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## IBTEX No. 18 of 2023 — January 24, 2023



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| USD | 81.58 |
| EUR | 88.76 |
| GBP | 101.08 |
| JPY | 0.63 |

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# INTERNATIONAL NEWS

## China's textiles & apparel exports grow 2.53% to $323 bn in 2022

China exported textiles, apparel and clothing accessories worth $323.344 billion in the entire 2022, registering a slight growth of 2.53 per cent compared to the previous year. The latest monthly data released by the General Administration of Customs of China shows that the country's garment exports grew by 3.2 per cent in the same period.

Garment and clothing accessories exports reached $175.396 billion in 2022, which was 3.2 per cent higher than the same period of last year. China's textile exports, including yarn, fabrics, and others, registered a growth of 2 per cent year-on-year to reach $145.079 billion in 2022.

Textile and apparel exports during December 2022 amounted to $25.295 billion. Out of this, textile, yarn, and articles exports earned $11.002 billion, while garments and clothing accessories fetched $14.293 billion in December this year, as per the data.

Source: fibre2fashion.com- Jan 23, 2023

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## ASEAN+3 economy forecast to grow 3.3% in 2022: AMRO

ASEAN+3 region's short-term growth forecast for 2022 has been revised to 3.3 per cent, down from the 3.7 per cent growth forecast in October 2022, according to the ASEAN+3 Macroeconomic Research Office (AMRO). This is mainly because of continuing weakness in Plus-3 economies, especially China where growth has turned out to be much weaker. Deteriorating global economic conditions are weighing on the region's outlook, but China's reopening last December should provide some counterbalance, as per AMRO.

Growth in the ASEAN region, buoyed by strong domestic demand, is revised upwards to 5.6 per cent. This year, growth in the ASEAN+3 region is projected to strengthen to 4.3 per cent, as China's economy is expected to rebound strongly reflecting the removal of containment measures and reopening of its economy. Inflation is anticipated to come down to 4.5 per cent in 2023 from the projected 6.3 per cent spike last year.

The weakening global environment has taken the wind out of the sails of the region's external trade momentum. The drag on economic activity from aggressive monetary policy tightening in the US and euro area will be felt more fully this year, translating to softer export orders for the ASEAN+3 region.

Inflation is moderating across ASEAN+3, tempered by sustained policy tightening by central banks and easing global supply chain bottlenecks. Oil prices have reverted to almost pre-pandemic levels, reflecting weaker global demand. Prices of key agricultural commodities—although remaining relatively high due to the prolonged war in Ukraine—have fallen from their peaks in 2022.

"With recession risks still haunting the US and Europe, China's economic reopening cannot come at a better time for the region," said AMRO chief economist, Hoe Ee Khor. "China's stronger economy will provide support for regional activity while the border reopening will boost intraregional tourism."

Source: fibre2fashion.com- Jan 24, 2023

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# Africa to outperform rest of world in growth over next 2 years: AfDB

Africa is set to outperform the rest of the world in economic growth over the next two years, with real gross domestic product (GDP) averaging around 4 per cent in 2023 and 2024, according to the African Development Bank (AfDB) biannual report. This is higher than projected global averages of 2.7 per cent and 3.2 per cent for the two years respectively.

The report shows that the estimated average growth of real GDP in Africa slowed to 3.8 per cent in 2022, from 4.8 per cent in 2021 amid significant challenges following the COVID-19 shock and Russia's invasion of Ukraine. Despite the economic slowdown, 53 of Africa's 54 countries posted positive growth. All the five regions of the continent remain resilient with a steady outlook for the medium-term. AfDB's Africa's Macroeconomic Performance and Outlook report for the region, released in Abidjan recently, shows that all the continent's five regions remain resilient with a steady outlook for the medium-term, despite facing significant headwinds due to global socio-economic shocks.

It also identifies potential risks and calls for robust monetary and fiscal measures, backed by structural policies, to address them. However, the report sends a cautionary note on the outlook following current global and regional risks.

These risks including soaring food and energy prices, tightening global financial conditions, and the associated increase in domestic debt service costs. Climate change—with its damaging impact on domestic food supply and the potential risk of policy reversal in countries holding elections in 2023—pose equally challenging threats. The report advocates bold policy actions at national, regional, and global scales to help African economies mitigate the compounding risks.

Africa's pre-COVID-19 top five performing economies are projected to grow by more than 5.5 per cent on an average in 2023-2024 and to reclaim their position among the world's 10 fastest-growing economies. These are Rwanda (7.9 per cent), Ivory Coast (7.1 per cent), Benin (6.4 per cent), Ethiopia (6 per cent) and Tanzania (5.6 per cent).

Source: fibre2fashion.com- Jan 23, 2023

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# Spain's growth projected to moderate from 5.2% in 2022 to 1.1% in 2023

Economic growth in Spain is projected to moderate from 5.2 per cent last year to 1.1 per cent this year, reflecting the effects of high energy and food prices, tighter financial conditions and weaker external demand, the executive board of the International Monetary Fund (IMF) said after recently concluding the Article IV consultation with Spain for 2022.

Output is projected to reach its pre-pandemic level by early 2024. Headline inflation is expected to continue to moderate gradually in 2023 reflecting a high base in 2022, the reduction of supply bottlenecks, and some normalisation of global fossil fuel prices, the IMF noted.

Nevertheless, both headline and core inflation are likely to remain above the 2-per cent target in the near term, it said.

Though economic activity in the country remained resilient in 2022 despite the new headwinds posed by the fallout of Russia-Ukraine war, elevated global energy and food prices, the weakening of trading partners' growth, deteriorating consumer and business confidence, and rising interest rates have slowed the recovery of output, according to the IMF.

Strong rebound in tourism and other services supported growth last year and employment surpassed its pre-pandemic level.

Elevated inflation in 2022 was largely caused by surging energy prices and persistent supply constraints. After reaching double-digit levels in the summer, headline inflation declined to 5.8 per cent in December, reflecting a drop in European gas prices and the impact of energy support measures.

Core inflation remains above 6 per cent due to a gradual passthrough of higher energy costs to broader prices and, possibly, diminishing spare capacity in the economy. Wage pressures have been contained so far.

Source: fibre2fashion.com- Jan 22, 2023

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# USA: Let's Put an End to Cotton's Scapegoat Status

As 2023 gets under way, we continue to deal with many problems from last year. Let's see: we have inflation, uneven demand, mixed retail sales, high inventories, uncertain consumers, and trade friction, just to name a few headwinds. But we also have thorny issues, like sustainability, that continue to nag the industry.

It's curious to hear from executives when the topic of sustainability arises. The most noteworthy observation is that everyone defines "sustainability" differently. Actually, that's nothing new. But it begs the question, if folks can't decide on a standard definition, then, lacking a common framework, sustainability may not be appropriately represented in the market. More on this later.

One observation that keeps coming back from many brands is that the root cause of the industry's environmental problems begins with cotton. It's a familiar claim. Folks have blamed cotton for years, often making it the scapegoat. Even so, what gets lost in the industry's trashing of cotton is that an average brand sources products from numerous countries supported by supply chains often more than 15,000 miles long. Let me explain.

Easy target

It's not hard to blame cotton when baseless claims so easily stick. For instance, cotton abuses the soil. Cotton also sucks up more water than is in the entire Pacific Ocean. And let's remember that cotton consumes more pesticides than all the oil produced in the Middle East while acting as a magnet for insects that destroy food crops. And, of course, all of this is readily supported by peer-reviewed, scientifically conducted research—readily available on Wikipedia. Wow.

I'm being facetious, of course. But somehow the marketing powers have conspired to shift the blame for environmental harm onto cotton and away from core sourcing and logistics. But the question is, why? Because it would make little sense to blame your business model. Indeed, why spend millions on building a brand only to self-destruct? Only some people can own Twitter, after all.

Cotton, in turn, needs help defending itself. The industry is represented by competing interests, so criticism can be levied by the apparel industry with the support of at least a group or two in the cotton community.

For example, a brand may make a sustainability claim that it only uses organic cotton because such cotton is grown using less water. The fact that this claim is bogus is irrelevant. The high ground has already been established with unsuspecting consumers. Moreover, organic farmers love it.

Meanwhile, the vast majority of cotton farmers growing their crops with GMO cotton are kicked to the curb, by default, relegated to harvesting "Frankencrops." Sigh.

Welcome to the desert of the real

Even so, the reality remains that globalized supply chains create copious quantities of carbon, waste and chemical pollution. Anyone in the trade who's honest will have a hard time disputing that. But acknowledgment is beside the point. It's easier to paper over the issue by making questionable claims concerning cotton.

Blaming cotton for the apparel industry's environmental problems misses the point. Look in the mirror: the real trouble begins with how the industry functions with these global supply chains. To criticize cotton farmers is a boorish attempt to deflect attention away from the industry's central problems encapsulated in its supply chains.

So many groups—NGOs, think tanks, associations—are working diligently to set the record straight, make a difference, and change an industry. Please make no mistake; these are honest brokers. But unfortunately, they often end up attacking each other, questioning their findings, positions, and claims. Brands, in turn, are often caught in the crossfire and, in some cases, paying the tabs for these groups simultaneously.

But from the brand perspective, the costs are justified to wrap a brand in the purported safety of membership. Safety in numbers, but also a degree of deniability. The message goes like this: "Sure, we belong to [pick an organization], but we don't set policy. We only provide advice." And there we go, industry denials. Yikes, it's complicated; it's easier to just blame cotton.

What’s in a name?

This brings us back to global supply chains. For example, the United States has traditionally been the largest exporter of cotton globally, while at the same time being one of the largest buyers of clothing made with that cotton. So, many times, clothes purchased in the United States have been made using long, carbon-intensive supply chains. Such supply chains could stretch from the cotton fields of West Texas and Alabama to the textile mills of Vietnam to the cutting rooms of Bangladesh.

It’s dizzying, but here’s the rub: the industry has hidden behind the opacity of these supply chains for so long. Transparency? That was something for looking out of windows, not supply chains. Besides, it was better to avoid seeing how the sausage was made.

Well, times are changing. Transparency has become a thing, along with sustainability. But, of course, some pressure has come from consumers, while even more pressure has come from inside the industry. Both forces combine in a push-pull manner, squeezing brands to disclose where their products come from and how they are made.

So, what can be done instead of me whining about everything? It’s hard to imagine brands unwinding supply chains that have been in place for decades. After all, the habits and practices of conducting business take a lot of work to break. More pointedly, though, ending such practices is expensive. In the case of a low-margin business like apparel, it is damn near impossible to afford. Until, of course, we have a wake-up call from an unforeseen event. Like a pandemic.

A higher authority

Here’s one idea that gets discussed occasionally but now may make more sense than ever: government-mandated content labeling. Call me a socialist, but tackling sustainability from within the industry increasingly feels like an exercise in futility.

So instead, we must go above the industry and establish some basic identity requirements. Then, we can turn to the government as a solution, like the FDA requires that essential ingredients and nutritional items are listed on food packaging.

Let's be honest: everyone knows where their products are made. In turn, such transparency could help the industry measure its environmental footprint. Under a government program, a standard set of labeling guidelines could be adopted, incorporating input from all over the industry. It would also provide a valuable mechanism for many NGOs and associations to coordinate on sustainable policies.

OK, so I'm a kook. But you know what? It's time to get off cotton's back and stop trying to pass the buck. We can only define sustainability once we provide more supply chain transparency. Many companies do this already. It's time for all brands to embrace a more comprehensive approach. And we'll need a third party to incorporate such an effort. I nominate the government.

Source: sourcingjournal.com- Jan 23, 2023

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# UK's retail sales values drop 1.2% in Dec 2022 post 0.5% rise in Nov

UK's retail sales volumes fell by 1.0 per cent in December 2022, following a fall of 0.5 per cent in November 2022. Retail sales values, unadjusted for price changes, fell by 1.2 per cent in December 2022, following a rise of 0.5 per cent in November 2022, as per the Office for National Statistics (ONS).

When compared with the pre-COVID-19 level in February 2020, total retail sales were 13.6 per cent higher in value terms, but volumes were 1.7 per cent lower. Compared with the same period a year earlier, retail sales volumes fell by 5.7 per cent in the three months to December 2022, while sales values rose by 4.5 per cent. Sales volumes fell by 1.0 per cent in December 2022, continuing a broad downward trend that has been seen since the lifting of hospitality restrictions in summer 2021, according to ONS.

Department stores sales volumes fell by 3.1 per cent in December 2022, from a rise of 2.1 per cent in November. Retailers reported that longer Black Friday sales contributed to the November increase. Clothing stores sales volumes rose by 1.0 per cent in December 2022.

Online spending values fell by 2.9 per cent in December 2022, because of monthly falls across most industries. The proportion of online sales fell to 25.4 per cent in December 2022 from 25.9 per cent in November.

The proportion of retail sales taking place online remains above the pre-COVID-19 pandemic levels (19.8 per cent in February 2020). Non-store retailing (which is predominantly online retailers) fell by 11.5 per cent as the wider economy reopened and consumers returned to shopping in stores.

Source: fibre2fashion.com- Jan 23, 2023

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## Brazil and Argentina discuss common currency

Brazil and Argentina aim for greater economic integration, including the development of a common currency, Brazilian President Luiz Inacio Lula da Silva and Argentine leader Alberto Fernandez said in a joint article they penned.

"We intend to overcome the barriers to our exchanges, simplify and modernize the rules and encourage the use of local currencies," says the text published on the Argentine website Perfil.

"We also decided to advance discussions on a common South American currency that can be used for both financial and commercial flows, reducing costs operations and our external vulnerability," the article said.

The idea of a common currency was raised originally in an article written last year by Fernando Haddad and Gabriel Galipolo, now Brazil's finance minister and his executive secretary, respectively, and was mentioned by Lula during the campaign.

Lula chose Argentina for his inaugural international trip since taking office, keeping with the tradition of first visiting Brazil's largest trading partner in the region. That follows four years of tense relations during the government of former Brazilian right-wing President Jair Bolsonaro.

Lula's trip to neighboring Argentina also marks the return of Brazil to the Community of Latin American and Caribbean States (CELAC), which Brazil left in 2019 under order from Bolsonaro, who refused to participate in the regional group due to the presence of Cuba and Venezuela.

Both presidents emphasised the need for a good relationship between Argentina and Brazil to strengthen regional integration, according to the article.

The leaders also emphasised strengthening the Mercosur trade bloc, which includes Argentina, Brazil, Paraguay and Uruguay, and which Brazilian Finance Minister Haddad recently lamented has been abandoned in recent years.

"Together with our partners, we want Mercosur to constitute a platform for our effective integration into the world, through the joint negotiation of balanced trade agreements that respond to our strategic development objectives," both presidents said.

Earlier in the day, the Financial Times reported the neighboring nations will announce this week they are starting preparatory work on a common currency.

The plan, set to be discussed at a summit in Buenos Aires this week, will focus on how a new currency which Brazil suggests calling the "sur" (south) could boost regional trade and reduce reliance on the US dollar, FT reported citing officials.

Politicians from both countries have discussed the idea already in 2019, but met with pushback from Brazil's central bank at the time.

Initially starting as a bilateral project, the initiative would later be extended to invite other Latin American nations, the report said, adding an official announcement was expected during Lula's visit to Argentina that starts on Sunday night.

Source: thedailystar.net- Jan 23, 2023

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# Cambodia's average annual FDI inflow growth 8.1% from 2017 to 2021

Cambodia recorded an average annual foreign direct investment (FDI) inflow growth of 8.1 per cent from 2017 to 2021, according to the Asia-Pacific Trade and Investment Trends 2022-2023 Country Report for Cambodia by the UN Economic and Social Commission for Asia and the Pacific (ESCAP). The FDI inflows growth was higher than the Asia-Pacific's 3.8 per cent average annual FDI inflows growth during the period.

However, in 2021, the country experienced a decline in FDI inflows by 3.9 per cent, it said. "In terms of FDI outflows, Cambodia had an average annual FDI outflows growth of 3.4 percent in the last five years, which was also higher than the Asia-Pacific's 3.2 per cent average annual FDI outflows growth. In 2021, Cambodia experienced a decline in FDI outflows by 27.1 percent," the report noted.

It also mentioned that Cambodia's trade costs were lowest with the East Asia-3 economies of China, Japan and South Korea. "In 2020, trade costs with the East Asia-3 economies, on average, amounted to 96.4 per cent of the value of goods, as compared to when the countries trade these goods within their borders. Trade costs were higher with the Europe-3 economies (Germany, France and the United Kingdom) and Large Asia-Pacific Developing-4 economies (China, India, Indonesia and the Russian Federation), amounting to 104.2 percent and 145.4 percent, respectively," it said.

In 2021, the largest merchandise trade partner was China, representing 8.6 per cent of its exports and 33.8 per cent of its imports. About 42.6 per cent of Cambodia's exports and 1.2 per cent of Cambodia's imports by value were traded with the United States, its second largest trade partner, a Cambodian media report said.

Other significant trade partners were Singapore, Thailand, Vietnam, Japan, Taiwan, Germany, Canada, and Switzerland, it added.

Source: fibre2fashion.com - Jan 23, 2023

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# NATIONAL NEWS

## MSMEs of both the countries will be the biggest beneficiaries of India-UAE CEPA: Shri Goyal

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said large Companies must take responsibility to handhold MSMEs, help them adapt best practices and integrate them into the supply chain ecosystem. He was speaking at the fourth Plenary Session of B20 India Inception Meeting on Building Resilient Global Value Chains in Gandhinagar today.

Shri Goyal noted that MSMEs flourish around a larger unit or anchor. Citing an example, he said, as Apple's manufacturing plant comes up, thousands of MSME units flourish in the ecosystem as mini value chain suppliers to Apple. He also said that MSMEs have more practical solutions, day to day experiences, and having learnt the hard way, are able to adapt to circumstances better than large companies. He said large Companies must be sensitized to handhold MSMEs associated with them. We must also try to make it easier to operate for small companies, eliminate unnecessary paperwork, make custom processes simpler, and use technology to ease and simplify processes.

He pointed out that Singapore has been playing an important role as a trading hub and suggested that a study can be done to figure out what Singapore has been doing right and based on this a basic framework can be created for supporting MSMEs. It may involve Infrastructure development, addressing challenges of logistics, he added. He also said MSMEs bring trust to the table, which is the most important element of any value chain be it domestic or international.

On integrating India with Global value chains, Shri Goyal said if we do not harmonize our value chains with the rest of the world, or if we don't create logistics which are easier and faster, it would be difficult for international companies to get India into its value chain. To become a trusted and resilient partner in global value chains, Shri Goyal said, the Government is also focusing on creating an enabling ecosystem, that is simpler, faster and promotes ease of doing business.

He said the focus of the government is on trying to make our country accept Quality as a most important factor in the success story of india. He emphasized that setting global benchmarks, harmonizing Indians standards with global standards, and consumers becoming more demanding of quality are essential for India to become a global key player.

Shri Goyal said India faced covid crisis with exemplary resilience, which has been recognized world over. He said India is one of those countries that through the entire period of covid pandemic never let down a single business commitment. Every service commitment was met without any disruption, there was not a single day of power failure, energy shortage, no law and order problem, he added.

On India-UAE CEPA agreement, Shri Goyal said that MSMEs of both the countries will be the biggest beneficiary of this agreement. Both the countries are engaging with each other and exploring opportunities to meet the needs of each other countries. He said, India is in dialogue with some of the larger companies of UAE to leverage best out of CEPA.

On, district as export hub initiative of the Government, Shri Goyal said it is inspired by the Prime Minister's idea to recognize every district for their unique products and identify the speciality of districts by knowing which district exports which products. He said, under the initiative today, exports from each district of the country are mapped and figures of exports from each district are known. This database of each district is now being used to promote these products across the world. For example Morbi is recognized for ceramic exports, Tripura exports pineapple and Bihar exports litchi, he said.

He said the government is looking at each district and its potential to emerge as an export hub. It is coordinating at district and state levels to see how businesses can be connected with world markets, making each district realize their role in value chains.

Shri Goyal urged Industry to recognize global efforts to tackle climate change and take up the responsibility of becoming conscious and sustainable in their business practices.

Source: pib.gov.in- Jan 23, 2023

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# Shri Piyush Goyal asks businesses to adopt a sustainable and green approach in business practices

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal asked businesses to adopt a sustainable and green approach in business practices. He asked them to use the forum of B20 along with G20 to look at how we can collectively work towards a sustainable and equitable future agenda. He was addressing the Inception Meeting of Business 20 (B20), the official G20 dialogue forum with the global business community in Gandhinagar today.

Shri Goyal paid his tributes to Netaji Subhash Chandra Bose on his birth Anniversary today and said that he was one of the leading lights of our freedom struggle. The Minister said that Netaji envisioned a nation where every single citizen of the nation had a share in its prosperity.

The Minister applauded the Prime Minister Shri Narendra Modi's vision of 'Vasudhaiva Kutumbakam', of peace and dialogue, orderly and inclusive growth and humane approach and said that India wanted to be a responsible global citizen, be it in the sphere of climate change or digital public infrastructure. Shri Goyal said that through the theme of G20 in India- 'one earth one family one future' - we wished to inspire the world to care for each other, to have a greater degree of dialogue and greater concern for the planet and the future of our children.

Quoting Mahatma Gandhi, he said that we had inherited this world as trustees and it is our duty to leave behind a better world for next generation. We have to respect intergenerational equity- we do not have the right to use up all the resources of this planet, he added.

The Minister highlighted that India had always stood for sustainable development. He mentioned that it was one of the top 5 countries in the world in terms of adopting and implementing environmental goals. India regularly files UNFCCC report and has already exceeded its goal for 2030, of having a 40 percent share of renewable energy in its installed capacity in 2021. India takes each sustainable development goal very seriously, he said.

Speaking of India's amazing journey of growth, Shri Goyal said that India had grown almost 12 times in the last three decades inspite of several black swan events. He added that transformational steps had been taken by the government to take inclusive growth to every section of society without discrimination and to the remotest corners of the nation.

The Minister noted that the Prime Minister had relentlessly focussed on 4 'I's of investment in infrastructure, integrity, inclusive development and international outlook to lend wings to Indian economy. He spoke of some of the transformational initiatives of the government.

He said that the Digital India Mission had ensured that the levels of connectivity we have in telecom today and what is being planned over the next 2 years would catapult us to amongst the top 5 or 6 countries in terms of technology. It will help us achieve inclusive economic growth smartly.

He stressed that the government had succeeded in securing the basic needs of life such as food, shelter, clothing, education, healthcare etc. to people, enabling, empowering and inspiring them to aspire for the better things in life. He noted that even during the heights of the pandemic, no death due to starvation had taken place in the country, thanks to several government initiatives including the mission to provide more than adequate foodgrains to almost 800 million across the country.

He underscored that India had the world's largest and successful free healthcare program, covering 500 million people. He said that 35 million families who were at the bottom of the pyramid, who were the most deserving, yet the most deprived, have been given homes with all the basic amenities. He added that the government had also succeeded in raising farmers' income.

Shri Goyal noted that the while the world was worried about how India would cope with the pandemic, it had converted that fear into hope and emerged as a bright spot in the global economy. No other market in the world as large as the India opportunity today, he said and added that India hoped to power the world economy through collaborations and cooperation amidst competition and asked both Indian and foreign companies to serve the world using India as the base.

The Minister said that businesses that come to India have always succeeded because of our competitiveness. He opined that India offered the rule of law, inspiring and decisive leadership, transparent government policies, no opaque models and no hidden subsidies. He cited the example of a British Company that was manufacturing in UK, supplying to a few countries, and achieving a modest turn over. A few years ago, this company set up manufacturing in India and due to the competitiveness of Indian manufacturing and our ability to launch newer products through design and innovation, the company now supplies products to over 110 countries around the world from India at affordable and competitive prices, he said. He also spoke of another tech-giant which already has 5-7 percent of manufacturing happening in India and plans to scale it upto 25 percent.

He expressed hope that by August, we would have a robust framework for B20 and we succeed in taking a message of responsibility, care and concern, a message of togetherness and oneness, a message that we will all work together for a better future for our children, from India to the world.

India assumed the Presidency of the G20 from 1 December 2022. G20 is a premier forum for international economic cooperation. Established in 2010, B20 is among the most prominent Engagement Group in G20, with companies and business organizations as participants. B20 leads the process of galvanizing global business leaders for their views on issues of global economic and trade governance and speaks in a single voice for the entire G20 business community.

B20 will operate through 7 Task Forces and 2 Action Councils entrusted to develop consensus-based policy recommendations to the G20.

Shri Ashwini Vaishnaw, Minister of Railways, Communications and Electronics & Information Technology; Shri Amitabh Kant, G20 India Sherpa and Shri N Chandrasekaran, Chairman Tata Sons, who is the Chair of B20 India, Shri Anurag Jain, Secretary, DPIIT, Ministry of Commerce and Industry and other dignitaries were present at the gathering. More than 200 overseas delegates including CEOs and business executives, from G20 member countries and invitee countries apart from more than 400 delegate from within the country took part in the B20 India Inception Meeting.

B20 deliberations would see discussions on broad areas of climate action, innovation, digital global cooperation, resilient global value chains, fostering financial inclusion, empowering societies etc. The B20 Inception Meeting will culminate on 24 January 2023.

Source: pib.gov.in- Jan 23, 2023

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# Budget 2023: What will help India ship $1 trillion worth of goods?

India's exports witnessed unprecedented growth over the last two years, reaching a record high of $420 billion during the financial year 2022. India achieved this growth despite disruptions in the global supply chain due to the Covid-19 pandemic.

The growth is heartening, but the country still has immense potential. It contributes 3.1% to global GDP but lags behind in export share with only 1.6%. Can India achieve the target of $1 trillion in manufacturing exports by 2028 or before that? While all eyes are on the February 1 budget, here's what industry experts and exporters want:

RoDTEP in focus: The Remission of Duties and Taxes on Export Products (RoDTEP) Scheme, which became effective January 1, 2021, replaced the Merchandise Exports from India Scheme (MEIS) with the sole aim of boosting exports. The scheme allows exporters to receive refunds on the embedded central taxes and state duties that were previously non-recoverable on input products.

The budget under RoDTEP is around Rs 40,000 crore. Exporters have requested an increase in this in the budget.

According to Mumbai-based exporter and Chairman of Bombay Textile Research Association, Sharda Kumar Saraf, RoDTEP is an important tool to support export marketing, but its present budget limit of about Rs 40,000 crore is inadequate. "We hope the finance minister will take cognisance of this fact and provide a suitable budget for RoDTEP," Saraf said.

Customs duties: Exporters want high import duties on finished goods in specific sectors. According to Plastics Export Promotion Council of India Chairman Arvind Goenka, the import duty on plastic finished goods should be at least 5% higher than that of polymer raw materials.

Meanwhile, Council for Leather Exports (CLE) Chairman Sanjay Leekha recommended the reinstatement of the exemption for duty-free import of critical inputs for leather garments and footwear; and the extension of the basic customs duty exemption for the import of lining and interlining materials.

Leekha has also requested the reinstatement of basic customs duty on the import of wet blue, crust, and finished leathers, as the exemption was removed last year.

India’s own shipping line: Once again, the country’s exporting community has asked the Centre to give support to developing an Indian shipping line of global standards. India's dependence on global shipping companies has remained a major pain point for exporters, and the problem has been exacerbated further by rising freight costs.

The Federation of Indian Export Organisations (FIEO) asserted that there was a need to encourage large Indian entities to build an Indian shipping line of global repute as it would help reduce dependence on foreign shipping lines, and the government could provide support for that in the budget.

More PLI schemes: The PLI schemes have been specifically designed to provide support to domestic manufacturing in the sunrise and strategic sectors, reduce imports, improve the cost competitiveness of domestically manufactured goods, and enhance domestic capacity and exports. The schemes cover sectors such as automobiles and auto components, specialty steel, telecom and networking products, and electronic/technology products.

The government is considering proposals to extend the Rs 35,000-crore PLI scheme to other sectors such as leather, bicycle, some vaccine materials, and certain telecom products, with an aim to boost domestic manufacturing and create jobs, a government official said. PLI (production-linked incentive) benefits are also being considered for toys, some chemicals and shipping containers, which could further give impetus to exports.

Fiscal support and marketing: Exporters have asked the government to pay heed to its longstanding demand for the creation of a fund and offering credit at affordable rates, in the budget. These measures could achieve the twin objective of boosting exports and creating jobs.

The Federation of Indian Export Organisations (FIEO) said that the depreciation of the rupee against the US dollar was affecting exports' competitiveness, and due to that, the sector requires more support.

"Creation of employment is the biggest challenge faced by the country....We would urge the government to provide fiscal support to units that provide additional employment in the export sector," said the federation, adding that this would also assist workers in transitioning from informal to formal employment.

The FIEO also pointed out that due to global headwinds, most Indian companies have been reducing their marketing expenditure, which might hurt the visibility of Indian products in the international market.

"The support given under the Market Development Assistance (MDA) scheme, with a total allocation of less than Rs 200 crore, for promoting exports to $460-470 billion is just a drop in the ocean. Therefore, for aggressive marketing, there is a need for the creation of an Export Development Fund with a corpus of minimum 0.5% of the preceding year's exports," it added.

Source: economictimes.com- Jan 23, 2023

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## Early conclusion of India-UK free trade deal now "down to political will," British envoy Ellis

Even as India and the United Kingdom recently wrapped up round six of negotiations for a bilateral free trade agreement (FTA), Britain's High Commissioner Alex Ellis highlighted that after covering a lot of ground now the question is down to not just the technical details but political will on both sides to push for an early conclusion of the deal.

In the latest episode of 'Podcast with Smita Prakash', the British High Commissioner underlined the benefits of the India-UK free trade deal, which he says is underpinned by the mutual trust between the two countries.

"We are getting towards the end of this negotiation I would say. It's a long ascent up to any mountain, then you go through the valley for a long time, then you go up to the base camp, and then you do a short sharp ascent. That's what we are trying to do. Both countries want to do the deal and that's a big change," he said. in response to a question on the FTA.

Earlier the FTA, which aims to double bilateral trade by the year 2030 was expected to conclude by Diwali last year but the deal did not go through after it ran into problems. Now a seventh round of negotiations for the FTA is expected to resume in the UK in the next few weeks. Britain's new Prime Minister Rishi Sunak, the country's first leader of Indian descent had earlier conveyed his hope of finalising the trade agreement during a call with his Indian counterpart Narendra Modi.

The UK has signed trade deals agreements with 71 counties since its exit from the European Union in the year 2020.

"It's not a coincidence that we have done with Australia, again close partners with India. Both countries are also talking to Canada as well. We are going to start some negotiations with some Gulf countries as well," the UK envoy to India said.

The British High Commissioner explained that the trade negotiations between India and the UK will centre around how each side is willing to lower the traffic on some goods.

"How much openness can there be on the services on the Indian side? Pretty closed market. Can be opened a little bit more. Because it will be an opportunity for both India and UK," the British envoy said. Ellis said that

India will look for more opportunities for temporary mobility of workers and other issues around the investigation protection. "But we can see what those issues are. The question is down to not just technical details but political will. A lot of work is being done. We have actually closed half the chapters and we will close some more soon," the UK envoy said.

Responding to a question on student visas, the High Commissioner said the UK-India FTA will deal with the issue of temporary mobility of workers. He noted that India already gets a significant portion about 40 per cent of all skilled worker visas that the UK issues. "Students visas are a separate issue outside of the Free Trade Agreement," he added.

Reflecting on the FTA between the two countries, Ellis asked "We have to step back and think that why do we want to do this deal?"

"There are clear economic benefits to the deal. Our work shows that we published at the beginning of last year as we launched the negotiations, some figures about how much our GDP would benefit and that's also true for India as well," the UK High Commissioner to India said. Along with the economic benefit, he said the FTA will also benefit the flow of talent and ideas between the two countries.

The UK envoy also spoke about the strategic benefits to work towards maintaining a free and open Indo-Pacific area pointing out that India is one of the dynamic, fast-growing economies at the heart of the Indo-Pacific.

The UK government believes that tilting towards the Indo-Pacific will also help diversify its trade, make its supply chains more resilient and make the UK less vulnerable to political and economic shocks from around the globe. An FTA with India, says the UK will also cement its position as a leader among a network of countries committed to free trade, whilst strengthening like-minded democracies who are committed to ensuring mutual prosperity.

"Both (India and UK) want to increase trust between the two countries. India sees a big opportunity in becoming an alternative supplier to China in some areas and high-end manufacturing for example," he said. A case in point the envoy pointed is the trust between the two countries including the joint UK-India joint production of the Covishield vaccine.

Source: economictimes.com- Jan 23, 2023

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# In India-UK trade deal, focus on what is acceptable to both countries: Piyush Goyal

Commerce and Industry Minister Piyush Goyal has said that in the talks for the proposed free trade agreement between India and the UK, the focus is on what is acceptable to both countries and not allow sensitive issues to scuttle the discussions. He also said that student visas are never part of a free trade agreement (FTA).

India has recently concluded the sixth round of talks with the UK and the next round will be held soon.

Negotiations with the UK started on January 13 last year with an aim to boost bilateral trade and investments. The bilateral trade between the two countries increased to USD 17.5 billion in 2021-22 compared to USD 13.2 billion in 2020-21. India's exports stood at USD 10.5 billion in 2021-22, while imports were USD 7 billion.

"With UK , our approach is let's focus on what is acceptable to both the countries and let us not allow sensitive issues to scuttle our discussions," Goyal told reporters here.

When asked about a statement of a UK official that granting more students visas for India is not part of this agreement, Goyal said: "Have you ever heard of student visas being part of FTA? How many students go there (UK) to study? It's never a part of an FTA".

British trade minister Kemi Badenoch, who is in-charge of the negotiations, recently stated that the trade agreement is expected to be clinched this year but it won't involve any boost of free movement visa offers for Indians.

In an interview with 'The Times' recently, the UK Secretary of State for Trade also ruled out any major similarities between the FTA the UK struck with Australia post Brexit and the proposed deal with India.

Goyal said FTAs are never negotiated either in newspaper articles, news conferences or in public functions, and these agreements are "serious" functions that happened amongst officials and at higher political levels also discussed when required.

"That's hardcore negotiations and it has to be a win-win for both countries," he added.

Talking about the proposed trade deal with Canada, the commerce minister said that with Canada, India is looking at an early harvest agreement, which is called an early progress trade agreement .

In this, "we are hoping to capture the low hanging fruits, so that the businesses can start enjoying the fruits faster and when people start seeing the benefits," he added.

Replying to a query on India's decision to opt out from the trade pillar of the 14-member Indo-Pacific Economic Framework (IPEF), Goyal said if India would find it in the interest of the country, it will be happy to join that pillar.

India opted out from the trade pillar "because we do not know the final contours, we don't know whether there are any binding commitments, we don't know whether there will be any restrictions which can hurt our manufacturing or hurt our economy.

"So until we see exactly what are the contours that are there and what are the benefits that are there, until that time we have said, we will observe what you (13 members of the IPEF) all are doing ," he said.

India has not yet opted for it, as it is waiting to see what would be the final contours of this trade pillar and what it will get, he added.

The IPEF was launched jointly by the US and other partner countries of the Indo-Pacific region on May 23 in Tokyo. The 14 IPEF partners represent 40 per cent of global GDP and 28 per cent of global goods and services trade.

The framework is structured around four pillars relating to trade, supply chains, clean economy, and fair economy. India has joined three pillars - supply chains, clean economy, and fair economy.

India will host the next special negotiation round of the Indo-Pacific Economic Framework for Prosperity (IPEF) from February 8-11 next year.

On the PM Gati Shakti initiative, the minister said that besides efficient planning of roads and railways, PM Gati Shakti portal is being used for unique ideas.

Citing examples, he said the portal is helpful in finalising locations for the proposed PM Mitra (Mega Integrated Textile Region and Apparel) parks.

It is also used to match the BIS (Bureau of Indian Standards) and FSSAI (Food Safety and Standards Authority of India) labs with the industries.

"We have mapped all the labs of the country on the PM Gati Shakti platform...So if the cement industry is in one place, cement testing should be there, and not 500 km away," he said adding the platform is helping social sectors also.

He added that give lakh fair price shops have also been mapped and now "we are mapping" number of transactions on each shop, "so we will be able to know which are the shops where nobody goes, we can remove some of them and which are the shops which are over loaded".

Goyal was here to participate in the inaugural session of the B20 India Inception Meeting here, organised by industry chamber CII.

Source: economictimes.com- Jan 24, 2023

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## Demand drop: Textile industry seeks credit support, export aid

CHENNAI: The textile industry in Tamil Nadu seeks export incentives, interest subvention and additional credit support in the upcoming Union budget for 2023-24 financial year. Facing a slowdown in orders from western markets, especially from Europe, due to global economic slowdown and a higher inflation, the export driven Tiruppur knitwear industry urged the Centre to extend credit support for micro small and medium scale units (MSMEs) under Emergency Credit Line Guarantee Scheme (ECLGS). They demanded credit support up to 20% of the existing credit.

KM Subramanian, managing director of KM Knitwear and president of Tiruppur Exporters' Association (TEA), said buyers were delaying payments due to adverse conditions worldwide. "A 5% interest subsidy on export credit should be given to MSME and non-MSME manufacturers," he said.

Demand for textiles and apparels is 30-40% lesser in 2022 calendar year; October-December period witnessed a sharp decline in orders, said R Shakthivel, managing director of Daffodil Exports in Tiruppur. "Our exports were hit heavily since the Ukraine conflict began and Summer goods orders from European countries, a major category of textile orders to India, went down."

He added that the quantum of rebate under RoSCTL (scheme for Rebate of State and Central Taxes and Levies on Export of Garments and Made-ups) should be increased. The rebate under RoSCTL is given in the form of duty credit scrips.

Exporters believe that a free trade agreement with the UK could bring competitive advantage with Bangladesh and Vietnam in the export market. Around 2,000 textile units operate out of Tiruppur.

Dr K Venkatachalam, chief advisor to Tamil Nadu Spinning Mills Association, demanded the removal of import duty on raw cotton and imposition of anti-dumping duty (ADD) on imports of Viscose Staple Yarn. On the other hand, "There are reports of imposing ADD on Viscose Staple Fibre imported from China and Indonesia." Since this material was critical for the industry, ADD on it should be avoided, he said.

Handloom weavers' demand Small-scale handloom industry too is reeling from a slowdown in domestic sales, predominantly due to rise in input cost. The price rise of the key mix of gold and silver in zari (jarigai in Tamil) has resulted in an increase in Kancheepuram silk saree prices and dented sales.

J Kamalanathan, president of KS Parthasarathy handloom weavers association, said the Centre should exempt gold and silver used in zari from import duty. He also sought exempting raw silk from import duty. Since handloom weaving functions as a cottage industry, private and co-operative society weavers urged the government to spare them from GST.

**Major demands**

- Extend credit support for MSME textile units under ECLGS up to 20% to ensure cash flow
- Increase quantum of rebate under RoSCTL scheme
- Removal of import duty on raw cotton imports
- Imposition of ADD on imports of Viscose Staple Yarn
- Exemption of handloom weavers from GST; exemption of raw silk and other inputs from import duty

**Industry profile**

- TN ranks 1st in apparel production and 2nd in textile production in the country; TN constitutes 19% of the textile output and 40% of the spinning mills in India
- The state has 54 handloom clusters, highest in the country

Source: newindianexpress.com- Jan 23, 2023

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# Emergency credit guarantee scheme helped save 1.46 mn MSMEs: Report

The emergency credit line guarantee scheme (ECLGS), launched during Covid to help small businesses tide over losses due to lockdowns, has helped save at least 14.6 lakh MSMEs which benefited from Rs 2.2 lakh crore in additional credit, a report said on Monday.

According to an SBI Research analysis, this additional credit flow has saved around 12 per cent of the outstanding MSME (Micro, Small and Medium Enterprises) credit from slipping into NPAs. In terms of people, it saved the livelihood of at least 6.6 crore people, the report said.

The ECLGS has helped in boosting credit flow to MSMEs with at least 14.6 lakh of them being saved due to the scheme.

In absolute terms, loans worth Rs 2.2 lakh crore were flown into MSMEs from banks during the scheme. This means that around 12 per cent of the outstanding MSME credit has been saved from slipping into NPAs because of the scheme, and saving the livelihood of 6.6 crore people, SBI chief economist Soumyakanti Ghosh said in the report.

The report also noted that there is evidence of MSME units becoming larger with several units crossing the threshold of Rs 250-crore turnover and turning into mid-sized corporates by the new definition of MSME units.

With the change in MSME definition, in 2020 the government mandated all the MSMEs to register under the Udyam portal, which according to the report, is the way forward for the sector. A total of 1.33 crore MSMEs have Udyam certification now. As against this, the number of GST registration is only 1.40 crore.

The government recently launched Udyam assist platform, developed by Sidbi (Small Industries Development Bank of India), to bring all the informal micro enterprises into the formal ambit, which constitute around 99 per cent of MSMEs.

According to the report, the Udyam portal could potentially result in an MSME revolution and their entry into the ambit of formal credit mechanism and can result in around 50 million such micro units. Besides, states like Bengal, Uttar Pradesh, Tamil Nadu, Karnataka and Andhra could benefit with 2.6 crore registrations of such micro units.

The country has around 64 million MSMEs as against 140 million in China.

As per NSS 73rd round survey (2015-16), there were 6.34 crore MSMEs in the country, of which 6.30 crore or 99.47 per cent of the total were micro units, 3.3 lakh enterprises were SMEs and just 10,000 were medium units.

Of the total, as much as 3.25 crore enterprises or 52.3 per cent are in rural areas and the rest 3.09 crore enterprises or 48.8 per cent are in urban areas.

Source: business-standard.com- Jan 23, 2023

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# 'Export duty is not part of the price paid or payable for goods'

Q. Our client regularly exports raw rice, which attracts 20 per cent export duty now. How can we recover this duty amount from our buyer? Should we raise a separate invoice for the duty amount, or can we show it as a separate item in our USD invoice to the buyer? If we show the duty as a separate item, we fear it may add confusion in preparing the Shipping Bill. If the duty is shown as a separate item, will there be differences in the amount outstanding in EDPMS and actual realisations, especially when the buyer chooses to settle the invoice amount in parts?

In your case (per Section 14 of the Customs Act, 1962) the transaction value is the price paid or payable for the export goods when sold for export from India, for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale. The export duty is not part of the price paid/payable for the goods.

It is paid to the government by you and collected from the buyer, the same way that in a domestic transaction, the buyer is charged a certain sum for the supply of goods and the GST amount is shown separately in the invoice and the aggregate amount including the GST amount is collected from the buyer.

Similarly, you must show the export duty amount separately in the invoice and collect the aggregate amount from the buyer (whether in one or more instalments). Your Customs broker should have no difficulty in filing the shipping bill.

Q. Our foreign buyer has settled long-outstanding dues along with an additional amount towards interest for late payment on their own. This extra interest amount is not backed by any invoice from our (ie, the exporter's) side. How can we give disposal instructions to the bank for foreign inward remittance and what about the Purpose Code?

You can use the purpose code P0104, which is for "receipts against export of goods not covered by the GR/PP/SOFTEX/EC copy of shipping bill etc." I can't think of a more appropriate code.

Q. Our foreign buyers want multiple invoices but a single consolidated Bill of Lading. The issue is that one shipment has a FOB term and the other two invoices bear CFR and CIF Incoterms. Possibly they will resell to different end-users at the discharge port country. Could we (the Indian exporter) make it a reality?

The bill of lading (BL) is issued by a shipping company or its agent to evidence receipt of goods and contract of carriage. It can act as a title to the goods depending on how it is made out. An invoice is evidence of the description and quantity of goods sold, the unit price and the amount payable. There is no requirement that there must be a separate BL for each invoice. A BL can cover a number of invoices.

Source: business-standard.com- Jan 22, 2023

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# India among top 3 nations in expanding organic farming in 2020

India has emerged as one of the top three countries in the world where the area under organic agriculture expanded the maximum in 2020, according to latest data.

The total increase under organic cultivation globally in 2020 was 3 million hectares (mh), out of which Argentina accounted for 7,81,000 hectares (up by 21 per cent), followed by Uruguay at 5,89,000 hectares (28 per cent) and India at 3,59,000 hectares (16 per cent), according IFOAM -Organics International data.

Of the world's total 74.9 mh under organic farming, Australia has the highest at 35.7 mh, whereas India has 2.8 mh. In contrast, out of total 34 lakh organic producers in the world, 16 lakh farmers in India are into certified organic farming.

Experts said unless and until the government takes concrete steps, the growth in organic agriculture may not see any significant improvement. Issues such as the certification process and its costs are key to the growth and there is no one particular department or agency for it. Works are fragmented and span across several organisations and ministries, experts said.

Aid for farmers

As reported by businessline in December 2022, the Cabinet is yet to approve Agriculture Ministry's ₹2,481-crore proposal to launch the National Mission on Natural Farming (NMNF). The mission is supposed to be implemented from the current fiscal until 2025-26, with a target to bring on fold 7.5 lakh farmers to practice non-chemical natural farming on 7.5 lakh hectares. Under the scheme, farmers will get a maximum of ₹15,000/hectare (until 2025-26) depending on loss in income, if any, after switching over to natural farming.

The target realisation of enrolling 7.5 lakh farmers will take at least four years since the entire process of capacity building of farmers through formation of clusters, their certification and also organising them as FPOs is very slow, officials said. Since certification will also be there for these farmers, experts wonder how these products would get exported unless they are labelled as ‘organic.

For the export purpose, the government needs to take a call on branding under either organic or natural farming or some other name so that no one gets confused and the crops receive better prices in the market, said an expert.

Source: thehindubusinessline.com- Jan 23, 2023

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# Cotton yarn prices steady in north India; cotton prices down

North India's cotton yarn market continues to witness a sluggish trend this week as cotton yarn buying remains rangebound. Limited demand led to a stable trend in cotton yarn prices. There was no movement in the prices in Delhi and Ludhiana. Recycled yarn also remained stable in Panipat, while polyester staple fibre (PSF) prices were increased by RIL.

Limited buying in Ludhiana caused cotton yarn prices to remain stable. "Cotton yarn demand did not improve in the beginning of this week. There was nothing remarkable happening in Ludhiana's cotton yarn market," a trader from the city told Fashion2Fashion.

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

Similarly, cotton yarn prices were steady in Delhi today because of weak demand from the weaving industry. A trader from Delhi market said that export demand was slightly better, but not enough to support the prices. In Delhi market, 30 count combed yarn was traded at ₹280-285 per kg (GST extra), 40 count combed at ₹305-310 per kg, 30 count carded at ₹255-260 per kg and 40 count carded at ₹280-285 per kg.

Buying was limited in Panipat's recycled yarn market too, and prices were steady. Traders said that the current month is considered as slump season. Peak season, which is during September-November, also remained bearish due to global economic challenges and weak domestic as well as export demand.

In Panipat, 10s recycled yarn (white) was traded at ₹88-90 per kg (GST extra). 10s recycled yarn (coloured - high quality) was traded at ₹105-110 per kg, 10s recycled yarn (coloured - low quality) at ₹80-85 per kg and 20s recycled PC coloured (high quality) at ₹110-115 per kg. 30 recycled PC coloured (high quality) was prices at ₹145-150 per kg and 10s optical yarn at ₹100-110 per kg in the market.

Comber prices were noted at ₹150-155 per kg and recycled polyester fibre (PET bottle fibre) was noted at ₹80-82 per kg, as per TexPro. Last week, Reliance Industries Limited has increased price of PSF by ₹3 to ₹105 per kg. with effect from 21 February.

North India's cotton prices declined as they followed ICE cotton futures. Higher arrival of 18,000 bales of 170 kg each in north India also dampened market sentiments. Cotton prices lost ₹125-150 per maund of 37.2 kg. It was traded at ₹6,325-6,475 per maund in Punjab, ₹6,200-6,300 per maund in Haryana and ₹6,350-6,450 per maund in upper Rajasthan and ₹60,000-61,500 per candy of 356 kg in lower Rajasthan.

Traders said that the next few days will decide the market direction. Huge stocks of cotton with farmers may cause prices to decline constantly during the rest of the current season.

Source: fibre2fashion.com- Jan 23, 2023

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# Climate change: Punjab's cotton, maize yield to dip by 11-13% by 2050, says report

New Delhi: Climate change is predicted to reduce maize and cotton yield in Punjab by 13 per cent and 11 per cent by 2050, according to a new study conducted by agriculture economists and scientists at Punjab Agricultural University (PAU). Punjab accounts for around 12 per cent of the total cereals produced in the country.

The study published in the Mausam journal of the India Meteorological Department earlier this month used rainfall and temperature data collected between 1986 and 2020 to project the impact of climate change on five major crops -- rice, maize, cotton, wheat, and potato -- in the agrarian state.

The researchers collected climate data from five weather observatories of Punjab Agricultural University, ie Ludhiana, Patiala, Faridkot, Bathinda, and SBS Nagar.

The researchers -- agricultural economist Sunny Kumar, scientist Baljinder Kaur Sidana and PhD scholar Smily Thakur -- said that long-term changes in climatic variables show that the rise in temperature is driving most of the changes, rather than the change in rainfall pattern.

"One of the most intriguing findings is that changes in minimum temperature have resulted in changes in mean temperature throughout all growing seasons. It means that the minimum temperature has shown a rising trend," the report said.

A rise in minimum temperature is harmful to the yield of rice, maize, and cotton. On the contrary, excess minimum temperature is beneficial for potato and wheat yield, it noted.

"The climate impacts on crops will vary widely in kharif and rabi seasons. Among the kharif crops, maize yield is the most responsive to temperature and rainfall than rice and cotton. By the year 2050, maize yield would reduce by 13 per cent followed by cotton (about 11 per cent) and rice (about 1 per cent)," the report read.

The negative impact would accumulate by 2080. The yield loss will increase from 13 to 24 per cent for maize, from 11 per cent to 24 per cent for cotton, and from 1 per cent to 2 percent for rice, respectively.

"The yield response of wheat and potato would be pretty much the same for the year 2050. By the year 2080, with a significant change in climate, the yield of wheat and potato will be higher by around 1 per cent each," it said.

"Our results indicate that productivity decreases with an increase in average temperature in most of the crops. The adverse impact of climate change on agricultural production indicates a food security threat to the farming community," the researchers said.

The findings provide credence to the claim that the future climate scenario is not very welcoming. The results indicated that the climate-smart packages must be incorporated into the agricultural development agenda at the policy level, they said.

The study suggested focusing on linking farmers with financial institutions to boost their capacity to adapt to climate-smart technologies and practices.

Source: economictimes.com- Jan 23, 2023

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# India's RIL's revenue up 14.8% to $29.1 bn in Q3 FY23

India's Reliance Industries Limited (RIL) has posted a 14.8-per cent year-on-year (YoY) growth in revenue to ₹240,963 crore ($29.1 billion) in the third quarter (Q3) of fiscal 2023 (FY23), ended December 31, 2022. The company's consolidated EBITDA increased by 13.5 per cent YoY to ₹38,460 crore in Q3 FY23, while the profit after tax was ₹17,806 crore, up 06 per cent YoY.

During Q3 FY23, Polyester chain delta declined with lower margins in monoethylene glycol (MEG) and polyesters amidst slow downstream demand in China due to COVID lockdown and bearish global macroeconomic scenario. Polyester chain margin was at $488/MT during Q3 FY23 as against $632/MT in Q3 FY22 and $600/MT in Q2 FY23.

PTA markets remained muted amidst slower than expected downstream recovery. MEG markets remained sluggish amidst squeezed margins, higher China port inventory, capacity additions, and slower than expected downstream demand recovery in China. On a YoY basis, domestic polyester demand improved by 11 per cent during Q3 FY23. Polyester staple fibre (PSF) demand improved by 16 per cent supported by relatively higher cotton prices while polyester filament yarn PFY demand improved by 5 per cent. Polyester demand is expected to improve with upcoming wedding season in domestic market and shift in China's Zero COVID policy.

In Q3 FY23, RIL's retail segment recorded a revenue of ₹67,623 crore, up 17.2 per cent YoY. EBITDA was ₹4,773 crore, up 24.9 per cent YoY. Furthermore, RIL retail recorded highest ever footfall at 201 million across formats and geographies in Q3 FY23. Digital commerce and new commerce businesses grew 38 per cent YoY and contributed to 18 per cent of the RIL's retail revenue. RIL retail also strengthened its product offerings with acquisition of V Retail (Centro Footwear).

"Our teams across businesses have done an excellent job in delivering strong operating performance through a challenging environment. All segments contributed to the robust growth in consolidated EBITDA on YoY basis," said Mukesh D Ambani, chairman and managing director, Reliance Industries Limited.

Source: fibre2fashion.com- Jan 23, 2023

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