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INTERNATIONAL NEWS

Delink. Imports from China, a big worry

India's sustained dependency on China remains a concern. During the period FY 2002 to FY 2012, trade deficit increased from $1.1 billion to $37 billion; which then touched an all-time high of $73 billion in FY 2022.

During the initial months of the Covid-19, India announced the Aatmanirbhar Bharat scheme to reduce its import reliance, mostly on China. Such an initiative was not the first of its kind, but the renewed focus was timely, as supply chain issues were creating cracks in the economy.

Data for the last four years show that on an average India's quarterly trade deficit with China increased from $13.4 billion during FY 2019, to touch a peak of $18.3 billion in FY 2022. In fact, in the first two quarters of FY 2023, imports from China shot up to an average of $22.3 billion, the highest since FY 2019 (Table 1).

Product-wise, India's top five items of imports from China also saw an increase in terms of value, from $70.3 billion in FY 2019 to $94.6 billion in FY 2022 — with electronic components seeing a significant and perennial increase.

Production Linked Incentive

This import dependency certainly remains alarming despite India's best efforts to reduce its imports from China. The government launched the Production Linked Incentive (PLI) scheme, covering strategically significant sectors, towards developing manufacturing capabilities in India. A lot of hope has been placed on this scheme which pans over a five-year period. As on date, there are 14 such industries which are under the PLI scheme. A harmonised code analysis of 10 of the 14 industries identified under PLI shows increasing dependency on imports from the world by India.

India's cumulative import share of these 10 PLI sectors from China has increased in FY 2022, to touch 47 per cent; the highest in the last four years (Chart 1).

The items under the PLI scheme, which was launched in April 2020 with electronics being the first to be identified, has also witnessed an increase in their import share in the last few years, with China continuing to be the dominant source for imports (Table 2).

Holds potential

While it may be too soon and premature to conclude the impact of the PLI scheme in reducing imports from China, it holds significant potential. It could play a key role in increasing India's share of manufacturing GDP, which has remained more or less stagnant.

However, the fact remains that in the global scheme of things, completely disregarding China is next to impossible, neither is it possible to produce all alone.

For example, India is increasingly looking at sustainable development while supporting industries like automobile and solar under PLI. However, many raw materials associated with it are imported. In this context, India needs to build strong economic ties — this may include with even with far off countries likes Chile for lithium, or South Korea for solar.

FDI will be a key factor in ensuring India reduces its import dependency. It could bring in global best practices and latest technologies, while India can offer the foreign investors a huge domestic market. If India wants to build upon the China+1 strategy, it needs to overcome the shortcomings, especially as the likes of Vietnam are attracting better investments.

Further, as PLI is an incentive-based scheme, policymakers must ensure that it succeeds even after its term ends. For example, the government should make sure accidents of the sort that occurred in Baddi in Himachal Pradesh, where a chemical leak took place in 2020, do not get replicated. This cannot help India's efforts to emerge as a global hub.

Global supply chain disruptions caused by Covid have flagged the need for reforms. However, it is important for policymakers to take continued stock of the progress made towards minimising import dependency through its various measures. Hopefully, Union Budget 2023-24 will take care of lessening the dependency on China.

Source: thehindubusinessline.com - Jan 10, 2023

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7 mn people laid off in Pakistan textile industry amid dwindling exports

About seven million people in textile and textile-related industries in Pakistan have been laid off due to dwindling exports and the governments failure to end the economic crisis, associations claimed.

Representatives of the value-added textile associations said the current government does not have any policy to end the various crises affecting textile producers and exporters, Dawn reported.

The industry is on the verge of closure as many units have already closed down. Several others are planning to either shut down or shift their production abroad.

Textile factories are being deprived of necessary raw material and accessories.

Letters of credit worth as low as $5,000 are being refused, which has hit in-progress export orders of $500,000 per consignment.

It's causing severe disruption and production delays and has led to the cancellation of export orders. Demurrage on various consignments has increased the cost too much, the associations said.

Despite such a difficult situation, the government is importing expensive luxury cars like BMWs for cabinet members. These imports will have no contribution to foreign exchange earnings. They won't generate any taxes for the national exchequer and create zero employment, they said.

The government performance in the last nine months is poor, they said. Two finance ministers during this period have failed to resolve the ongoing economic crisis, they added. Neither the Prime Minister nor the Finance Minister have bothered to set aside some time to meet the exporters, they noted.

The industrial sector cannot operate under extreme financial stress as the alarm bells for sovereign default have been continuously ringing while the government's finance and economic team appears to be asleep at the wheel, Dawn news quoted the associations as saying.

The country is in the middle of a dollar crisis and the economy is facing an emergency-like situation.

The current shortage of dollars can be overcome only by promoting exports.

Source: business-standard.com - Jan 10, 2023

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Pakistan: Decline of Textile Industry

The foreign policy magazine titled the year 2022 “Pakistan’s year of turmoil,” citing the economic conditions of the country. The year 2022 ended with the unpleasant news of the partial shutting down of the textile industry, including NCL, Kohinoor Spinning Mills Limited, Suraj Cotton Mills Limited and many others, due to the prevailing economic crisis.

Pakistan entered 2023 with multiple challenges, including rising debt, low foreign exchange reserves, and an energy shortage, in addition to the political chaos it went through in 2022. It is scheduled to repay more than $26 billion in foreign debt in the 2023 fiscal year. There is massive potential for the textile industry to revamp itself and build upon its potential to invite foreign investment as well as generate much-needed revenue through exports.

According to the Board of Investment, Pakistan is the eighth-largest exporter of textile products in Asia. It is the fourth-largest producer and third-largest consumer of cotton. The textile industry constitutes 46 percent of the total manufacturing sector and employs 40 percent of the total labour force. It contributes significantly to the country’s industrial exports.

Textile exports contributed around 61 percent to the total exports of $31.8 billion during the fiscal year 2021-2022. This industry has seen ups and downs over the years due to a variety of factors and has struggled as a result of high manufacturing costs, frequent power outages, flawed strategies, and a lack of government support policies.

In the longer run, for sustainable growth, the textile industry needs a paradigm shift from providing services to international brands to designing and developing their products and establishing international standard brands, as the bulk of the profit margin is generated by brand recognition and identity in the clothing and apparel industry.

The United States and the European Union are two of Pakistan’s biggest markets for textiles. Together, they buy 60 percent of all textiles that come out of Pakistan. According to the Pakistan Credit Rating Agency (PACRA), Pakistan meets only 3 percent of the US needs for textile imports, as the textile sector hasn’t reached its full potential in recent years and still lags behind other South Asian competitors. Pakistan’s textile industry developed gradually and picked up the pace in the 1990s when it was contributing 9.5 per cent of the entire Gross Domestic Product while the Economic Survey indicated that the textile sector, which has the highest weight in the Large Scale Manufacturing, grew only by 3.2 per cent in FY 2021-22 as compared to 8 per cent in the FY 2020-21, showing a significant slowdown in growth.

The most significant factor in the decline of the textile industry over the years has been the energy crisis. Other factors include fierce competition in the international market from Bangladesh, Vietnam, India, and Thailand; a lack of modernization of the machinery and equipment; a lack of investment; rising costs; and low production of cotton and other raw materials. Unlike the competitors, the cotton industry of Pakistan is also not utilizing the high-yielding hybrid seed varieties that have fifty percent higher productivity, and therefore millions of dollars are being spent on cotton imports to fulfil the demand of the indigenous textile industry. Furthermore, there is a lack of adoption of technology.

The majority of business operations in the textile sector are still done manually, although global procurement procedures have incorporated emerging technologies and digitalization. Due to the lack of digitisation, the entire supply chain of the textile sector is being adversely affected and plagued by inefficiencies.

The need for the utilisation of technology has become inevitable and seems to be the only way forward to increase productivity and revolutionise the textile manufacturing landscape. There is also a dire need to establish a linkage between research institutions and the textile industry to create new products and value-added services.

The government needs to play an effective role by investing in building R&D institutions to bridge this gap and collaborate with the private sector to facilitate innovation. The future of the textile industry also depends on the optimisation of the supply chain from the production and purchase of cost-efficient raw materials to order fulfilment but that would only be a short-term solution.

In the longer run, for sustainable growth, the textile industry needs a paradigm shift from providing services to international brands to designing and developing their products and establishing international standard brands, as the bulk of the profit margin is generated by brand recognition and identity in the clothing and apparel industry.

Development efforts should be focused towards ramping up the production of value-added products, as they net higher revenues. The current business model of relying on cheap labour and inefficient processes is not sustainable as a long-term approach.

Source: dailytimes.com.pk - Jan 11, 2023

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RMG makers now allowed to partially import Indian yarn

Export-oriented industries having valid bonded warehouse licence are conditionally allowed to enjoy the facility

The government has allowed readymade garment (RMG) exporters to import yarn from India in partial shipment through the country's land ports.

The National Board of Revenue (NBR) issued an office order in this regard on Sunday.

According to the order, the export-oriented industries having valid bonded warehouse licence are allowed to enjoy the facility on conditions. They have to import yarn through back-to-back letters of credit (LCs) and have to follow the annual import entitlement issued by the Customs Bond Commissionerate offices.

The importers must follow the utilization declaration and should maintain the actual quantity in the customs process at Benapole, Bhomra, Sonamasjid and Banglabandha ports, according to the NBR.

Meanwhile, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) informed its members about the development through a letter on Monday.

Previously, the RMG exporters could import yarn through Benapole land-port under the bonded warehouse facility, but they were not allowed to make partial shipments.

A partial shipment facilitates an importer to receive the imported goods in more than one delivery, and it was allowed only through Chittagong Port previously.

Apparel and terry towel exporters were demanding to allow them import and partial shipment of raw materials, including cotton, yarn and fabrics, under the bonded warehouse facility through all the land-ports between Bangladesh and India.

The Bangladesh Textile Mills Association (BTMA), however, then opposed the apparel makers' plea.

The BTMA argued that the approval for partial shipment of yarn import would be suicidal.

Several shipments would take place against one LC, and additional quantity of products would enter into the country through dodging taxes, which might create an uneven competition for the local mills, it added.

Source: dhakatribune.com - Jan 10, 2023

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Supply chain. India and Vietnam as attractive alternatives for China plus one strategy: Survey

Respondents believed that both countries will rise as functioning container shipping hubs in 2023 and change the existing layout of the global shipping industry

A global report on Supply Chain and shipping industry trends in 2023 says that 67 per cent of respondents consider India and Vietnam as attractive alternatives for China plus one strategy. The respondents believed that both countries will rise as functioning container shipping hubs in 2023 and change the existing layout of the global shipping industry.

The US coined a buzzword for the industry - friendshoring - referring to the process of relocating supply chains to countries that are 'friends' or allies of each other. The objective seems to be to prevent countries – especially China and Russia in the case of the US – from using their market advantages in key raw materials, foods and products.

Apple wanting to reduce its dependence on producing iPhones in China and exploring India as an alternative is an example, as with Foxconn expanding production facilities in Vietnam. However, it will take several years to move capacity out of China. The US itself continues to depend on China for hundreds of critical goods including textiles, chemicals and electronics, says a report by Germany's Container xChange, which highlights global trends that the shipping and supply chain industry will witness in 2023.

Challenging outlook

In the report, 88 per cent of the respondents fear that the biggest impeding factor for businesses in 2023 will be inflation and recessionary fears, followed by 'implications of war' (57 per cent), 'impact of Covid in China' (53 per cent) and 'worker strikes' (23 per cent).

"The overall outlook for the year 2023 for the supply chain industry remains challenging. Europe is hit hard with all-time high inflation; China struggles to cope with the virus and the US continues to witness hinterland transportation challenges and labour unrest. Most of these challenges will stay in 2023. Consumer confidence will pick up, but it really depends on whether we witness more disruptions in the coming times." said Christian Roeloffs, co-founder and CEO, Container xChange, an online container logistics platform.

Most of the experts surveyed foresee that inflation and recession will have a greater impact this year and will be the biggest driver of disruptions.

"Due to inflation increasing, there'll be more unrest in the labour market which will certainly lead to more strikes, specifically in Europe, the UK and North America. And as we have seen before, strikes result in slow operations within the port which can exacerbate supply issues," said Aamir S. Mir, Chief Operating Officer (COO), Caspian Container Company SA.

The report covers the growing expectation of the 3PL (third-party logistics) market to solidify in 2023. Reportedly, it's projected to reach $1,789.74 billion by 2027. Another key trend on the list is the digital transformation of the industry. In the years to come, the adoption of digital technologies in shipping will focus on vessel schedules, intuitive booking interfaces, instant slot booking, and capacity confirmations. In this regard, the industry's major concern will be on having systems interact directly via automating the Data-Analysis-Decision-Action cycle.

Source: thehindubusinessline.com - Jan 10, 2023

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World Bank cuts 2023 economic growth forecasts, warns of global recession

The World Bank slashed its growth forecasts for most countries and regions, and warned that new adverse shocks could tip the global economy into a recession.

Global gross domestic product will probably increase 1.7% this year, about half the pace forecast in June, the Washington-based lender said Tuesday. That would be the third-worst performance in the last three decades or so, after the contractions of 2009 and 2020.

The bank, which also cut its growth estimates for 2024, said persistent inflation and higher interest rates are among the key reasons. It also cited the impact of Russia's invasion of Ukraine, and a decline in investment.

"The crisis facing development is intensifying" and the setbacks to global prosperity will likely persist, World Bank President David Malpass wrote in a foreword to the bank's semi-annual Global Economic Prospects report. He said GDP in emerging-market and developing economies at the end of next year will be about 6% below the level expected on the eve of the Covid-19 pandemic.

Spillovers from a period of pronounced weakness in the US, China and the European Union are exacerbating other headwinds faced by poorer nations, the lender said. While inflation is moderating, there are signs that pressures are becoming more persistent, with central banks having to raise interest rates faster than expected.

"The combination of slow growth, tightening financial conditions, and heavy indebtedness is likely to weaken investment and trigger corporate defaults," the World Bank said. "Urgent global action is needed to mitigate the risks of global recession and debt distress."

The lender, which is reviewing its operational model, said a focus on the following areas is critical given limited policy space:

National policymakers must ensure that any fiscal support is focused on vulnerable groups

Inflation expectations need to remain well anchored
Financial systems must continue to be resilient

The World Bank called for a “major increase” in investment for developing nations, including new financing from the international community and from the repurposing of existing spending, such as inefficient agricultural and fuel subsidies.

“Even though the world is now in a very tight spot, there should be no room for defeatism,” Malpass said. “There are significant reforms that could be undertaken now to strengthen the rule of law, improve the outlook and build stronger economies with more robust private sectors and better opportunities for people.”

Source: business-standard.com - Jan 10, 2023

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Sri Lanka's garment exports up 12.8% in Jan-Nov 2022, 8.3% down in Nov

Sri Lanka's garment exports stood at $5,040.5 million during January-November 2022, which grew by 12.8 per cent over the exports of $4,466.7 million in the same period of the previous year, as per statistics released by the Central Bank of Sri Lanka. Its garment exports dropped by 8.3 per cent in November 2022 due to the slowdown in the world economy.

During the first 11 months of 2022, textile exports from the island nation increased by 2.3 per cent year-on-year to $323.9 million. However, exports of other made-up textile articles stood at $106.1 million during the same period, registering a negative growth of 10.6 per cent, according to the central bank's report titled 'External Sector Performance'.

Textiles, garment, and other made-up textile articles' exports together accounted for 56.91 per cent of all industrial exports from Sri Lanka during the period under review, the report showed. The exports of all textile products totalled $5,470.5 million in January-November 2022, which was 11.6 per cent higher than the shipment during the same period last year.

In October 2022, garment and textile exports from the South Asian nation declined by 9.7 per cent year-on-year to reach at $449.8 million. Category-wise, garment exports decreased by 8.3 per cent to $417.8 million, while textile exports fell 21.3 per cent to $24.5 million. The exports of other made-up textile articles were down by 35 per cent to $7.5 million.

On the other hand, imports of textiles and textile articles rose by 3.4 per cent to $2,864.3 million, while clothing and accessories imports were up by 1.4 per cent to $200.8 million during January- November 2022.

Source: fibre2fashion.com - Jan 10, 2023

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Cambodia's apparel exports to US defies COVID impact, economic odds

Defying COVID impact, Cambodia continued to register an impressive growth in its exports of apparel to the United States. Cambodia's exports to the US increased in 2020 over the previous year despite the COVID-19 disruption and jumped again by around 20 per cent in 2021. The exports during the first ten months of 2022 have already breached the level of 2021.

Multiple countries faced a decline in their apparel exports during 2020 due to global lockdowns and disruptions. But the exports from Cambodia increased to $2.953 billion in 2020 from $2.730 billion in 2019. The shipment from Cambodia had witnessed a continued rise in preceding years as well, amounting to $2.164 billion in 2017, $2.447 billion in 2018 and $2.730 billion in 2019, according to Fibre2Fashion's market insight tool TexPro.

Cambodia exported apparel worth $3.935 billion in the first ten months of 2022, which is higher than the exports of $3.522 billion in 2021. The exports are expected to be $4.2 billion for the full year 2022. Therefore, the shipment is expected to register an overall growth of more than 20 per cent on an annual basis, as per TexPro.

Global textiles sector faced serious challenges during the second half of 2022 because of high inflation. Large number of brands cut their imports of apparel as consumers had reduced discretionary expenses due to high inflation. However, Cambodia managed to maintain its momentum in apparel exports despite the global economic slowdown.

Source: fibre2fashion.com - Jan 11, 2023

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NATIONAL NEWS

Budget 2023 may announce an industrial area development scheme for MSMEs

Ease of Doing Business for MSMEs: The scheme would be supported by the Central government that will offer funds to MSMEs for upgradation of existing industrial areas with basic infrastructure and develop new industrial areas.

Ease of Doing Business for MSMEs: The Union Budget for the fiscal year 2023-2024 may come up with an industrial area development scheme for MSMEs for upgradation of existing industrial areas with basic infrastructure and develop new industrial areas, as per a report by Mint. The industrial areas in question would be industrial parks designated especially for the small businesses, the report added, citing two people aware of the development. It also noted that the centre would provide the required financial support for setting up and upgradation of the industrial areas.

To finance these projects, multilateral lenders such as the Asian Development Bank and International Financial Corporation of the World Bank would also be asked to participate in addition to getting support from the states, and allowing a state implementing agency to set up the projects.

“The scheme would focus on both brownfield and greenfield projects and aims at getting more and more MSMEs under the ambit of cluster-based operations,” an official added.

The proposal is in accordance with efforts to make Indian MSMEs more competitive, the report noted citing another official. “Efforts would also be made to improve the market access of small businesses which are in these industrial areas. It would be done through a digital business match-making platform to showcase and integrate India MSMEs with the national and global supply chain,” added the official.

To promote technology adoption amongst MSMEs, special purpose vehicle (SPV) would be formed by bringing MSMEs together. The SPV would be allowed to borrow from banks as a single borrower and then further transfer the loan amongst their members.

Although the MSME ministry has a Micro and Small Enterprises Cluster Development Programme (MSE-CDP) since 2011-12, however, its progress has not been up to the mark. Therefore, the new scheme is expected to revamp the existing one.

Besides that, a draft policy for MSMEs, released in March last year, also lays out the need for financing a cluster development approach with special incentives, the report noted. “Create MSME clusters to collaborate with companies offering innovation infrastructure, R&D institutions and universities that specialize in a specific industry or knowledge area,” the policy stated.

Source: financialexpress.com - Jan 10, 2023

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India conducts annual assessment of its cargo clearance at ports

As done every year since 2019, India conducts another round of annual assessment to measure release time for exports and imports (EXIM), moving through 15 major ports in the country, in the first week of calendar year.

As the world stares at plausible recession, India is striving to ensure export buoyancy to sustain its economic growth above the trend rate. Notwithstanding India's small share in the world trade, in today's globalised world, the fear of contagion spreading to India merits effective policy response. Towards this objective, Indian Government is pursuing a multi-pronged approach – focusing on free trade agreements and expeditious completion of trade-related infrastructure, including the dedicated freight corridor, "Sagarmala" projects and multimodal parks, besides providing enhanced trade facilitative environment.

High trade costs for the EXIM business have been identified as a major bottleneck to international trade, perhaps more so for India and other developing countries. Pursuant to the coming in force of the Trade Facilitation Agreement (TFA) under the aegis of the World Trade Organization, India has fulfilled all its commitments to ensure trade facilitation. In fact, it has gone beyond the TFA in drawing up a more comprehensive time-bound 'National Trade Facilitation Action Plan' that also includes augmentation of physical and IT infrastructure.

Perhaps believing in the philosophy, "what gets measured, gets done", one of the TFA provisions requires regular measurement of trade time, broadly approximated by the average time taken in clearance of export and import consignments. Indian Customs has been at the forefront of using this performance measurement tool, commonly known as the Time Release Study (TRS) for self-assessment and evidence-based policy making, relying on unimpeachable digital timestamps from the customs automated system and supporting IT systems of other stakeholders.

The annual TRS was pioneered at the Jawaharlal Nehru Customs House, the largest Custom House in 2017, focussing initially on imports. It has shown a consistent improvement in import release time from 181 hours in 2017 to 88 hours in 2022, which becomes even more impressive when compared with about 14 days that it took to clear an import consignment in 2010, as per a report by Comptroller and Auditor General of India.

Over the years, India has progressed to conducting a National TRS since 2019 that covers 15 major customs ports in the country, including all the four modes of trade, namely seaport, dry port (inland container depot), airport and land ports. These ports accounts for about 75 percent of the EXIM trade of the country. The ongoing National TRS 2023 study is 4th annual national-level study since 2019 (excluding 2020 because of the pandemic) and covers the export and import documents filed during the first week of the calendar year.

Recognising that the cargo release time depends on a variety of factors, including the mode of cargo movement, National Trade Facilitation Action Plan 2020-23 aims to bring down the import release time to 48 hours for Sea Cargo, Inland Container Depots and Land Customs Stations and 24 hours for Air Cargo and export release time to 24 hours for Sea Cargo, Inland Container Depots and Land Customs Stations and 12 hours for Air Cargo.

The National TRS 2022 had affirmed the direction of the trade facilitative initiatives, including the focus on “Path to Promptness” comprising pre-arrival processing, risk based facilitation, trust-based authorised economic operator programme and coordinated border management through Single Window scheme. The ongoing National TRS 2023 is seeking to explore more nuanced issues and gain deeper insights pertaining to challenges faced by trade that go beyond documentary clearance, particularly those relating to exports.

For instance, National TRS 2022 indicated that considerable time is taken after the grant of Customs clearance (called Let Export order) to the final departure of goods (vessel sail off or aircraft take-off), which is attributable to larger logistics issues. This is a key focus area of the 2023 study, to be studied through direct stakeholder engagements.

With National TRS 2023 underway, it is expected that continuous efforts towards trade facilitation, both at the policy level and administratively at the port level, can help India offer its trade community an environment that entails minimal time and cost and provides greater certainty regarding both.

Studies such as TRS are acknowledged to be effective tool for performance measurement and more importantly bring together various stakeholders to achieve common goal of higher and more efficient EXIM trade.

Source: financialexpress.com - Jan 09, 2023

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Textiles, G&J, pharma to gain much by India-Australia FTA

Textiles and leather, pharma and gems and jewellery are set to gain substantially by the India-Australia Economic Co-operation and Trade Agreement, which entered into force on December 29, 2022. This is because there is a lot of headroom for growth in these sectors, as reflected by the very low share of India in Australia's exports.

In an outreach program organised here by the Ministry of Commerce, M Balaji, Joint Secretary, in the Ministry said India's exports would go up by $10 billion in 2026-27 (from $7 billion now); the increased business would result in 10 lakh new jobs.

Zero duty import

Under the agreement, Australia is allowing all imports from India at zero duty. Exports worth 96.4 per cent of India's exports to Australia (98.3 per cent of tariff lines) will get zero duty benefit immediately and the rest, within five years. At present, Indian goods suffer tariffs of about 4-5 per cent. Notably, Australia already has such zero duty import agreements with China, Vietnam and Japan, which put India at a disadvantage. Now that disadvantage has been removed.

Figures from Balaji's presentation show that Australia's pharma market is $12 billion, while India's pharma exports to the country is just $345 million. After the FTA, approvals for patented, generic and biosimilars will be fast tracked, as will be inspections of facilities. Indian units that are approved by EU and Canada will benefit.

Australia's total imports of textiles and garments was $9.3 billion in 2021; India's share was just $500 million. The Australian market provides good potential for home textiles, ready-made garments and carpets and flooring. Similarly, Australia imported $6.6 billion worth of gems and jewellery, while contributed just $300 million. Again, exports of leather and footwear to Australia was just $62 million—this would go up to $ 100 million in the next two years.

India would also benefit from cheaper imports of minerals (mainly coal, but uranium is not included), wines and meats, because there would be no duty on imports of these items.

Source: thehindubusinessline.com - Jan 10, 2023

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AMFII asks finance ministry to levy anti-dumping duty on VSF

The Association of Man-made Fibre Industry of India (AMFII) has requested the finance ministry to accept the recommendation of the Directorate General of Trade Remedies (DGTR) to levy anti-dumping duty (ADD) on imports of Viscose Staple Fibre (VSF).

"AMFII urged the government to provide level-playing field to upstream textile industry and ensure that the Indian textiles sector does not become completely dependent on China," it said in a statement on Tuesday. VSF is used in readymade garments, home and industrial textiles.

The DGTR had, on December 19, recommended levying ADD on imports of the fibre in the wake of large scale dumping at below cost prices by Chinese backed firms. At present, India's free trade pacts with ASEAN countries allows for the export of VSF to India at zero duty.

AMFII had also indicated to finance minister Nirmala Sitharaman that a Chinese backed player has set large VSF plants in Indonesia to flood the Indian market by taking advantage of the India ASEAN FTA.

Source: financialexpress.com - Jan 11, 2023

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Seasonal shift may boost cotton yarn prices in south India

Seasonal shift may help boost the prices of cotton yarn in south India as production of summer clothing is likely to pick up in a few weeks.

The industry is trying to adjust the production at present prices. Cotton yarn prices already gained in Mumbai today as demand improved from the downstream industry. Buying increased in Tiruppur market too.

Cotton yarn prices were up by ₹3-4 per kg in Mumbai as demand rose. "Demand improved because the production of summer clothing is set to pick up in the next 2-3 weeks.

The industry is trying to adjust present cotton yarn prices," Mumbai-based trader Jai Kishan told Fibre2Fashion. The consumer industry and traders are buying cotton yarn, and sentiments also improved in fabrics trade.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,540-1,570 and ₹1,440-1,490 per 5 kg (GST extra) respectively. 60 combed warp was priced at ₹345-350 per kg, 80 carded (weft) cotton yarn was sold at ₹1,470-1,490 per 4.5 kg, 44/46 count carded cotton yarn (warp) was priced at ₹285-290 per kg, 40/41 count carded cotton yarn (warp) was sold at ₹272-278 per kg and 40/41 count combed yarn (warp) was priced at ₹292-295 per kg, according to Fibre2Fashion's market insight tool TexPro.

Market sentiments improved in Tiruppur despite the festival of Pongal during which production and trade are limited. Traders said that weaving industry is buying yarn as they need to plan for the summer season and cotton yarn prices are likely to pick up after the festival.

Today, 30 count combed cotton yarn was traded at ₹285-290 per kg (GST extra), 34 count combed at ₹300-305 per kg and 40 count combed at ₹310-315 per kg in the Tiruppur market. Cotton yarn of 30 count carded was sold at ₹255-260 per kg, 34 count carded at ₹265-270 per kg and 40 count carded at ₹270-275 per kg, as per TexPro.

In Gujarat, cotton prices went down by ₹500 to ₹62,500-63,000 per candy of 356 kg. Ginners are still facing a disparity of ₹3,000-4,000 per candy. Weaker demand from spinning mills and MNCs caused the decline in cotton prices. According to the traders, farmers are still reluctant to sell seed cotton (narma) which was traded at ₹1,750-1,800 per 20 kg. However, optimism in yarn trade could be positive for the market.

Source: fibre2fashion.com - Jan 10, 2023

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Maharashtra textile officials visit Telangana to study weaving techniques and designs

The Commissioner of Textiles, Government of Maharashtra, Nagpur designated a team of officials to Telangana state to study the weaving techniques and designs being implemented by the weavers in Telangana and to also learn about the initiatives implemented by Telangana State.

The team of officers visited Sircilla, Siddipet and interacted with the weavers of Aadarsha and Siddipet Handloom Weavers Cooperative Societies on the 8th of January. They also studied the type of yarn used by the weavers in the production of *Gollabhama* and *Ramappa Silk Sarees* and enquired about their wages.

The officers also visited Sircilla's Textile Park and Apparel Park, where they studied Rapier Loom and Semi-Automatic Powerloom techniques and interacted with powerloom weavers to learn about the benefits of schemes such as Chenetha Mithra, Nethanna Bheema and Nethannaku Cheyutha. The team then paid a visit to the Pochampally Handloom Weavers Cooperative Society in the Yadadri District on the 9th of January. Along the way, the team paid a visit to the weavers' houses in Pochampally village and spoke with the entrepreneurs and weavers who weave *ikkat* in various styles and patterns in silk and cotton.

The team from Maharashtra praised the Telangana State Government's initiatives including the 40 percent yarn subsidy, insurance for weavers and Nethannaku Cheyutha. They also said that they would be implementing some of these techniques in Maharashtra. To discuss the implementation of the various schemes, the team exchanged their views with the Commissioner of Handlooms and Textiles and AEPs, Hyderabad, along with a discussion on their learnings from the visit itself.

The team also appreciated Telangana Chief Minister K Chandrasekhar Rao and concerned ministers for making the Handlooms and Textiles sector a priority and for their emphasis on innovative schemes and a good T-TAP policy to bring national and international textiles to Telangana, said an official report.

Source: apparelresources.com - Jan 10, 2023

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T.N. Government forms committee to suggest minimum wages for textile mill workers

The State government has formed a committee to give its views in six months on fixing minimum wages for workers in the "other than apprentice category" in textile mills.

According to an order dated November 24, 2022, the Department of Labour Welfare and Skill Development said the government decided in 2007 to include "other than apprentice workers" of textile mills under the Minimum Wages Act, 1948. The Labour Secretary sent proposals to the government in 2021 and 2022 for constitution of a committee for fixation of minimum wages for these workers. The government has accepted the proposal of the Secretary and has constituted the committee.

The "other than apprentice workers" employed in spinning mills, weaving mills, open end mills, and composite mills will be covered. The committee, headed by the Additional Labour Commissioner, Coimbatore, will have five officials, six representatives of employers, and six representatives of trade unions.

According to the Coimbatore District Textile Workers Union (HMS), trade unions and textile mill managements in the State signed industry-wide wage agreements from 1956 to 1997. After that textile mills decide individually on the wages. In the last few years, the mills, numbering nearly 2,500, employed apprentice workers under different categories such as daily wage workers, camp coolies, Thirumagal Thirumana Thittam, and Sumangali Thittam.

These workers received minimum wages of ₹493 a day. In the recent years, the number of permanent and apprentice workers have reduced at textile mills and workers are employed under various other categories. It has become difficult to get proper wage agreements for these workers. Hence, it is necessary to fix minimum wages for workers who come under "other than apprentice" category. A meeting of the committee that was scheduled to be held here on Tuesday was postponed.

Source: thehindu.com - Jan 10, 2023

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