for 2022-23; announced the winners of 'MSME Idea Hackhathon-22' and issued Digital Equity Certificates to 75 MSME beneficiaries of Self Reliant India (SRI) Fund.

POLICY INITIATIVES

Following the adoption of the revised definition of MSMEs, which is based on investment in plant & machinery or equipment; and turnover, the Udyam Registration Portal was launched on 01.07.2020. It is fully online, free of cost, hassle free, does not require any documentation, and is a step towards Ease of Doing Business for MSMEs. Landmark of 1 crore registrations on the portal was achieved on 02.08.2022. As on 22.12.2022, more than 1.28 crore registrations have been made on the portal.

During the 18th Meeting of National Board for Micro, Small and Medium Enterprises (NBMSME) held on 14.09.2022, Minister for MSME launched the integration of Udyam and National Career Service (NCS) portals, which was announced in Budget 2022. Since 14.09.2022, as many as 4.06 lakh MSMEs registered on Udyam have had access to the National Career Service Portal of Ministry of Labour & Employment. MoU was also signed between the Ministry of MSME and Common Service Centre (CSC) for providing suitable handholding for Udyam Registration to enterprises located in remote areas of the country.

For sharing Udyam Registration data, MoU signed between the Ministry of MSME and Ministry of Tourism on 02.08.2022.

During the National Seminar on Growth & Development of MSMEs inaugurated by Minister for MSME at Imphal, Manipur on 20.11.2022, The Ministry signed MoUs with three platforms of Trade Receivables Discounting system (TReDS) viz. Invoicemart, M1Xchange and RXIL which will enable the MSME sector to get access to credit against invoices at a discounted rate to meet payment challenges.

The Ministry has notified on 18.10.2022 that in case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category it was in before the re-classification, for a period of three years from the date of such upward change. Non-tax benefits include benefits of various schemes of the Government, including Public Procurement Policy, Delayed Payments, etc.

National Board for MSME

Under the Chairmanship of Minister of MSME, 17th and 18th Meetings of National Board for Micro, Small and Medium Enterprises were held on 23.03.2022 at India Habitat Centre, New Delhi and on 14.09.2022 at Vigyan Bhawan, New Delhi, respectively, during which deliberations were made for strengthening the MSME Sector.

ACHIEVEMENTS UNDER SCHEMES/INITIATIVES OF THE MINISTRY

Achievements under the major schemes implemented by the Ministry of MSME are detailed below.

Access to Credit

Prime Minister’s Employment Generation Programme (PMEGP)

Prime Minister’s Employment Generation Programme (PMEGP) is a credit linked subsidy scheme providing employment opportunities through establishment of micro-enterprises in the non-farm sector. During the year 2022, maximum project cost admissible for setting up of new project has been enhanced from Rs. 25 lakh to Rs. 50 lakh for manufacturing sector and from Rs. 10 lakh to Rs. 20 lakh for services sector.

Units in Aspirational Districts and Transgenders have been included in the Special Category. Geo-tagging of the PMEGP units have been initiated for capturing the details of the products and services offered by the units and to create market linkages for them.

Since its inception in 2008, under the scheme, more than 8.34 lakh enterprises have been set up generating an estimated employment of around 68 lakh. Around Rs. 20,600 crore disbursed as on 15.12.2022 as Margin Money subsidy.

In FY 2021-22, PMEGP exceeded the previous FY's performance by disbursing Rs. 2,978 crore (36% higher than FY21) as Margin Money subsidy, assisting 1.03 lakh units (around 39% higher than FY21) and generating employment for around 8 lakh people, which is the highest since inception of the scheme. 95,271 units were assisted generating a total estimated employment of 7.62 lakh from January, 2022 to November, 2022.

Credit Guarantee Scheme:

Under Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE), collateral free loan up to a limit of Rs. 2 crore to MSEs is provided.

In FY 2022-23, (upto 30.11.2022), 7.07 lakh guarantees have been approved involving Rs 60,376 crore, which is the highest since inception of the scheme in 2000-01.

With effect from 01.12.2022, for credit ceiling up to Rs. 2 crore, the maximum extent of guarantee cover has been enhanced upto 85%. Enterprises owned by women would be eligible for guarantee cover upto 85%.

Click here for more details

Source: pib.gov.in- Dec 26, 2022

HOME

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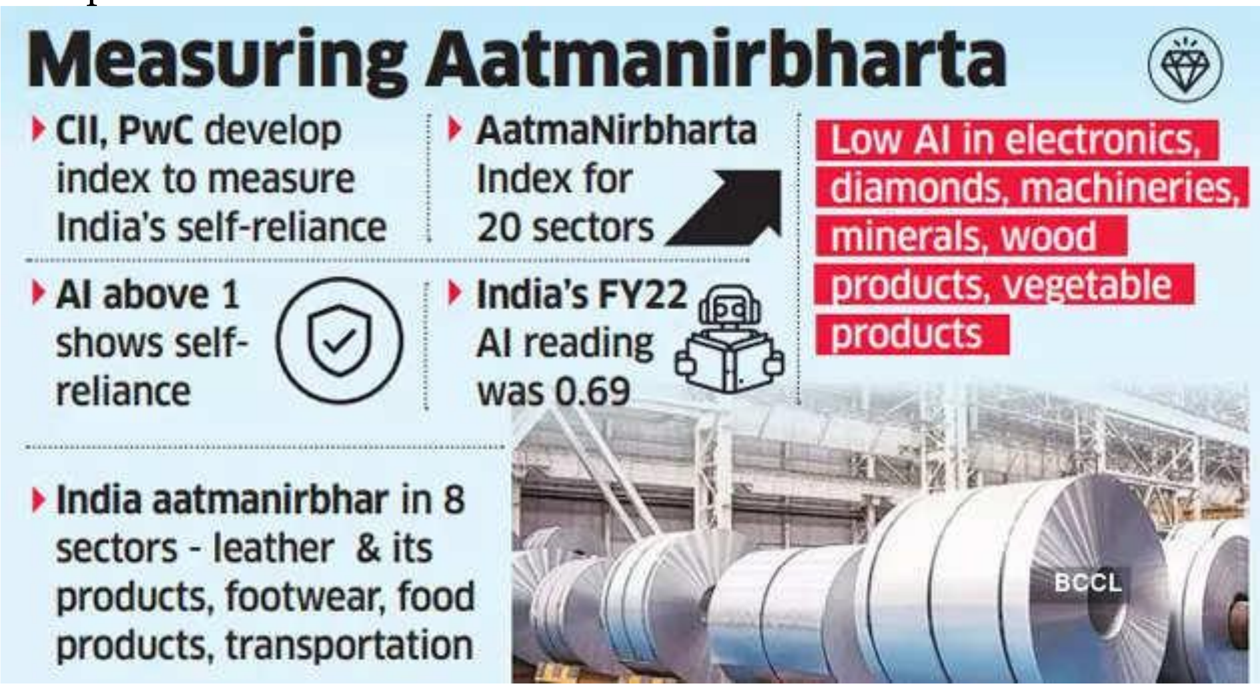
India self-reliant in textiles, food products, iron & steel

India has achieved self-reliance or 'aatmanirbharta' in textiles and clothing, food products, iron and steel and transport, but continues to lag in the machinery, electronics and plastics sectors, according to a report prepared by Confederation of Indian Industry (CII) and PriceWaterhouseCoopers (PwC).

In a move to measure India's self-reliance, industry body CII and accountancy firm PwC have developed an 'AatmaNirbhar Index', which is expressed as the ratio of the country's total exports and its imports.

In FY22, the index had a reading of 0.69. The index classifies India into 20 sectors, including textiles, aluminium, electronics, food products and transport.



An index value greater than one for a sector means India is 'aatmanirbhar' in that sector, while a value less than one means India is not self-reliant in that sector.

"India registered an overall aatmanirbharta with the index value at 0.69 in 2021-22 with an export value of $422 billion and an import value of $613 billion," CII and PwC said in a report titled 'Measuring India's AatmnaNirbharta'.

As per the report, in FY22 eight of the 20 sectors had an index reading of greater than or equal to 1. These sectors are animal products, hides products, footwear and aluminium.

"Exports for these sectors were higher than imports, not only in 2021-22 but also in 2016-17," the two entities said, adding that trade surplus has increased for six of these eight sectors in the last five years.

The report showed that 12 sectors had an AI of less than 1 and eight registered a greater net trade surplus in the last five years.

"Hence, even if these sectors have an AI value less than 1, many of these sectors are exhibiting steady progress towards aatmanirbharta," CII and PwC said.

Among the sectors with AI less than 1, a contraction has been seen in the import share of electronics, diamonds, machineries, minerals, wood products and vegetable products.

EXTERNAL FACTORS

Highlighting that India's overall AI value was 0.72 in 2016-17, the report said that higher value of imports relative to exports over this period marginally impacted the overall score in 2021-22.

Source: economictimes.com- Dec 26, 2022

HOME

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India to become $10-trillion economy by 2035: CEBR

India will become the third economic superpower by 2037 and a $10-trillion economy by 2035, Centre for Economics and Business Research (CEBR), a leading London-based consultancy, has said. Published on Monday, the report said the world is moving towards recession.

However, over the next five years, the annual rate of India's GDP growth is expected to average 6.4%, after which it is expected to grow at average 6.5% in the subsequent nine years.

"This growth trajectory will see India rise from fifth place on the World Economic League Table in 2022 to third in the global rankings by 2037," it said.

According to the report, the pandemic had a particularly devastating effect in absolute terms and India had the third highest death toll globally, yet the economy bounced back.

"In 2035, we forecast that India will become the third $10-trillion economy. Although there are political factors that could hold India back, it has demographics on its side," the report said.

The report also played down concerns over high inflation, saying it has remained lower than in most other large economies.

Much of India's current inflation rate reflects higher food prices, an erratic item but one that also accounts for a larger share of the consumer basket than in any other G20 country, CEBR added.

Source: economictimes.com- Dec 26, 2022

HOME

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CAI seeks withdrawal of 11% import duty imposed on cotton

Cotton Association of India (CAI) has sought the withdrawal of the 11% import duty imposed on cotton last year, saying that the textile industry is working at half its installed capacity. This comes amid a sharp decline in demand for Indian textile products in the West.

“The government imposed an 11% import duty on cotton from 2 February 2021. This has drastically eroded the competitiveness of our value-added products in the international markets and our textile industry, which is the second largest employment provider in the country, is now constrained to work with only 50% of its installed capacity," said Atul S. Ganatra, president, CAI.

Expressing concern over availability of extra-long staple (ELS) cotton in the country, the association said that every year India requires around 20 lakh bales of extra-long staple cotton but produces around 5 lakh bales. He added that cotton farmers should be given higher minimum support prices to boost production of ELS cotton.

Cotton productivity in India is among the lowest in the world, the association rued, adding that as against the global average of 744 kg per hectare, India's has an yield of 468 kg per hectare.

“This is below the cotton productivity of some of the smaller countries like Bangladesh, Syria, Sudan, etc," Ganatra said.

Source: livemint.com- Dec 26, 2022

HOME

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Textiles PLI scheme draws Rs 1,536-crore investments so far

As many as 56 successful applicants for the production-linked incentive (PLI) scheme for the textiles sector have so far made an investment of Rs 1,536 crore, the textile ministry said on Monday.

The government had received applications under the scheme from January 1, 2022, to February 28, 2022. “Selection Committee chaired by secretary (textiles) has selected 64 applicants under the scheme. 56 applicants have completed the mandatory criteria for the formation of a new company and approval letters have been issued to them,” according to an official statement.

The ministry had selected companies–including Shahi Exports, Arvind Mills, Gokaldas Exports and Monte Carlo–under its first PLI scheme for man-made fibre and technical textiles products.

Incentives of Rs 6,013 crore are to be extended to them over a five-year period, which represent 56% of the Rs 10,683 crore that the government had initially earmarked for this scheme. According to sources, the government will likely use the remaining funds to launch the second PLI scheme for the textile and garment sector, instead of spending it elsewhere.

The current textile PLI scheme covers 50 man-made fibre (MMF) garments, 42 MMF fabric products and 10 technical textile items. It will remain operational until 2029-30.

The scheme is open to two categories of investors. Those who will invest at least Rs 300 crore will be eligible for a 15% incentive in the first year if they achieve a turnover of Rs 600 crore or more.

Similarly, those investing at least Rs 100 crore will get 11% in the first year if their turnover hits Rs 200 crore or more. After the first year, both the categories of investors will have to show a 25% incremental turnover annually for the next four years. But the benefits will drop by 100 basis points with each passing year in both the cases.

This PLI scheme has marked a paradigm shift in the government's decision-making on two counts. First, it earmarks big bucks for big companies, shedding its long and costly bias towards small businesses. Second, it seeks to correct India's historical policy preference for a cotton-dominated value chain, which is contrary to the global trend. The idea is to reclaim India's export markets after ceding substantial ground to Bangladesh and Vietnam in recent years.

Textile and garment exports contracted 12.4% in the seven months of FY23 from a year before, far underperforming a 12.5% rise in overall merchandise exports. The demand slowdown in key markets, such as the EU and the US, on top of a shortage of cotton, dragged down such exports, exporters said.

Source: financialexpress.com- Dec 27, 2022

HOME

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Textile, apparel units in many states issue Covid advisory

Labour-intensive textile, apparel, diamond and engineering units in states including Gujarat, Tamil Nadu and Maharashtra have issued advisories asking workers to abide by Covid-19 protocol so as to prevent a resurgence of the pandemic. The development comes in the wake of reports of mounting cases of the infection in China.

The Surat Municipal Corporation held a meeting with representatives of textile and diamond trade to discuss the Covid-19 situation and said it is looking at how to provide booster doses to the workers. The diamond and textile units in Surat together employ about 2.8 million people.

The Tiruppur Exporters Association issued an advisory to its 1.2 million workers and sought to allay fears about a fresh wave of the pandemic among migrant workers so that they do not leave their workplaces. "The workers in Surat and Mumbai units have started observing the Covid-19 protocol.

For the gems and jewellery industry, the news of Covid-19 in China has not been a good one and it will impact our exports in the current fiscal," said Vipul Shah, chairman, Gem & Jewellery Export Promotion Council.

Source: economictimes.com- Dec 27, 2022

HOME

****

Tamil Nadu has a lot of scope to be a hub for technical textiles

Tamil Nadu has the scope to be a hub for technical textiles, says commissioner of textiles M Vallalar. In an interview to TOI, he speaks about the state government's initiatives to promote the sector. Excerpts:

What are the textile segments where Tamil Nadu has a potential for growth?

Technical textiles are the future of the industry. Tamil Nadu, which is home to several leading educational institutions, has skilled manpower. There is a huge potential for mobiltech because Tamil Nadu is the Detroit of India. Our companies must have R&D arrangements with manufacturers of mobiltech products in other parts of the world to produce them in the state.

What are the steps the state government has taken to promote technical textiles?

We have created a separate department for textiles. We are evolving an enriched textile policy and the focus will be on technical textiles. A mega textiles park spread over 1,500 acres is coming up in Virudhunagar district. There is scope for developing more technical textile units in the facility.

The government has also announced minitextile parks on a minimum of two acres. We want ancillary units for large technical textile units, stitching defence clothes and manufacturing components for sportech products, in these small parks. Technical textiles are based on research and development and we have to invest more in that. The need of the hour is branding the products.

Which are the districts identified for promoting technical textiles?

Tamil Nadu already has clusters fortechnical textiles. Our focus will be on developing clusters in Madurai and Sivaganga districts. The export hub announced for Karur will be a boost for hometech exporters from the district.

A textile city of international standards will be established in Chennai on Outer Ring Road. It is going to be a landmark facility with first-of-its-kind infrastructure in the country. This is going to be a one-stop exhibition centre, where allthe textile products manufactured in Tamil Nadu will be displayed. Traders from across the country can see them under one roof.

Who are Tamil Nadu's competitors in the technical textiles sector domestically and globally?

Gujarat is our domestic competitor in technical textiles. China is the global competitor due to availability of low cost raw material and production. In the prevailing global situation, western countries are looking for an alternative and we have scope to cash in. For this, we have to manufacture products to international standards.

What is Tamil Nadu's goal in technical textiles?

There is a scope for Tamil Nadu to become a hub for technical textiles. Tamil Nadu is already number two in the country in the textiles sector. In the future, we want to be number one.

Source: timesofindia.com- Dec 26, 2022

HOME

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'DGFT should align RoDTEP, Customs Tariff HSN Codes'

We refer to Appendix-4R issued through DGFT Notification No. 47/ 2015-2020 dated December 07, 2022, allowing RoDTEP benefits for additional export sectors/items falling in chapters 28, 29, 30 and 73. Our item, Ephedrine Alkaloid HSN Code 29394110, is at S.No.9891 in the RoDTEP rate schedule. In the revised Customs Tariff Schedule, the item falls under Ephedrine and its salts at HSN 29394100. The items now added in the RoDTEP rate schedule appear to show HSN of the Customs tariff before its revision through the Finance Act, 2021. We fear we may lose the benefit as the new tariff code 29394100 shows no RoDTEP rate in the ICEGATE system. Please advise.

I noticed at least 28 entries pertaining to Chapters 29 and 30, where the HSN Codes given in the RoDTEP rate schedule are not aligned with the HSN Codes in the Customs Tariff. Earlier, the original Appendix-4R (introduced through notification no.19 dated August 17, 2021) was amended (through notifications no.4 dated May 11, 2022 and notification no.11 dated June 1, 2022), to align the HSN Codes with the Customs Tariff. The DGFT showed awareness of the changes in the Customs Tariff with effect from January 1, 2022.

So, it is surprising that this type of error has occurred. Anyway, the DGFT should immediately amend the Appendix-4R, suitably aligning the HSN Codes in the RoDTEP rate schedule with the Customs Tariff. The DGFT should also resolve the problem of exporters who have used the HSN Code as per Customs Tariff but have ticked the right box in the shipping bill to indicate their claim of RoDTEP benefits. I suggest you take up the matter with the DGFT immediately.

We refer to DGFT PN 27 dated September 27, 2019, which extends the date till December 31, 2022, for filing annual returns for 2022-23 on fulfillment of export obligation under EPCG authorisation. The return filing module shows only the shipping bills where we had mentioned the EPCG authorisation number and date. We mistakenly did not mention the EPCG authorisation number and date in some shipping bills. We can regularise by submitting an affidavit in accordance with Policy Circular no. 7 dated July 11, 2002, at the time of seeking

redemption. However, we find no facility in the annual returns module to enter details of shipping bills where we had not mentioned the EPCG authorisation number and date. Please advise.

The annual EPCG returns module auto-populates from ICEGATE the shipping bills and bills of entry details based on the EPCG authorisation number and date shown in those documents. Once you validate the import and export data auto-populated and tick the appropriate box, the module allows you to submit the details of other exports/supplies made towards discharge of the export obligation and also details of any other imports or domestic procurement under the EPCG scheme as an attachment.

Source: business-standard.com- Dec 26, 2022

HOME

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Cotton arrivals dip in Telangana, AP as prices ruling low

There is a steep drop in cotton arrivals in Telangana and Andhra Pradesh. At Warangal market yard, the arrivals this year has fallen by about 45 per cent to 1.98 lakh quintals as on today against 3.61 lakh quintals the same day last year.

While farmers have attributed it to the poor yields this year owing to excessive rains at the beginning of the season, the trade and industry have alleged that some farmers are holding back stocks due to relatively lower prices.

The situation in Andhra Pradesh is no different. The average price in the State stood even lower at ₹7,400 a quintal. The Adoni market yard clocked arrivals of 140 tonnes on December 24, against 320 tonnes the same day last year.

“They are anticipating higher prices as the procurement season progresses. Last year, they clocked record prices. Farmers are stocking up their produce as the prices are relatively low this year,” a top executive of a textile company told businessline, wishing anonymity.

He, however, contended that the situation may not drag the country’s overall arrival numbers as the days. “We expect the arrivals to increase in the next few weeks. We don’t see any drastic fall in the country’s overall numbers,” he said.

The two States grew about one-fourth of country’s total cotton output of 353 lakh bales last year.

The average price at the market yard stood at ₹7,900 a quintal against ₹8,000 the same day last year. In January 2021, the prices even breached the ₹ 10,000 mark.

Farmers, however, have denied the allegation, saying that the output has fallen significantly this year to 2-3 quintals an acre (against 4-6 quintals) due to heavy rains during July-September last year.

“Farmers have to sow the crop again, adding to the cost of production. Due to excess vegetation, the formation of bolls got affected, resulting in very low yields,” S Malla Reddy of Telangana Rythu Sangham said.

The trade, however, feels that the prices were unreasonably higher last time. “It’s not sustainable. We are in no position to purchase the commodity at last year’s prices,” a trader pointed out.

Source: thehindubusinessline.com- Dec 26, 2022

HOME

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Prospective entrepreneurs apprised of benefits inherent in mini textile park scheme

The Textiles Department has reached out to prospective entrepreneurs and investors in Tiruchi district for disseminating the benefits accruing from the Mini Textile Park scheme.

Earlier this month, potential investors were apprised about the salient features of the New Integrated Textile Policy 2019

The participants were told that the policy, focussed on southern districts, aims at maintaining the growth of the textile value chain and to promote the technical textiles.

Senior officials of the Textiles Department said 50 % subsidy or Rs.2.5 crores would be provided for establishment of every Mini Textile Park, under the types: Spinning, weaving, knitting, processing, garmenting and technical textile.

The prospective investors learnt about the other aspects of New Integrated Textile Policy 2019 that includes 10 percent capital subsidy for all new machines, provision of 25 percent (with the ceiling of Rs.10 crores) for establishment of trade facilitation centre; 10 percent capital subsidy for wider width fabric processing; five percent interest subsidy for common effluent treatment plant; 15 percent capital subsidy for the individual effluent treatment plant, and Rs.1 crore Research and Development assistance for establishment of effluent treatment plant.

Source: thehindu.com- Dec 26, 2022

HOME

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Cotton yarn prices steady in north India amid thin trade, fibre falls

North India's cotton yarn trade slowed down in the last week of this year as there was holiday mood in the market. Buyers remained absent in all major markets of north India, and prices remained unchanged. However, cotton prices crashed in spot markets of north India because of steep fall in futures, mainly attributed to rise in COVID cases in China.

In Delhi, cotton yarn prices were quoted at previous level. Buying was negligible as buyers were absent in last week of December. A trader from Delhi market told Fibre2Fashion, "The West, which is a major buyer of Indian textiles, celebrates year end for at least 15-20 days. Their holidays will only end in the first week of January.

Indian traders and businesses were silent and there was festive mood in the market. Cotton prices will remain stable till the beginning of new year." In the market, 30 count combed yarn was traded at ₹285-290 per kg (GST extra), 40 count combed at ₹315-320 per kg, 30 count carded at ₹260-265 per kg and 40 count carded at ₹295-300 per kg, according to Fibre2Fashion's market insight tool TexPro.

Ludhiana market also noted steady trend in cotton yarn prices. The market witnessed thin trade as buyers were absent during the Christmas week. A trader from Ludhiana market said that trading activities will improve only in next year. On steep fall in cotton prices, trade sources said that "spinning mills and traders will try to maintain yarn prices to increase their margin.

However, demand in next week will determine yarn prices." 30 count cotton combed yarn was sold at ₹280-290 per kg (GST inclusive) as per TexPro. 20 and 25 count combed yarn were traded at ₹270-280 per kg and ₹275-285 per kg respectively. Carded yarn of 30 count steadied at ₹255-265 per kg.

Panipat's recycled yarn market too witnessed silent tone in trade and prices. There was thin trade in the market. Traders were waiting for cooling down in comber prices after decline in cotton. Panipat's home textile industry is facing scarcity of raw materials like comber and textile waste.

Recycled yarn prices were stable in the market. 10s recycled yarn (white) was traded at ₹90-95 per kg (GST Extra). 10s recycled yarn (coloured - high quality) was traded at ₹105-110 per kg, 10s recycled yarn (coloured - low quality) at ₹80-85 per kg, and 20s recycled PC coloured (high quality) at ₹110-115 per kg. The price of 30s recycled PC coloured (high quality) was ₹150-155 per kg. 10s optical yarn was priced at ₹100-110 per kg in the market. Comber prices were noted at ₹150-155 per kg. The price of recycled polyester fibre (PET bottle fibre) was noted at ₹75-77 per kg.

Meanwhile, cotton prices declined by ₹500-600 per maund of 37.2 kg in north India because of fall in domestic futures, which had cues from Chinese cotton prices. The current COVID wave has disrupted normal life and business in the world's second largest economy. According to local traders, cotton prices slipped because of worries of COVID-19, which is spreading in China at very fast pace.

However, cotton arrival was still limited. The arrival dropped to 17,000 bales of 170 kg in north India. Cotton was traded at ₹5,800-5,900 per maund in Punjab, ₹5,650-5,750 per maund in Haryana and ₹5,800-5,900 per maund in upper Rajasthan. Cotton was sold at ₹55,000-56,500 per candy of 356 kg in lower Rajasthan.

Source: fibre2fashion.com- Dec 26, 2022

HOME

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Demand for additional coaches in trains to transport textile goods

The Southern Gujarat Chamber of Commerce and Industry (SGCCI) on Monday urged the Railways to add additional coaches in trains to ensure cost-effective transport of textile goods from Surat to other destinations in the country.

A joint meeting to discuss transportation of goods through railway and postal department was chaired by SGCCI president Himanshu Bodawala and attended by the Federation of Surat Textile Traders Association (FOSTTA) president Manoj Agrawal, executive director of Railway Board (strategic planning and implementation) GVL Satya Kumar, Surat railway station director Mukesh Kumar and regional director of South Gujarat Post services Dr Shivram among others.

Raising the demand for additional coaches, Bodawala said that there will be no shortage of parcels of textile goods and a collection point should be set up at the market area by railway and postal department.

“Special trains should be operated to major cities across the country and additional bogies should be added to existing long distance trains… so that textile parcels can be delivered easily and safely to major markets,” he said.

The Railway started textile parcel goods services from Surat to Varanasi in October 2022 for which train number 9011 runs regularly from Udhna railway station in Surat to Varanasi.

Union Minister of State for Railways and Textiles Darshana Jardosh flagged off a “textile parcel special parcel train” from Surat to Bihar in September 2021 but was stopped later. A special textile parcel train was sent to Kolkata last year, services of which stopped later.

Claiming that the present mode of sending parcels through road incurs high cost and time, Agrawal said, “If a permanent solution is arrived at by railway goods transport facility, it will benefit both the Railways and textile traders.”

Railway Board official Kumar who was at the meeting said, “We have got good response for the service from Surat to Varanasi… The Railways and postal department are working together to regularise the transportation of textile goods by January 2023.

Railway authorities have made a mobile application for textile traders to make bookings.”

Source: indianexpress.com- Dec 27, 2022

HOME

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