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INTERNATIONAL NEWS

China: Regional FTAs, shrinking negative lists bode well for trade activity

Since entering into force at the start of last year, the Regional Comprehensive Economic Partnership agreement, which spans 15 economies in the Asia-Pacific region, has been accelerating regional economic integration on multiple fronts including spurring trade and investment growth along with stabilizing regional industrial and supply chains.

During the first 11 months of 2022, China's exports to other RCEP member countries hit 6 trillion yuan ($889.9 billion), rising 17.7 percent year-on-year, or 5.8 percentage points higher than the overall growth rate of China's exports. Total import and export value between China and other RCEP member countries was 11.8 trillion yuan during the period, increasing 7.9 percent on a yearly basis.

China's nonfinancial outbound direct investment in other RCEP member countries was $16.43 billion during the period, surging 20.7 percent year-on-year.

China's actual use of foreign direct investment from other RCEP members was about $21.9 billion, up 40.2 percent year-on-year. In particular, FDI in actual use from South Korea and Japan increased 122.1 percent and 33.1 percent year-on-year during the period, respectively.

Thanks to its new standards such as cumulative rules of origin, the RCEP agreement creates an important institutional environment for members to deepen cooperation in industrial and supply chains, which enables them to give full play to their comparative advantages, promotes the improvement of the international division of labor, and stabilizes regional industrial and supply chains.

The agreement also helps deal with the "spaghetti bowl effect "caused by various overlapping free trade arrangements in the region and provides a basis for Asian economic integration.

As a modern, comprehensive, high-quality, mutually beneficial and large-scale regional free trade agreement, the RCEP features high-level provisions in areas such as intellectual property rights, e-commerce and government procurement. China's participation in the RCEP indicates the country's adoption of relatively high-level openness with regards to rules and standards.

Under the RCEP framework, tariff levels will be significantly lowered. More than 90 percent of trade in goods covered will eventually see zero tariffs, and more importantly, such tariff eliminations will be completed immediately or within 10 years, which means the FTA will achieve complete liberalization of goods trade in the region in a relatively short period of time.

The 15 RCEP member economies have all adopted a negative list approach and made relatively high-level openness commitments regarding foreign investment access in five non-service industries of manufacturing, agriculture, forestry, fishery and mining, which has greatly improved the policy transparency of all parties.

For the first time, China made investment openness commitments in the form of its negative list under an FTA, which is of great significance for the country to improve its foreign investment management system based on the pre-establishment national treatment plus the negative list model — all as part of efforts to expand market access for foreign investment.

However, as China actively seeks to join the high-standard economic and trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the country is setting higher openness goals. Compared with the RCEP, the CPTPP involves higher-standard openness in sectors including State-owned enterprises and designated monopolies, labor, transparency and environmental standards.

The CPTPP provisions also lead to higher levels of tariff liberalization and have more restrictions on subsidies. There are also differences in provisions of the two agreements involving intellectual property rights, e-commerce and the rules of origin. Based on the openness achievements China has made through implementation of the RCEP, the country's next-phase high-level opening-up will likely focus on pursuing high-level tariff reductions and elimination.

It may also extend the applications of the negative list-based approach to open up more industries, sectors and economic activities that are not stipulated on negative lists to foreign businesses, which will not only raise openness in trade in goods, but also increasingly improve openness in the services and investment sectors.

China will also likely include new FTA provisions on issues that have not been extensively covered in the FTAs it has already inked. These issues could include the digital economy, environmental protection, labor standards, competition policies and anti-corruption measures. The country is also expected to deepen domestic reforms to align with high-standard international economic and trade rules.

Facing the complexities and challenges in global situations, China must raise its openness levels in trade and investment with its trading partners to accelerate the establishment of the new dual-circulation development pattern, which takes the domestic market as the mainstay while letting domestic and foreign markets reinforce each other. However, China must better implement the negative list system while reducing the number of items on such lists.

In 2013, China launched its first negative list for foreign investment with around 190 items in the China (Shanghai) Pilot Free Trade Zone. Since then, items on the negative list for FTZs have been cut to 27 in the latest version after seven rounds of reductions, while that on the national negative list has been reduced from 93 to 31. In addition, the FTZ negative list has no items regarding foreign investment access to the manufacturing industry and the country has also launched the first negative list for cross-border services trade at Hainan Free Trade Port.

China should also keep deepening reform and expanding opening-up. More work should be done in the FTZs to explore innovative achievements that can be replicated and promoted, and lay a solid foundation for high-level opening-up.

So far, more than 3,400 pilot reform measures have been carried out in the FTZs, forming an important mechanism for mutually promoting reform and opening-up. A total of more than 1,700 institutional innovations have been replicated and promoted in the FTZs, and 278 institutional innovations have been replicated and promoted at the national level.

The country's standards on economic and trade cooperation are expected to constantly improve, as China has signed 19 FTAs with 26 countries and regions and implemented the new Foreign Investment Law.

Source: chinadaily.com.cn- Feb 06, 2023

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EU's industrial producer prices over 25% YoY in Dec 2022

In December 2022, industrial producer prices increased by 24.6 per cent in the euro area and by 25.2 per cent in the European Union (EU) on a year-on-year (YoY) basis, as per Eurostat.

In December 2022, industrial producer prices rose by 1.1 per cent in the euro area and by 1.2 per cent in the EU on a month-on-month (MoM) basis. In November 2022, prices decreased by 1.0 per cent in the euro area and by 0.9 per cent in the EU.

The annual average industrial producer prices for the year 2022, compared with 2021, increased by 34.4 per cent in the euro area and by 34.3 per cent in the EU.

Industrial producer prices in the euro area in December 2022, compared with November 2022, increased by 2.5 per cent in the energy sector, by 0.5 per cent for non-durable consumer goods, and by 0.4 per cent for durable consumer goods, while prices decreased by 0.5 per cent for intermediate goods. Prices in total industry excluding energy decreased by 0.1 per cent, according to a press release by Eurostat, the statistical office of the EU.

In the EU, industrial producer prices increased by 2.9 per cent in the energy sector, by 0.5 per cent for non-durable consumer goods, and by 0.4 per cent for durable consumer goods, while prices decreased by 0.5 per cent for intermediate goods.

Prices in total industry excluding energy decreased by 0.1 per cent. The highest monthly increases in industrial producer prices were observed in Ireland (+43.2 per cent), Bulgaria (+6.0 per cent), and Sweden (+4.4 per cent), while the largest decreases were recorded in Portugal (-3.2 per cent), Croatia (-2.6 per cent), and Slovakia (-2.5 per cent).

Industrial producer prices in the euro area in December 2022, compared with December 2021, increased by 48.6 per cent in the energy sector, by 15.6 per cent for non-durable consumer goods, by 13.8 per cent for intermediate goods, and by 9.7 per cent for durable consumer goods. Prices in total industry excluding energy increased by 12.3 per cent.

In the EU, industrial producer prices increased by 49.6 per cent in the energy sector, by 16.7 per cent for non-durable consumer goods, by 14.0 per cent for intermediate goods, and by 9.9 per cent for durable consumer goods.

Prices in total industry excluding energy increased by 12.8 per cent. The industrial producer prices increased in all member states, with the highest yearly increases being registered in Hungary (+62.7 per cent), Latvia (+49.4 per cent), and Romania (+41.9 per cent).

Source: fibre2fashion.com- Feb 06, 2023

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US-Kenya Trade Talks Take Aim at Textiles

The U.S. and Kenya will hold a first round of discussions surrounding their Strategic Trade and Investment Partnership (STIP) in Washington, D.C. this week.

Assistant U.S. Trade Representative (USTR) Connie Hamilton, alongside representatives from other government agencies, will lead conversations with Kenyan officials from Feb. 6-10 on areas for increased investment in the East African country's economic growth.

The talks will build on commitments made by USTR Katherine Tai and then-Kenyan Cabinet Secretary Betty Maina last July, when they launched STIP to enhance trade and promote sustainable and inclusive economic growth in Kenya to benefit workers, consumers and businesses, including SMBs, while supporting regional economic integration.

According to an USTR statement, the two governments share the goal of negotiating "high-standard commitments in order to achieve economically meaningful outcomes." Last August, the USTR's published request for comments in the Federal Register solicited input regarding agriculture, anti-corruption, digital trade, environment and climate action, good regulatory practices, "micro, small, and medium size enterprises," worker rights and protections, supporting the participation of women and youth in trade, standards collaboration, trade facilitation and customs procedures, and services domestic regulation.

Tai led the presidential delegation to Kenyan President Ruto's inauguration in September. Cabinet Secretary Moses Kuria confirmed that Kenya is interested in forging a strong trade partnership.

The program's success would support Kenya's fashion and textile sector, which has been lobbying for the extension of the African Growth and Opportunity Act (AGOA) before it expires in 2025. Kenya is one of 36 countries eligible for duty-free access to the U.S. market on more than 1,800 products under the trade agreement.

The continuation of those benefits "is key in any agreement the U.S. does with Kenya," American Apparel and Footwear Association (AAFA) vice president of trade and customs policy Beth Hughes told Sourcing Journal.

“A U.S.-Kenya STIP will benefit both trading partners in many ways but must include flexibilities that promote regionalization.”

“It is critical that in addition to being able to benefit from AGOA during a phase-in period, Kenya should still be able to draw upon the benefits from other AGOA countries especially for the apparel and footwear industry,” she said. “Moreover, AGOA countries must still be able to partner with Kenya. In the end, regionalization will encourage more AGOA countries to pursue bilateral agreements with the U.S.”

The Kenyan government recently announced new commitments to bolster its apparel and textile manufacturing sector. In January, Kenya’s State Department for Industrialization said the industry is a critical component of the administration’s plan to elevate the nation’s economic potential, saying it would invest $1.6 million to revamp and reopen garment factories. Today, Kenya exports 1,900 tons of yarn worth $8.8 million. The government also aims to open new ginneries to increase cotton product exports.

Source: sourcingjournal.com- Feb 06, 2023

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Vietnam-Asia trade reaches $475.3 bn in 2022; 9.6% rise YoY

Vietnam’s merchandise trade with Asia reached $475.29 billion last year, rising by 9.6 per cent compared to 2021, and accounting for the highest proportion (65.1 per cent) in the country's total import-export value.

Its exports to Asian nations reached $177.26 billion in 2022, up by 9.5 per cent year on year (YoY), and its imports from Asian nations hit $298.03 billion, up by 9.6 per cent YoY.

The country witnessed a trade deficit only with Asia among the five continents.

Major trade partners of Vietnam in Asia include China, the Republic of Korea, Japan, and the Association of Southeast Asian Nations (ASEAN).

Vietnam's total import-export value of goods reached $730.2 billion last year, up by 9.1 per cent compared to 2021, according to a report in a Vietnamese newspaper.

The value of imports and exports between Vietnam and Americas, Europe, Oceania, and Africa was $153.73 billion (up by 10.5 per cent YoY), $75.45 billion (up by 2.8 per cent YoY), $17.62 billion (up by 24.3 per cent YoY) and $8.1 billion (down by 3.9 per cent YoY) respectively.

Source: fibre2fashion.com- Feb 07, 2023

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Vietnamese Garment Industry Emerges as a Strong Competitor against China's Manufacturing Scene

Big companies sometimes need a helping hand. This year, many clothing firms were looking for top-notch, low-cost production services and turned to the leading company in the industry, Dony Garment in Vietnam.

Dony Garment CEO, Pham Quang Anh said: "Our partners turn to Dony time and time again to help create garments that will be sold all over the world."

Global partnerships in the US and Europe have long been a core part of Dony Garment's business, he said. Now, with the company moving away from the clothing needs of Chinese manufacturers, the company is up to the challenge while showcasing the quality and prices of Vietnamese producers.

"We've been excited to create another option for our Chinese counterparts and other wholesalers around the world who produce clothing and apparel that will be loved by millions."

He said wholesalers appreciated Dony's strict quality control while keeping prices below many competitors.

“Our main goal is to demonstrate that Dony and the entire Vietnamese garment industry should be the first choice for the production of well-made garments,” Pham said. “And we believe that our recent partnership with a wholesaler who has been a long-time buyer in the Chinese market can serve as a guide to bring more collaboration opportunities across the industry and consumers worldwide. "

In addition to a wide range of clothing options, Dony Garment also works with wholesalers to create bespoke products.

"We have a huge selection for just about every clothing need," says Pham. "From t-shirts, coats, pants, and dresses to hats and more, we are proud to offer virtually any type of faux apparel. Additionally, we can provide embroidered custom logos and screen printing on these items to meet the specifications our client. Our goal is to create a one-stop service for those wholesale clothing buyers. "

But top-notch clothing production is only the beginning of what makes Dony Garment stand out, he says.

"Our core value is customer satisfaction," says Pham. "Customer service is our number one priority and our team will work tirelessly to make sure you get the very best."

As one of the leading manufacturers in Vietnam, Dony Garment wanted to build a comfortable relationship that would highlight the talent and professionalism of Vietnamese people.

"Unlike other sales sites, Dony's doesn't just treat you as a number," says Pham. "We see you as a lifelong friend and treat you accordingly. Our goal is to develop long-term relationships with our clients so that we can do business together for years to come. Our dedicated team strives to provide a service that stands out from the crowd. "

"Our goal is to make all of our deals a win-win situation for everyone involved," he continued. "Whether you are a large or small business, we will work closely with you to ensure unrivaled garment quality."

Pham said that as they continue to develop their international partnerships, they will also continue to strive for excellence.

"Passion and expertise drive everything we do," Pham said. "Every aspect of our operations is driven by limitless quality, and we don't believe in half-hearted efforts. Our company's vision is to be a premier domestic manufacturer of quality apparel."

“As part of our broader vision, we want to reshape Vietnam into a wonderful country rich in value and resources. The garment manufacturing we create is of the highest quality in the industry because we believe in the potential of the country and its ability to produce high-quality products ability Provide resources to our global partners. "

There are several reasons why the world should choose Vietnam for garment outsourcing:

- Cost-effectiveness: Vietnam has a large pool of skilled and affordable labor, making it a cost-effective option for garment manufacturing.

- Quality: Vietnamese clothing manufacturers have a reputation for producing high-quality garments, thanks to their attention to detail and use of advanced technologies.

- Accessibility: Vietnam is well-connected to the rest of the world through its ports and airports, making it easy to import and export goods.

- Government support: The Vietnamese government has implemented policies to support the growth of the country's garment industry, including tax incentives and infrastructure development.

- Strong partnerships: Many international brands have established strong partnerships with Vietnamese manufacturers, providing a stable and reliable source of production.

- Strong supply chain: Vietnam has a well-developed supply chain, including a strong network of raw material suppliers and textile mills.

- Flexibility: Vietnamese manufacturers are known for their flexibility, allowing them to quickly respond to changing market demands and customer requirements.

These factors have contributed to Vietnam's growing reputation as a hub for garment outsourcing and have made it an attractive option for companies looking to manufacture high-quality garments at competitive prices.

Some other highly regarded garment companies in Vietnam: Viet Tien Garment Corporation, Kinh Bac City Development Holding Corporation, Saigon Garment Manufacturing Corporation, Phong Phu Corporation, NHA BE Garment JSC, Thai Nguyen Garment Corporation, Vinatex, Thanh Cong Textile Garment Investment Trading JSC, Viet Nhat Garment Company Limited, Dong Nai Garment Joint Stock Company, Hanoi Textile and Garment Company.

Source: einnews.com- Feb 06, 2023

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Cambodia-Malaysia trade rises by 23% YoY to $620 mn in 2022

The merchandise trade volume between Cambodia and Malaysia was worth $620.373 million last year—a rise of 23.33 per cent year on year (YoY). Cambodian goods exports to and imports from Malaysia amounted to $111.853 million and $508.520 million respectively, up by 10.40 per cent and 26.60 per cent YoY, expanding the country's trade deficit with Malaysia by 32.06 per cent to $396.667 million.

Cambodia's exports accounted for a 18.03 per cent share of the bilateral trade—down by 2.11 percentage points on a yearly basis, according to the general department of customs and excise.

Malaysia was Cambodia's 16th-largest trading partner for the third consecutive year in 2022, accounting for 1.18 per cent of the global total of $52.425 billion—up by 0.14 percentage points YoY, according to a report in a Cambodian media outlet.

In January this year, the Cambodian-Malaysian merchandise trade was to the tune of $41.57 million, down by 13.1 per cent from $47.86 million in December 2021 and down by 19.1 per cent from $51.36 million in November 2022.

Source: fibre2fashion.com- Feb 07, 2023

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Climate-smart agriculture helps double Azerbaijan's cotton production

Climate-smart agricultural (CSA) practices based on nuclear and related techniques have enabled farmers and researchers in Azerbaijan to more than double cotton production in a project supported by the International Atomic Energy Agency (IAEA) in partnership with the Food and Agriculture Organisation (FAO) of the United Nations. The new variety called 'cotton super' combined with CSA practices has helped increase the country's average of three tonnes per hectare to eight tonnes per hectare.

Implemented in 2021, the pilot, part of an IAEA technical cooperation project, focused on developing CSA guidelines for cotton production, training Azerbaijani researchers and progressive farmers in CSA practices and designing on-farm demonstration trials, according to the press release by the IAEA.

A further project, initiated in 2022 and focusing on strengthening best practices in soil, nutrient, and water management agricultural practices for cotton production, aims to help improve cotton productivity, as Azerbaijan's land is particularly vulnerable to climate change and soil degradation. The country's average annual temperature has risen by 0.4°C since 1991, with decreasing rainfall and more frequent extreme weather events, such as floods, droughts, or heat waves.

"Generally speaking, 60 per cent of improvement in crop productivity comes from capitalising on the strategic application of soil nutrients and water management," said Mohammad Zaman, a soil scientist at the Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture and technical officer of the project. "It's about the right amount, in the right way, at the right growth stage."

CSA practices involve the use of isotopic techniques to obtain essential information on how to optimise fertiliser use and increase the efficiency of agricultural production while maintaining soil health.

"When we started, Azerbaijan's soils were heavily degraded, the fertility was very poor, and so the soil did not have the capacity to provide all the essential nutrients required for the cotton growth," Zaman said. To address this, IAEA experts developed a complete package of nuclear and related farming techniques: from preparing soil and selecting the best cotton varieties to applying nutrients and irrigation to cotton fields and ensuring weed, pest, and disease control.

“Applying improved soil, nutrient, and water management practices along with using the cotton super variety has led us to increase our cotton productivity, quality, and profit,” said Sakhavat Mammadov, a farmer from Azerbaijan who took part in the pilot project and has been using CSA practices on his farm for the last two years.

Nuclear and related techniques help not only in increasing agricultural productivity but also in building resilience of agriculture systems to climate change. In Azerbaijan, the researchers used a technique involving nitrogen-15 (N-15), a stable isotope. Nitrogen plays an important role in plant growth and photosynthesis—the process whereby plants convert carbon dioxide and sunlight into plant food. Zaman explained that a lack of nutrients in the soil, such as nitrogen, leads to low and less nutritious yields. Excessive or incorrect application of nitrogen fertilisers, on the other hand, contributes to emissions of greenhouse gases and pollution of surface and groundwater.

Azerbaijan has in the past been a leading producer and major exporter of cotton, harvesting more than 830,000 tonnes in the 1980s, which provided up to a quarter of the country’s income. However, the transition to a free market and the rapid growth of other industries in the 1990s contributed to cotton losing its key role in Azerbaijan's economy, with production falling to a record low of 31,000 tonnes in 2009. The project outcome shows the significant potential of climate-smart practices in increasing agricultural productivity.

“Considering the total cotton growing areas of 105,000 hectares in Azerbaijan, a 10 per cent adoption of the IAEA CSA practices would produce 84,000 tonnes of cotton compared to 31,500 tonnes, representing a 166 per cent increase over conventional cotton farming practices,” added Zaman. “Seeing the extraordinary success in applying CSA practices in this project, provides an exciting indication and tremendous promise on how it can help Azerbaijan to increase their cotton production significantly and thus, greatly impact Azerbaijani economy.”

Source: fibre2fashion.com- Feb 06, 2023

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Earthquakes and Fire Shut Down Turkish Port

The Port of Iskenderun in southern Turkey has temporarily ceased operations after two major earthquakes rocked the center of the country and northwest Syria on early Monday morning local time, resulting in more than 3,800 reported deaths and many more injuries.

Images captured by Turkish state media Anadolu Agency showed black smoke billowing from a fire that broke out among dozens of shipping containers that collapsed at the terminal after one of the earthquakes. Another media outlet, Belarus-based Nexta, shared some of Anadolu Agency's footage in a tweet, showing videos of fire boats in the process of extinguishing the blaze.

A fire broke out in the port of the #Turkish city of #İskenderun on the border with #Syria after today's earthquakes. Dozens of cargo containers caught fire. Fire boats are also involved in extinguishing the fire. pic.twitter.com/XGFkBadyj9

Currently, maritime analytics and intelligence provider MarineTraffic says there are 28 vessels in the port, while there are 45 expected arrivals. There is no known timetable for when the Turkish port, located in the Gulf of Alexandretta on the country's Mediterranean coast, will begin operating again. Türkiye Cumhuriyeti Devlet Demiryolları (TCCD), the state-owned railway and infrastructure organization that operates the Iskenderun port, has not yet returned Sourcing Journal's request for comment.

Other commercial ports in the area appear to have not been affected, according to a tweet from Denizcilik Genel Müdürlüğü, the General Directorate of Maritime Affairs at Turkey's Ministry of Transport and Infrastructure.

"In the damage assessment made to our coastal facilities after the earthquake, it was determined that docks collapsed at Iskenderun Port, and that there was no negative situation in our other ports," according to a translation of the tweet.

On top of the concerns at Iskenderun, Turkey's state energy company Botas has suspended natural gas flow to affected provinces, but has not detected any damage to oil pipelines in the region.

In a letter to customers, ocean freight giant A.P. Moller-Maersk said there has been "significant damage to logistics and transport infrastructure" around the Port of Iskenderun as well as the Turkish districts of Pazarcik and Kahramanmaras, areas of which were in the direct epicenter of the first 7.8-magnitude earthquake.

"The port has unfortunately been subject to severe structural damage, leading to a complete stop of all operations until further notice," Maersk said. "Roads have also been heavily affected, and at this time vendors are not moving any trucks in and around the area."

Given the situation at Iskenderun, Maersk said it needed to change the destination for all bookings bound for the port or already on the water. The freight giant said it is currently planning to divert containers to nearby hubs within operational feasibility or hold them at transshipment ports, including Turkey's Port of Mersin and Egypt's Port Said. Maersk said it will reach out to businesses directly if their cargo is impacted by the contingency measures put in place.

All booking cancellations, amendments and changes of destination will be free of charge for Iskenderun and Mersin bookings throughout the month of February, Maersk said.

"It is not yet clear when the Port of Iskenderun will see a return to normal operations, but we will keep you informed as soon as we know more and continue to update our relief packages in line with customer needs," Maersk said. One of Turkey's leading apparel industry groups has set up a drive to help those impacted by the earthquakes.

The Istanbul Apparel Exporters' Association (IHKIB), which has a membership of nearly 21,000 exporters in Turkey and exported $21.2 billion worth of clothing out of the country in 2022, posted a message on its website and across social media, saying that it is now accepting donations of "all kinds of winter clothes, socks and underwear, winter shoes and boots, blankets, fleece, sleeping bags, baby diapers, electric stoves and dry food."

Source: sourcingjournal.com - Feb 06, 2023

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Bangladesh hosts half the top 100 LEED certified green factories across globe

India and Sri Lanka have six platinum rated factories each

Bangladesh has recently become the country that accommodates half of the world's top 100 LEED certified green industrial units as the local entrepreneurs have been investing in environment-friendly manufacturing facilities.

Of these top LEED certified factories in the country, 49 are in the apparel sector, while one is in the electrical appliances industry, according to the United States Green Building Council (USGBC).

After the Rana Plaza disaster in 2013, mainly the country's apparel sector entrepreneurs focused on issues related to carbon, energy, and environmental quality to enhance the industry's image at global level and to get more attention from reputed brands and retailers. Currently, Bangladesh has 187 LEED certified green factories, all but four of which are in the garment sector. Among these LEED certified garment factories, 63 are platinum rated, 110 gold rated, and 10 are silver rated.

KDS IDR Ltd, located in Kalurghat, Chattogram, was the latest Bangladeshi garment factory to receive the platinum rated LEED certification on 1 February 2023, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Sources at the BGMEA said 500 more garment factories are in the pipeline for getting LEED certification from the United States Green Building Council (USGBC) for their green initiatives.

According to the USGBC, China has only 10 platinum rated factories, the second highest following Bangladesh, while Pakistan ranked third with nine platinum rated factories.India and Sri Lanka have six platinum rated factories each, Vietnam and Taiwan have four each, while Myanmar and USA have only two such factories each.

Turkey, Indonesia, Ireland, Italy, Mexico, Poland, Paraguay, Romania and UAE have one LEED certified platinum rated factory each."The LEED certifications indicate that the country's apparel sector operates business in compliance with the rules related to environmental safety, water and energy saving, and the workers' welfare," said Mohiuddin Rubel, a BGMEA director involved in the green initiatives.

It is not mandatory for the factories to be green to get orders from the international clothing brands and retailers, but manufacturers still spend millions of dollars to become environment-friendly. In future, buyers might make it mandatory for the garment suppliers, he said.

Initial investment for building a green factory is about 30% higher than that required for a normal factory, but in the long run such a factory's operational cost is lower compared to others, which is why the manufacturers are taking green initiatives, he continued.

"None of the buyers are ready to pay any additional prices for the green initiatives, but they prefer placing orders in these factories, knowing that these suppliers make products in compliance with the rules related to environmental safety," said Rubel, expressing his frustration.

He further said the government should encourage entrepreneurs in this regard by providing policy support for green initiatives, adding that, "A 2% tax cut is not an attractive benefit for green factories considering its investment cost."

Echoing Rubel, Kutubuddin Ahmed, founder of the Envoy Textiles Ltd, the world's first platinum certified denim mills, said the buyers do not pay additional prices to the factories for taking green initiatives as they always want to get products at lower prices.

Fazlee Shamim Ehsan, CEO of the Fatullah Apparels Ltd, one of the highest rated platinum rated knitwear factories in the world also said the buyers do not pay additional prices for the green initiatives, but they may change their mindset in the future.

"We have invested millions of dollars to make the factories environment-friendly not solely for better prices but to protect nature while doing business," said Ehsan, who is also the vice-president of Bangladesh Knitwear Manufacturers and Exporters Association.

Source: tbsnews.net- Feb 06, 2023

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NATIONAL NEWS

India, EU set up bilateral 'Trade and Technology Council'

India and the EU have set up a new Trade and Technology Council (TTC), with a focus on trade, investment & value chains, digital economy and clean technology.

This follows the announcement by President of the European Commission Ursula von der Leyen and Prime Minister of India, Narendra Modi, on 25 April 2022 in New Delhi.

"It will allow India and the EU to tackle strategic challenges at the nexus of trade, trusted technology and security, and to deepen their bilateral relationship and help implement political commitments in these fields," according to a joint statement on the TTC issued by the two sides on Monday.

Working groups

Three working groups on strategic technologies, digital governance and digital connectivity; green and clean energy technologies; and trade, investment and resilient value chains, have been established under the TTC.

"The working groups will now start preparing for the first meeting of the TTC, which will take place before the next India-EU Summit," the joint statement said.

The TTC will be co-chaired on the EU side by Executive Vice-Presidents Margrethe Vestager and Valdis Dombrovskis, and on the Indian side by Minister of External Affairs S Jaishankar, Minister of Commerce and Industry Piyush Goyal, and Minister of Electronics and Information Technology Ashwini Vaishnaw, according to a statement issued by the EC.

Source: thehindubusinessline.com - Feb 06, 2023

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Fin Min issues framework to implement Vivad se Vishwas-I

Within 6 days of presentation of Union Budget, Finance Ministry has issued order to implement "Vivad se Vishwas-I" scheme for micro, small and medium enterprises (MSMEs). The scheme envisages relief by returning the forfeited amount for not fulfilling contractual obligation during Covid.

"Ministries have been asked to refund performance security/ bid security and liquidated damages forfeited/ deducted during the Covid-19 pandemic," an office memorandum (OM) issued by Expenditure Department said. In her budget speech, Finance Minister Nirmala Sitharaman had said: "In cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security will be returned to them by government and government undertakings. This will provide relief to MSMEs."

As per the latest estimates, share of gross value added (GVA) of MSME sector in all India GDP during 2020-21 was 26.8 per cent while the share of MSME manufacturing output in all India manufacturing output during 2020-21 was around 36 per cent. MSME sector is accounted for in growth rate figures. The estimates of national accounts of the country are based on data of organised as well as unorganised sector.

The OM has prescribed criteria to avail relief. It says the contractor/ supplier should be registered as MSME with Ministry of MSME, as on March 31, 2022. The original delivery period/ completion period was between February 19, 2020 and March 31, 2022.

Performance security

Those fulfilling specified criteria will be refunded 95 per cent of the performance security forfeited from them. 95 per cent of the bid security (Earnest Money Deposit), if any, forfeited from MSME firms in tenders opened between February 19, 2020 and March 31, 2022 will be refunded. 95 per cent of the Liquidated Damages (LD) deducted from such firms will also be refunded." LD so refunded shall not exceed 95 per cent of the performance security stipulated in the contract," OM said.

Further, in case any firm has been debarred only due to default in execution of such contracts, such debarment will also be revoked by issuing an appropriate order by the procuring entity. However, in case a firm has been ignored for placement of any contract due to debarment in the interim period (i.e. date of debarment and the date of revocation under this order), no claim will be entertained. “No interest shall be paid on such refunded amount,” the OM clarified.

The grant of relief will be monitored through Government e-Marketplace (GeM). MSME vendors will be able to register on GeM portal and enter details of the applicable contracts. The list of the procuring entities will also be available on the portal. The portal will notify the nodal officers of each procuring entity to verify the claim of the MSME vendor.

After due diligence, the nodal officer will refund the due amount and update the portal with the amount, date and transaction details of the payment. The portal will also provide reports to track pendency with each procuring entity. “The date of commencement of the process of applications for relief through GeM will be notified separately,” the OM said.

Source: thehindubusinessline.com - Feb 06, 2023

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UK industry body leads delegation to India to explore FTA opportunities

The Confederation of British Industry (CBI) has sent its first-ever business delegation to India on Monday aimed at unlocking opportunities from the Free Trade Agreement (FTA) being negotiated between London and New Delhi.

The industry body, which speaks on behalf of 190,000 UK businesses of all sizes and sectors, began a three-day visit covering Mumbai and New Delhi with some of the biggest names from British and Indian industries including HSBC, ICICI Bank, fintech firm Tide and wine and spirits major Pernod Ricard.

The CBI said the delegation will focus on key growth sectors where UK and Indian business can develop profitable partnerships, such as innovation and sustainability.

The UK-India relationship is going from strength to strength, so it is fantastic that the CBI is sending its first-ever business delegation to India, said Greg Hands, UK Minister for Trade Policy at the Department for International Trade (DIT).

India is on track to become the third largest economy with a quarter of a billion middle-class consumers by 2050 so the free trade deal we're negotiating with them could unlock huge benefits for UK firms, he said.

This visit comes against the backdrop of the UK preparing to host the seventh round of FTA talks with India.

According to the CBI, the potential pact could boost trade with India by GBP 28 billion a year by 2035 and increase wages across the UK by GBP 3 billion.

The trade delegation is aimed at bringing together UK businesses and key senior stakeholders from the British High Commission in New Delhi and the government of India to discuss growth opportunities in the Indian market.

With the free trade deal between the UK and India soon to be signed and agreements such as the UK-India Young Professionals Mobility scheme already in place now is the time for businesses to explore how to grasp the huge opportunities that India affords, said Syma Cullasy-Aldridge, CBI Chief Campaigns Director, who is leading the India delegation.

The CBI's first-ever delegation to India will put the promise of an FTA into practice helping businesses develop links with key stakeholders and supporting UK firms to go for growth around the world, she said.

The CBI said the visit aims to share knowledge on how to scale up unicorns and address ways to increase trade in green goods and services between the two countries and contribute to net zero ambitions.

On the delegation's agenda is the development of sustainable infrastructure, access to sustainable finance and navigating any trade barriers related to the sector in the country.

Gurjodhpal Singh, the CEO, Tide India, said: Tide has had significant support from the Indian government's ease of doing business' drive, and from a wide array of government stakeholders in India and the UK. We're also now embedded in the country's fintech ecosystem and its financial services industry.

We are excited to be part of the first CBI delegation from the UK to India, and applaud their efforts to support the government of India's commitment towards creating an even easier and business-friendly environment in the country.

According to official UK government data, bilateral trade currently stands at around GBP 29.6 billion a year, which is expected to receive a major boost with the FTA deal that both sides hope will be concluded this year.

Source: business-standard.com - Feb 06, 2023

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India, Qatar discuss ways to strengthen maritime cooperation

Union Ports, Shipping and Waterways (MoPSW) minister Sarbananda Sonowal on Monday met Minister of Transport of Qatar Jassim Saif Ahmed Al-Sulaiti and discussed ways to strengthen the bilateral maritime cooperation, according to an official statement.

The statement said India-Qatar cooperation in diverse sectors has been steadily growing in an excellent framework led by historical close ties, regular and substantive engagement.

"Fruitful discussions were held on commitment to strengthen the bilateral maritime cooperation, including interaction between Indian ports and Qatari ports to share best practices in areas of port operations, logistics, supply chain management, and digitalisation," the statement said quoting Sonowal.

India's bilateral trade with Qatar in 2021-22 was USD 15.03 billion. India's export to Qatar during 2021-22 was USD 1.83 billion and India's import from Qatar was USD 13.19 billion.

According to the statement, in 2021, India was among the top four largest export destinations for Qatar and also among the top three sources of Qatar's imports.

The statement further said that the year 2023 marks 50 years of establishment of full diplomatic relations between India and Qatar.

Jassim Saif Ahmed Al-Sulaiti is on an official visit to India from February 5-8, 2023.

Source: economictimes.com - Feb 06, 2023

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Agri Ministry mulls new certification system for organic cotton, derivatives

The Ministry of Agriculture and Farmers Welfare plans to come up with a new certification system for organic cotton and its derivatives as part of its efforts to promote Indian export.

The initiative comes after representations from service organisations to Prime Minister Narendra Modi seeking the notification of the "Indian Standard for Organic Textiles" to protect Indian organic cotton and the textiles industry.

To come up with the new certification system, the Ministry of Agriculture and Farmers Welfare has set up a committee to look into the issues of organic certification of cotton and its derivatives.

Stakeholders feedback

The committee will consider the possibility of launching the new certification system under the Agriculture Ministry with the National Accreditation Board for Certification Bodies and the Quality Council of India being part of it.

As part of this initiative, the Agriculture Ministry will hold a stakeholders meeting in New Delhi on Tuesday, where the "need and relevance for another certification system with special focus on cotton and textile value chain" will be discussed.

The stakeholders have been urged to suggest the scope of the sector to be covered, collect and provide feedback from various stakeholders, including private label operators, a communication sent by the Ministry said.

Current market control

Last month, a Chennai-based service organisation wrote to Modi on how India remains a raw material supplier to Bangladesh due to the lack of a domestic textile standard for organic cotton.

Currently, private organic textile standards such as Global Organic Textile Standards (GOTS) and Textile Exchange control the global market, reducing India to a mere raw material supplier in the organic textile segment, the organisation said.

On November 18, 2014, the Directorate-General of Foreign Trade (DGFT) issued an order on “Procedure for Export of Certified Organic Products”. The export of organic textiles was brought under Indian Standard for Organic Textiles through the notice.

Seeking deferment

However, the organic textile industry urged the Centre to defer the implementation of the Indian standard to adjust to the new regime. On December 18, 2014, the order was stayed by the DGFT until further orders.

On May 5, 2015, the DGFT issued another order saying that the procedure for export of all certified organic products, included in the National Programme for Organic Production (NPOP), will come into effect, except for textiles from June 1, 2015.

Currently, manufacturers and exporters of organic textiles are getting certified under GOTS to promote India’s organic textiles. But, Germany-based GOTS is not a government label but a “private standard” and “private label”.

As there is no link between NPOP and GOTS, the quantity of organic cotton produced under NPOP and taken as input by certification bodies or trade is a grey area and matter of concern, the Chennai-based organisation contended.

‘Do reconciling audit’

Trade and certification bodies are allegedly rotating the same stock of organic cotton to generate a large volume of organic textiles. The real situation will be known only if a “reconciling audit of organic textile goods produced under GOTS and organic cotton” is done.

The request to defer the 2014 order to implement the Indian Standard of Organic Textiles was because it was “far superior” to GOTS. The textile industry sought one year for implementing the standard. Seven years have since passed since then for manufacturers and exporters to have "voluntarily complied" with the Indian standard.

The organisation pointed out that in the value chain of organic textiles, the government's monitoring ends with organic cotton. This leaves its derivatives such as yarn, fabrics, made-ups and garments unregulated.

As a result, the country is dependent on private standards to promote organic textiles in domestic and international markets.

Trade sources said the Agriculture Ministry's initiative on setting up a panel is primarily to promote indigenous varieties of cotton and organic cotton and their derivatives.

Source: thehindubusinessline.com - Feb 06, 2023

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In Charts: How India can reduce dependence on China for imports by leveraging PLI schemes

The production-linked incentive scheme, which is a flagship offering of the Narendra Modi government, has been touted as one which would eventually help make India a robust manufacturing machine and a credible alternative to China. The PLI schemes envisage a cumulative $21 billion investment.

In March 2020, India had announced the PLI schemes across 14 sectors including automobiles, auto components and electronics amongst others at an outlay of Rs 1.97 lakh crore, under the 'Aatmanirbhar' Bharat mission.

The government is planning to extend the PLI schemes worth Rs 35,000 crore to different sectors such as containers, electrolysers, power transmission equipment, etc.) to ensure manufacturing CAPEX continues to remain elevated beyond FY26.

These 14 sectors currently constitute around 40% of the total imports. The share of China in India's total imports have already declined from 15.5% in fiscal 2021 to 13.7% in FY23 (Apr-Nov).

India's Import dependence on China

% Share of Chinese Imports in total imports	Apr-Nov 21		Apr-Nov 22	
	No of products	Amount ($ mn)	No of products	Amount ($ mn)
0-10	1287	1894	1675	1791
10-20	816	4018	730	4792
20-30	706	5237	604	4313
30-40	550	8898	556	5423
40-50	461	9139	439	8571
50-60	476	9724	441	5121
60-70	428	6556	379	4923
70-80	386	9088	341	10824
80-90	364	5486	381	4235
90-100	893	7588	840	5485

Source: Ministry of Commerce, SBI Research.

In FY23 Apr-Nov 22, there were 6,386 products with total value of $55 billion (or 13.7% of the total imports) imported by India from China. SBI Research estimated the import dependence of each product on China, by checking the share of Chinese imports in India's overall imports of these categories.

Sectors with concentration of more than $ 100 million product imports with more than 50% import dependence

HS Section	Description	Amount ($ million)
16	Machinery & mechanical appliances; electrical equipments, sound recorders & reproducers, television image & sound recorders and reproducers, parts and acessories of such articles	10544
6	Products of the chemicals or allied industries	4607
11	Textile & Textile articles	599
15	Base Metals & articles	265
17	Vehicles, aircraft, vesseles and transport equipment	262
5	Mineral Products	166
7	Plastic, Rubber & articles	141

Source: Ministry of Commerce, SBI Research.

Sectors with concentration of more than $ 100 million product imports with more than 50% import dependence

It found that the maximum aggregate value ($10.8 billion) is of the products in which India's import dependence on China is between 70-80%, although the number of products is lower.

Imports from China in sectors where PLI has been announced ($ mn)

	Apr-Nov 22	FY 23 (P)
Agriculture goods	291	437
Electronics	21328	31992
Textiles	2254	3380
Chemicals	14251	21377
Total imports from China in PLI sectors	38124	57186
If we reduce our dependence by 10%, addition to GDP	3812	5719
If we reduce our dependence by 20%, addition to GDP	7625	11437
If we reduce our dependence by 30%, addition to GDP	11437	17156

SBI Research

Although number wise the imports were highest in the category where India's dependence was lowest (0-10%), the value is not that high at around $1.8 billion.

When it looked at the data where the import value was between $100 million and $500 million, where the import dependence was more than 50%, the sectors in which the imports are concentrated are Chemicals especially Organic, Machinery and Mechanical appliances and Electrical Machinery, Textiles and Textile Articles, Motorcycle Accessories, Oxygen Therapy Apparatus etc.

In FY23 Apr-Nov'22 period, of $55 billion of imports from China, around $38 billion is commodities and goods where PLI scheme has been announced (textile, agri, electronics goods, pharmaceuticals & chemicals). Projecting imports for the full year FY23, total imports of these goods could be $57 billion. "If by leveraging PLI scheme we can reduce our dependence on China even to the extent of 10%, then we can add around $6 billion to our GDP and overtime if our dependence is further reduced by 30%, we can add $17 billion to GDP because of the incentives to domestically manufacture these goods owing to the PLI scheme," said SBI Research in a note.

Even Kotak Mahindra Bank in its 2023 outlook report noted that India is likely to get a structural push to manufacturing coming from China plus one strategy (a strategy in which companies diversify their businesses to alternative destinations other than China) and PLI schemes.

"The emergence of Europe plus one theme due to the looming energy crisis in Europe would bode well for India as it becomes an attractive investment destination given its lower cost advantage and macro stability of the country," the report said.

The bulk of the production-linked incentive (PLI) capex that companies have to put in will be concentrated between FY24 and FY26 as most of the major sectors start manufacturing activities from FY24 onwards, according to a report by ratings firm ICRA.

The rating agency said that over the past couple of years, the PLI schemes have had encouraging bids across sectors, but the deployment of capex is expected to pick up only in FY24 for more than 80% of the invested projects such as semiconductors.

Rohit Ahuja, head of research and outreach at ICRA, said, "Based on our calculations, the annual CAPEX from the PLI schemes are expected to cross ₹1 trillion from FY24 and may peak out at ₹1.7 trillion in FY26. Hence, FY24 could be an inflexion point for a surge in India's manufacturing CAPEX."

A recent report from implementing ministries/ departments shows around Rs 47,500 crore ($6 billion) of actual investment has been made; production/ sales of Rs 3.85 lakh crore (US$ 47 billion) of eligible products and employment generation of around 3 lakh has been reported and 106% achievement of actual investment reported versus the corresponding projections of FY22.

Some of the latest developments under the PLI programme include the launch of a design-led PLI in June 2022 to promote the entire value chain in telecom manufacturing and to build a strong ecosystem for 5G as part of the PLI Scheme for Telecom & Networking products. As per the Economic Survey, approvals under this Scheme have already been granted to eligible companies.

In September 2022, the Cabinet approved PLI Scheme (Tranche II) on 'National Programme on HighEfficiency Solar PV Modules', with an outlay of Rs 19,500 crore to build an ecosystem for manufacturing of high-efficiency solar PV modules in India, thus reducing import dependence in the area of renewable energy.

PLI Scheme - Major Sectors

Sector	Outlay (Rs Cr)	Export Growth (YoY%) in FY23*	% Share	
			Apr-Nov 21	Apr-Nov 22
Automobile & Auto Components	57,042	10%	4.2	4.2
Advance Chemistry Cell (ACC) Battery	18100	47%	1.01	1.35
Food Products	10900	15%	8.77	9.13
Textile Products: MMF segment and technical textiles	10683	-15%	10.12	7.76
Telecom & Networking Products	12195	72%	1.74	2.72
Pharmaceuticals drugs	15000	4%	5.70	5.34
Specialty Steel	6322	6%	2.83	2.73
White Goods (ACs & LED)	6238	58%	34.12	49.03
Electronic/Technology Products	45831	52%	3.44	4.75
Total	197291			

Source: SBI Research

SBI believes PLI has already started yielding the intended results. "For example, export in Electronics space reported a 2.3x jump in FY23 (April to Nov) as compared to the same period in FY21. Further, investment announcements in Electronics sector increased to Rs 2.63 lakh crore in FY23 (April to Dec) from Rs 0.75 lakh crore in FY22 reflects traction in the space post PLI.

"The amount announced by the Government is not even 1% of the GDP and that too spread over 5 years. The number of jobs and incremental production that it is expected to bring is huge. Some have suggested that the scheme amounts to unnecessary subsidy burden on the Government and the cost of this scheme is much more than the benefits. However, if we look at the petroleum subsidy it has declined over the years. During FY12 to FY15, the total petroleum subsidy amounted to Rs 3.11 lakh crore, it has reduced to Rs 2.01 lakh crore during FY16-FY24, a reduction of Rs 1.09 lakh crore," said Doctor Soumya Kanti Ghosh, Group chief economic adviser at SBI.

Source: timesofindia.com - Feb 06, 2023

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Interest-Free Credit Support to Micro-Units

As informed by Department of Financial Services (DFS), Indian Banks' Association (IBA) has been advised to devise a credit card, in consultation with Reserve Bank of India and other stakeholders, similar to Kisan Credit Card (KCC) that provides a card to operate the Cash Credit limit sanctioned to MSMEs for their working capital requirement.

As per forty-sixth report of Parliamentary Standing Committee on Finance, SIDBI in association with Government of India is developing a Vyaapar Credit Card (VCC) aimed at providing access to formal bank credit for MSMEs.

As reported by DFS, all credit decisions, including interest, are taken by banks in terms of their Board approved policies and as per extant guidelines/regulations of RBI.

This information was given by the Minister of State for Micro Small and Medium Enterprises, Shri Bhanu Pratap Singh Verma in a written reply to the Rajya Sabha.

Source: pib.gov.in- Feb 06, 2023

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COVID-19 Relief Package for MSMEs

One of the major schemes announced under Covid 19 relief package was Emergency Credit Line Guarantee Scheme (ECLGS) with coverage of Rs 3.00 lakh crore.

The coverage was further enhanced to Rs 4.50 lakh crore and subsequently to Rs 5.00 lakh crore, with an amount of Rs. 50,000 crore allocated to hospitality and related sectors.

The criteria for relief package under ECLGS include (i) credit outstanding not exceeding Rs 50.00 crore as on 29.02.2020/31.03.2021/31.01.2022 for business in any sector; (ii) credit outstanding above Rs 50.00 crore and upto Rs 500 crore on the mentioned dates for businesses belonging to healthcare sector or one of the sectors identified by the Kamath Committee; (iii) credit outstanding for any amount on the mentioned dates for businesses in hospitality and related sectors; (iv) days past due not exceeding 60 days on the mentioned dates; (v) account not being an Non Performing Asset (NPA) on date of sanction/disbursement.

Under ECLGS, against the announced package of Rs 5.00 lakh crore, guarantees for loans amounting to Rs. 3.60 lakh crore has been issued i.e. 72%.

ECLGS was formulated to ensure extension of credit support upto the extent specified to all businesses (including MSMEs) having loan outstanding upto Rs 50.00 crore, unless the borrower opted out or was found ineligible.

This information was given by the Minister of State for Micro Small and Medium Enterprises, Shri Bhanu Pratap Singh Verma in a written reply to the Rajya Sabha.

Source: pib.gov.in- Feb 06, 2023

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India will not merge GST tax rates in 2023-24: Revenue Secretary Malhotra

India will not overhaul its Goods and Services Tax (GST) regime in the next fiscal year, a senior official said on Monday, delaying a move it has been considering for more than a year to simplify its tax structure and reduce the burden on consumers.

The country currently has five tax rates for GST, which was introduced in 2017, bringing numerous state taxes under one umbrella. They range from 0% to 28%.

In 2021, the government considered overhauling the tax by merging two of the tax rates, and lowering the levy on a host of items. Some have criticised the five-year old regime for having too many tiers.

"Right now, we are just looking to maintain stability (in tax rates), a stable tax regime. Minor changes will always be there... major taxation change like merger of tax rates, we are not contemplating in 2023/24," Revenue Secretary Sanjay Malhotra said in an interview.

Malhotra said the government would ultimately want to have fewer tax bands but did not give a timeline.

"We would want fewer tax rates, fewer disputes...that is certainly the goal to have fewer rates... and there may be scope to reduce tax slabs... that may be done in some point in time, but not now," said Malhotra.

The Indian government is also looking to simplify its taxation structure for custom duty, which falls outside the GST regime, by having fewer rates.

"Going forward, we would like to have fewer customs tax rates as well," Malhotra said Monday.

Finance Minister Nirmala Sitharaman, who presented the 2023/24 budget last week, projected 12% growth in net GST collection for the federal government. For 2022/23, the government aims to collect 8.54 trillion Indian rupees ($103.20 billion).

The government also aims to collect 250 billion rupees through a windfall tax on petrol, turbine fuel and diesel that was imposed from July 2022.

The government took away a 5% concessional tax rate for foreign portfolio investors (FPIs) on interest income from debt securities, but Malhotra said investors will not be adversely affected by the move.

India has signed tax treaties with most countries, which require FPIs to pay 10% tax on interest earned from government securities and corporate and foreign currency bonds, as against 5% tax applicable earlier, he said.

"Giving a lower tax rate will not help many of the funds because they would be required to pay taxes in their own countries. And to the extent of taxes they pay in India, they get a higher setoff in their country," he said.

Source: business-standard.com- Feb 06, 2023

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International brands return to local apparel makers after four months

Apparel manufacturers from Tiruppur said brands are keen to buy garments in the price range of $5-$7 and are shying away from fashionable items.

Global brands like Guess, Tommy Hilfiger, Zara, Mango, H&M and others have started sending enquiries and placing orders, though in lower quantities compared to last fiscal, with the Indian apparel manufacturers after a gap of four months.

Apparel manufacturers from Tiruppur said brands are keen to buy garments in the price range of $5-$7 and are shying away from fashionable items.

"The apparel exporters are witnessing some movement in the US and Europe unlike the previous months. A clearer picture on order position will emerge in March and April," said Narendra Goenka, MD of Texport Industries and chairman of Apparel Export Promotion Council.

Source: economictimes.com- Feb 07, 2023

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Govt streamlines rules for settlement of disputes among CPSEs

The department of public enterprises (DPE) has streamlined the existing guidelines for settlement of commercial disputes among central public sector enterprises (CPSEs). It has institutionalised a better monitoring mechanism for faster resolution of disputes.

According to the latest notification, the decision taken by the committee of secretaries (CoS) / appellate authority will be implemented by the concerned CPSEs within one month from the date of the decision. And, the action would be updated on the web portal of the DPE.

In 2018, the DPE had issued an office memorandum, wounding up the Permanent Machinery of Arbitration (PMA) for settling such disputes.

It transferred all pending cases to a new decentralised Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) having two tiers. A CoS formed the first level and the cabinet secretary was at the second level.

“The changes in dispute resolution have been made to make the mechanism more effective and binding. There were certain occasions on which certain CPSEs failed to comply with the norms and they directly approached the cabinet secretary for resolution,” an official said.

An appeal against the decision of the CoS can be made before the cabinet secretary at the second level within 30 days of the receipt of the decision. Earlier, this appeal had to be made within 15 days.

At the first level, the committee would consist of secretaries of the administrative ministries / departments to which the disputing CPSEs / parties belong as well as the secretary in the department of legal affairs. If the disputing parties belong to the same ministry / department, the DPE secretary will also be a part of the committee.

“In case the dispute remains unresolved, even after consideration by the above committee, the same will be referred through DPE at the second level to the cabinet secretary, whose decision will be final and binding on all concerned,” the statement said.

This mechanism excludes disputes relating to railways, income tax, Customs and the excise department.

The DPE would be the nodal agency for capturing all details related to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) cases through its portal (psesurvey.nic.in).

The portal will also have the monthly report about pending cases, which will be sent to the cabinet secretariat. The portal will also be the platform to raise an appeal to the cabinet secretary.

Source: business-standard.com- Feb 06, 2023

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Cultivators to gradually shift from BT Cotton to TNAU's Co17 variety

Cotton farmers in Perambalur district, where the transgenic BT (bacillus thuringiensis) Cotton crop has been the mainstay, are learning to gradually evaluate the benefits of cultivating Co17 seed variety which is promoted by the Tamil Nadu Agricultural University.

The main reason for the large-scale cultivation of BT Cotton has been its resistance to bollworm and other pests. However, a need has risen to evaluate the issue of labour shortage causing a decline in the area of cultivation.

According to S. Somasundaram, Associate Professor and Head of the Research Station at Veppanthattai in Perambalur district, cotton cultivation has shrunk to 13,000 hectares in Perambalur, where cotton and maize crops are raised in most of the cultivable area.

The main advantage of Co17 variety seed was that the farmers could get a yield of 24 to 28 quintals per hectare, produce seeds on their own. This variety was also suitable for mechanisation that has paved way for high density planting system, pneumatic seed sowing, tractor operated self propelled boom spraying and use of mechanical spindle harvester.

Mechanisation of cotton farming will decrease labour requirement from 240 man days per hectare to 60 man days per hectare. The CO17 variety was ideal for mechanical harvesting and high-density planting wherein one lakh plants are raised per hectare. This is not possible in the case of BT Cotton, Prof. Somasundaram said.

High-density planting was suitable for mechanised weeding with power tiller, sub-surface drip irrigation and use of machines for harvesting.

Officals of Agriculture Department esitmate that as much as 30% of the production cost goes for harvesting, and hence, mechanised harvesting was a must to increase the area of cotton cultivation in the district.

Source: thehindu.com- Feb 06, 2023

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