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# IBTEX No. 29 of 2023 February 09, 2023


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| Currency Watch | |
|---|---|
| USD | 82.62 |
| EUR | 88.70 |
| GBP | 99.88 |
| JPY | 0.63 |

## INTERNATIONAL NEWS

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# INTERNATIONAL NEWS

## China ready to restart economic, trade exchanges with Australia

China is ready to restart the economic and trade exchange mechanism with Australia, according to its commerce minister Wang Wentao, who recently told Australian trade minister Don Farrell that his country is also willing to expand cooperation in emerging areas like climate change and new energy, and promote high-quality development of bilateral trade ties.

China and Australia are each other's important economic and trade partners, with highly complementary economic structures and mutually beneficial and win-win bilateral economic and trade cooperation, Wang told Farrell via a video conference.

The 20th National Congress of the Communist Party of China stressed that China would unswervingly open wider to the outside world, and a developing and open China would bring more opportunities to Australia and other countries, Wang was quoted as saying by a state-controlled media outlet.

He hoped that Australia would work with China to strengthen communication and coordination in the economic and trade fields and seek mutually beneficial solutions to issues of respective concerns.

China is closely following Australia's tightened security review of Chinese companies' investment and operations in Australia and hopes that Australia can appropriately handle relevant cases and provide a fair, open, and equal business environment for Chinese companies, Wang added.

Source: fibre2fashion.com - Feb 07, 2023

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# US Cargo Imports Close in on Early Pandemic Volumes

In February, import cargo volume at major U.S. ports is expected to drop to nearly its lowest level since the early innings of the Covid-19 pandemic, according to the Global Port Tracker report released Tuesday by the National Retail Federation (NRF) and maritime and trade consultancy Hackett Associates.

February's forecast for U.S. ports monitored by the tracker estimate they'll handle 1.57 million TEUs, a 25.6 percent decline from the 2.11 million TEUs of cargo volume last year. This would be the slowest month for cargo containers since 1.53 million TEU in May 2020, when many factories in Asia and most U.S. stores were closed amid the pandemic's outbreak. Since the beginning of the pandemic, only the 1.51 million TEU recorded in February 2020 and 1.37 million TEU in March the same year have been lower.

The expected 1.57 million TEUs is down from last month's estimates for February which projected 1.63 million TEUs.

"With the U.S. economy slowing and consumers worried by rising interest rates and still-high inflation, retailers are importing less merchandise," said Jonathan Gold, vice president for supply chain and customs policy, NRF. "February is traditionally a slow month, but these are the lowest numbers we've seen in almost three years. Retailers are being cautious as they wait to see how the economy responds to efforts to bring inflation under control."

U.S. ports covered by the Global Port Tracker handled 1.73 million TEUs in December, the latest month for which final numbers are available. These totals were down 2.6 percent from November's 1.78 million TEUs and down 17.1 percent from December 2021, when 2.09 million TEUs were handled.

The year-end totals brought 2022, which broke multiple monthly records in the first half of the year but saw significant drops in the second half—to an annual total of 25.5 million TEU, down 1.2 percent from the annual record of 25.8 million TEU set in 2021.

"In some ways, 2023 is reminiscent of 2020, when the world's economies shut down because of the pandemic and no one had a clue where we were headed," Hackett Associates Founder Ben Hackett said. "Cargo volumes are down, and the economy is in a contradiction of rising employment and wages that promise prosperity at the same time high inflation and rising interest rates threaten a recession. The economy is far from shut down, but the degree of uncertainty is very similar."

Ports have not yet reported January numbers, but Global Port Tracker projected the month at 1.78 million TEU, which would be down 17.6 percent year over year from the 2.16 million TEU in January 2022.

March is forecast at 1.76 million TEU, down 24.8 percent year over year, with April estimates at 1.87 million TEU (down 17.3 percent) and May at 1.92 million TEU (down 19.9 percent). June is forecast at 2 million TEU, the first time imports are expected to be that high since October but still down 11.3 percent from last June. Those numbers would bring the first half of 2023 to 10.9 million TEU, down 19.4 percent from the first half of 2022.

Global Port Tracker, which is produced for NRF by Hackett Associates, provides historical data and forecasts for the U.S. ports of Los Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Port of Virginia, Charleston, Savannah, Port Everglades, Miami and Jacksonville on the East Coast, and Houston on the Gulf Coast.

Despite the overall import declines, some ports set cargo records in 2022 as more volume was rerouted to the East Coast and Gulf Coast amid ongoing West Coast port congestion and continued worries about a dockworker strike in the California-based hubs.

The Port of New York and New Jersey closed out 2022 handling a record 9.5 million TEUs—beating its previous record set a year earlier in 2021 by 5.5 percent and marking the first time the East Coast's busiest port cracked the 9 million TEU mark.

Thanks to West Coast congestion and a boom in East Coast container traffic, the Georgia Ports Authority handled a record-setting 5.9 million TEU worth of containerized cargo in 2022, 5 percent more than the year before. The Port of Savannah saw four of its top five months ever for container volume during 2022, and trade volumes peaked in August at 575,500 TEU, another all-time record.

While import cargo volumes into the U.S. were down 1.2 percent across 2022, Chinese ports appear to be going in the opposite direction. According to data from the Ministry of Transport of the People's Republic of China, the country's ports processed 15.7 billion tons of cargo in 2022—0.9 percent more than the previous year. In the same period, port container throughput increased by 4.7 percent year over year, to 295.9 million TEU.

Source: sourcingjournal.com - Feb 08, 2023

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# Première Vision Paris 2023 to highlight sustainable fashion

Première Vision Paris' July 2023 edition is evolving to meet the challenges of the fashion sector's transformation, driven by the transition to sustainability, regulatory changes, the impact of the public health crisis on clothing consumption, the implications of the geopolitical crisis, the new needs of brands and buyers, adaptation strategies for supply chains, and the new challenges facing manufacturers.

The new edition will reveal an event that has been completely revamped to keep pace with the industry's changing landscape. The edition's new features include environmental sustainability as the new paradigm at the heart of its repositioning and offer; a new urban concept for the PV Paris 'city' and the creation of an Innovation Hub; a (r)evolutionary approach to fashion information and trend forums; and a new service policy for buyers, Première Vision said in a media release.

After adapting its schedule in 2022, Première Vision Paris has now taken a new direction in order to better align with evolutions in the global fashion market.

"Our privileged relationship with the manufacturers and brands has enabled us to work hand in hand to build, test, and adapt a strategy that renews the show's set-up and services, and to accompany the industry's ecological transition. For many months, Première Vision and its teams have developed this plan internally. It represents a true challenge, and its implementation will be gradual, particularly with respect to eco-responsibility. We believe that our role has evolved too. As the leading global platform for meetings, business, and communication for the fashion industry, we also proactively offer solutions for the sector," said Gilles Lasbordes, general manager of Première Vision.

To best achieve and communicate about environmental transition, brands and suppliers now must strengthen their collaborative approach and share as much information as possible, with full transparency. Traceability can only be achieved through the collection and exchange of concrete data throughout the production process, from raw materials to finished products.

As a true partner for the fashion sector and its development, and as a catalyst for bringing together upstream and downstream players, Première Vision's role is to make a strong contribution to transforming the relationship between manufacturers and clients.

In addition to initiatives undertaken since 2015, including the Smart Creation platform, Première Vision Paris is repositioning its offer to better accompany the evolution of the fashion industry's model. It also aims to help valorise current and future investments and initiatives and contribute to developing business through new tools for manufacturers. Première Vision Paris also intends to analyse the sustainability landscape of the industry and its actors, facilitate the sourcing of materials and the search for committed partners, present an informative approach to offers and materials, and offer a set of content and services dedicated to creation and production that are both socially and environmentally responsible.

Première Vision has chosen to prioritise six material-related criteria and support a dozen related certifications and labels to provide a simple overview of the various measures manufacturers are taking to become more environmentally and socially respectful. The criteria are social initiatives, production sites impact, suppliers' production impact, traceability, product composition, and product lasting and end of life.

This initiative will be expanded progressively on a voluntary basis for exhibitors for the next edition of the show as well as on the Première Vision Marketplace.

Première Vision's approach to sustainability and innovation goes beyond its commitment to the Smart Creation platform and promoting its exhibitors' sustainable offer. At the heart of Première Vision's values, Corporate Social Responsibility (CSR) is today based on Environmental, Social, and Governance (ESG) criteria to analyse and implement effective actions in terms of sustainable development.

Led by three main drivers—reduce, recycle, and reuse—Première Vision has implemented a series of initiatives and practices to anchor the company and its collaborators in a more globally eco-friendly approach to its events, to ensure that they are as eco-designed as possible.

After four post-pandemic editions organised in just three exhibition halls, Première Vision Paris once again is expanding its offer to four halls. The leather industry again will have a dedicated space in Hall 3. The textile industry will remain in Halls 5 and 6, with reconsidered segmentation based on the supply chain's major geographical zones.

The aim is to let visitors immediately identify geographical areas for sourcing and manufacturing, thus making it easier to respond to new imperatives in supply chain optimisation. Located in Hall 6, a brand-new Innovation Hub completes the evolution of the show's layout.

In Hall 3, there will be a space conceived like an upscale village, which will be dedicated to the leather industry and tanners' creative and innovative offer. In Hall 4, accessory manufacturers offer creative components and finishings for leather (Hall 3) and clothing industries (Halls 5 and 6). Hall 5 offers an inspirational and immersive atmosphere dedicated to the European fabrics supply chain and design creativity. Hall 6 focuses on sourcing solutions such as The International Fabric Supply Chain, The Yarns Offer, The Manufacturing Offer, and the Innovation Hub.

A veritable source of information and a place for reflection and exchanging ideas about eco-responsibility, digitalisation, and technical and technological innovation, the new Innovation Hub in Hall 6 comprises The Smart Creation space dedicated to responsible innovation, a new area dedicated to upcycling, trend forecasters and trend books (to be confirmed), and services and special events.

In order to better guide professionals and inspire them in their creative choices and purchasing of materials, Première Vision Paris will reorganise its fashion information spaces using three complementary approaches that let visitors immerse themselves in creativity and product innovation:

The immersive Inspiration Forum (Hall 5) reinforces Première Vision's commitment through seasonal trend analysis, delivered through scenography and special events; a transversal selection (fabrics, leather, accessories) of the season's 500 most creative products; a seasonal film presentation; and The Première Vision seasonal colour story, featuring 5 hit colours and approximately 20 shades in all.

The Sourcing Solutions Forum (Hall 6) will present 1,500 products selected by the Première Vision fashion team using an informative approach to materials. Divided into six complementary zones, the selection will provide a complete overview of the season and offer sourcing solutions adapted to buyers' needs. The zones are dedicated to sports and tech, essentials, decorations, manufacturing, and eco-innovation area.

Three inspiration zones in the leather (Hall 3), accessories (Hall 4), and designs (Hall 5) universes will help guide buyers in terms of specialised sourcing.

To better serve brands and visitors, whatever the function or size of their company, nine new services have been implemented progressively over the past year. The services that will be strengthened to enhance the visitor experience at PV Paris include a mobile app that offers an effortless guide to the show's new layout and an interactive map.

A QR code on exhibitors' stands may be scanned to learn more about their businesses and link directly to supplier information in the Première Vision Marketplace. A Fashion Information Desk (Hall 6) will guide buyers in their choice of materials and suppliers. An Emerging Brands Desk (Hall 6) will help young brands organise their visit and guide them in their search for materials, depending on their needs, markets, and products, in partnership with the Tranoï team. An Eco Information Desk (Hall 4) will help visitors learn more about the show's sustainable offer, added the release.

Guided tours of the forums will be held in English, French, and Italian, as well as Korean, Japanese, and Chinese to improve visitors' experience and facilitate exploring exhibitors' stands. Guided tours of the Smart Tech space in English and French will enable one to discover this new sector dedicated to technological and digital innovation. Creative and entertaining relaxation areas will let people re-energise anytime throughout the day.

Source: fibre2fashion.com- Feb 08, 2023

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# New US textile investments, sourcing commitments for Central America

Vice president Kamala Harris recently announced $585 million in new textile and apparel investments and sourcing commitments in Central America. Welcoming the decision, National Council of Textile Organisations (NCTO) president Kim Glas said over $1 billion of new textile and apparel investments have been announced in Central America and the United States over the last year.

Columbia Sportswear Company has committed to purchase up to $200 million in products, which will create more than 6,900 jobs in the region over the next five years, in an industry where these jobs are primarily held by women, the White House said in a factsheet.

Nextil has committed to invest $40 million in two new production facilities in Guatemala to produce garments and elastic fabrics for the shapewear and sportswear markets. The facilities are estimated to create over 1,300 direct jobs and 3,000 indirect jobs.

Protela-Colombia has committed to invest $45 million in the construction of a vertically integrated textile manufacturing facility in Guatemala to supply fabric for garment manufacturers in Central America, which is expected to directly employ 400.

“We sincerely appreciate the administration’s commitment to this critical manufacturing sector that has contributed to the backbone of economic development in Central America and the United States. And we look forward to working with our retail and brand partners to continue to expand our vital manufacturing sector,” Glas said in a statement.

Over the last year, substantial investments have been flowing into Central America, predicated on the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) and the co-production chain that facilitates $15.1 billion in two-way textile and apparel trade and supports more than one million workers in the United States and the region, NCTO said.

“We saw apparel imports largely containing US textile inputs from the CAFTA-DR region jump 24 per cent, according to the latest government trade data, and we have seen well over $1 billion in investments in the region,” Glas added.

Source: fibre2fashion.com- Feb 09, 2023

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## UK firms likely to get better access, lower tariffs in Chile, Malaysia

Chile and Malaysia recently officially joined the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), implying British businesses will get better access and lower tariffs in these countries when the United Kingdom joins the trade bloc, the UK government recently said. The United Kingdom does not have a bilateral free trade agreement with Malaysia.

The United Kingdom is working to become the first European member of the bloc this year, with negotiations progressing well, the government said in a statement. The most recent round of CPTPP negotiations were held in London in December.

The United Kingdom now exports goods worth £2.9 billion annually to Malaysia.

Chile was the first country to sign a trade deal with the United Kingdom after the latter left the European Union (EU).

Joining CPTPP will also provide opportunities for collaboration with Chile in areas like fintech, green finance and cybersecurity, supporting innovation in the UK financial services sector and helping develop both countries as leaders of financial services, the UK government statement said.

Source: fibre2fashion.com- Feb 08, 2023

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# Germany's new manufacturing orders jump over 3% MoM in Dec 2022

Germany’s real (price adjusted) new orders in manufacturing rose by 3.2 per cent month-on-month (MoM) on a seasonally and calendar adjusted basis in December 2022, as per the Federal Statistical Office (Destatis). This largely compensated the significant decline in November 2022 (-4.4 per cent). However, excluding large-scale orders, there was a 0.6 per cent decline in December 2022.

With a few exceptions, new orders fell continuously throughout 2022 and are therefore currently calendar adjusted 10.1 per cent lower than in December 2021. The development throughout the last year is contrary to 2021, when new orders rose due to COVID-19 recovery effects. Overall, new orders are currently slightly above the pre-COVID level. In a calendar adjusted comparison, new orders are currently 1.2 per cent higher than in December 2019, according to a press release by Destatis.

At 5.7 per cent, the current increase was particularly strong for domestic orders. At the same time, foreign orders also increased by 1.2 per cent. In this context, new orders from the eurozone increased by 9.8 per cent, while orders from the rest of the world decreased by 3.8 per cent.

While new orders in the capital goods sector remained unchanged, orders in the main intermediate goods group increased by 9.7 per cent. At the same time, new orders in the consumer goods sector decreased by 3.3 per cent. After revision of the preliminary results, new orders for November 2022 were 4.4 per cent lower than in October 2022 (preliminary figure: -5.3 per cent).

According to provisional figures, real turnover in manufacturing (seasonally and calendar adjusted) decreased by 1.7 per cent in December 2022 compared to November 2022. For November 2022 revision of the preliminary figures resulted in an increase of 2.5 per cent compared with October 2022 (provisional figure: +2.1 per cent). Compared with December 2021, turnover was a calendar adjusted 1.9 per cent higher.

Source: fibre2fashion.com- Feb 08, 2023

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# Vietnam's textile-garment exports $37.57 bn in 2022; 14.7% YoY growth

Vietnam exported textile and garment items worth $37.57 billion last year—a gain of 14.7 per cent year on year (YoY), according to data from the general department of customs. The United States was the biggest market, worth $17.36 billion last year—up by 7.9 per cent YoY. It was followed by the European Union and Japanese markets, reaching $4.46 billion and $4.07 billion—up by 34.7 per cent and 25.8 per cent YoY respectively.

Although the sector witnessed positive export prospects in the first and second quarters last year, it started facing difficulties in the last two quarters as global demand declined. The export value peaked in August last year.

A sharp decline in orders since September last year was attributed to a reversal of the trend, causing the sector's export value to fall to the year's lowest level in the last quarter.

Statistics from 15 leading enterprises in the textile and garment industry compiled by cafef.vn showed that the total consolidated profit after tax in the fourth quarter of 2022 was only 440 billion VND ($18.7 million), down by 63 per cent from the fourth quarter of 2021, amid high inflation and recession risks in the main export markets.

Vinatex incurred a loss of $5 billion during Q4 2022. Its profit after tax had reached $450 billion in the same period in 2021. It was also the first quarter that Vinatex has recorded a loss, according to a news agency.

In the first months of the fourth quarter last year, Vietnamese businesses faced a difficult situation when the yarn market's liquidity was almost zero, the garment market's orders dropped sharply and its subsidiaries, especially fibre units, reported losses.

However, for the whole of 2022, Vinatex still made a profit of more than 1 trillion VND, down by 20 per cent YoY.

Source: fibre2fashion.com- Feb 08, 2023

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# Bangladesh unions demand $215 minimum wage for garment workers

Global union federation IndustriAll's affiliates in Bangladesh have demanded an increase in the minimum wage from Tk 8,000 ($75) to Tk 23,000 ($215) for garment workers, as the country sees roaring inflation, leaving workers struggling to make ends meet. Bangladeshi labour law requires the formation of a new wage board every five years to settle wage structures for every industry.

Bangladesh's government last reviewed garment workers' wages in 2018. IndustriAll Bangladesh Council and Garment Sramik Karmachari Okko Parishod have submitted a memorandum to the labour ministry. The demands include the minimum wage of an-entry level garment worker fixed at Tk 23,000 ($215), with a yearly increment of 10 per cent as opposed to the current 5 per cent. Other demands of workers' unions include ration facilities for workers, considering the rising cost of living, according to a press release by IndustriAll.

The market situation has drastically changed between 2018 and 2022. With skyrocketing inflation, it has become impossible for workers to afford a decent standard of living. The inflation rate in Bangladesh crossed 9.5 per cent in August 2022, the highest in 11 years. Meanwhile, the readymade garments (RMG) exports from the country increased by 14.31 per cent to $27.418 billion during the period July 2022 to January 2023.

"The government must immediately reconstitute the national minimum wage board that includes workers' representatives. Rising inflation has put garment workers in a dire situation. Their wages need to be revised accordingly, along with adequate social security measures," said Amirul Haque Amin, president of IndustriAll Bangladesh Council.

The unions are demanding that the basic wage is made 65 per cent of the total wage, which includes both the basic wage and allowances. Currently, the basic wage for a garment worker is less than 60 per cent of the total wage. This is important as termination payments, like severance and gratuity are calculated based on the basic wage. There is also a demand that the government removes two grades from the existing seven-grade wage structure for garment workers as the current grade system keeps the workers under-graded despite long work experience.

Source: fibre2fashion.com- Feb 08, 2023

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# NATIONAL NEWS

## India wants to become the manufacturing hub. What it can learn from China, Taiwan, and South Korea

The last week was eventful. While the Adani Group companies grappled with a short-seller's report, we also had a Union budget with a huge outlay for infrastructure and manufacturing. India has lacked in this space for the last many years. But things are moving. Since April 2020, the BSE Manufacturing Index has given a return of 108% while the Sensex has returned 114% for the same period. While there is an underperformance, the movement is in the right direction.

The Adani Group has become one of the big business groups for building ports, airports, energy and even getting into agriculture and commodities. In a way, India is following a model that many South Asian countries have imbibed where they helped certain business groups by cutting imports and at the same time maintained healthy competition. While their focus was exports and manufacturing, India is concentrated on exports of services.

What can we learn from these countries?

The first export processing zone (EPZ) in India started in 1965 in Kandla -- same time as Kaohsiung EPZ in Taiwan. But while India had a good start, clearly China, Taiwan and South Korea decided to go for exports in a big way. Today, the world largest semi-conductor foundry is in Taiwan. China and South Korea are big exporters in hi-tech and automobiles.

They got their strategies, and more importantly, their scale right. For example, the Kandla SEZ and the Andheri SEEZ were 2.8 sq km and 0.4 sq km, respectively, in size. The Shenzen SEZ in China at the start had size of 327 sq km. As these countries built policies to protect their industries to some extent, they also maintained healthy competition. Their export profiles changed from textiles to hi-tech goods. However, while they kept improving on the export front, they were clearly focused on adult education and creation of female workforce.

All these countries had to face challenges. South Korea started with a disadvantage after they parted with North Korea as 90% of the electricity-generation capacity and most of the heavy industry was based in North

Korea. Then Park Chung-hee came along and changed the country's fortunes. During his regime banks were nationalised but exports got incentivised. Exporters got loans at lower interest rates. Chung-hee was also responsible for the rise of the Korean cheabols like Samsung and Hyundai. But South Korea also focused on results than simply making friends with large industrial groups. In the later part, the country focused heavily on education.

Similar is the case with China where the government gave freedom to enterprise and growth through exports was sought. Again, there was an EZP. In 1980s, China was exporting textile but by 2002 it had replaced Japan and Europe to become the largest hi-tech goods supplier. All these countries used tariffs to discourage foreign goods in their market.

India got its services right when it came to exports. Now, the country wants to be a manufacturing hub. What can we learn from Asian countries that have been successful in this area?

Let's take a deep dive.

The pharma dependency
We do not want to experience a Covid-19-like situation again. Of the many remedies used, sometimes after much debate on efficacy, there was wide use of azithromycin to treat Covid-19. Without getting into that debate of whether it was useful or not, what would your reaction be if I said that India is dependent almost completely on China for the active pharmaceutical ingredient (API) for azithromycin, a common antibiotic that finds its way into many prescriptions? Not only this medicine but multiple others like digoxin for cardiovascular disease and metformin for diabetes have a high dependence on China.

Why so? The reasons can be traced to around 40 years ago in the case of China. You will probably be surprised to know that India's GDP was very similar and the per-capita income levels in China were 25% lesser than those of India in 1980, around the time they executed reforms in 1978.

As of 2021, China's GDP and per-capita income are 5.5x of India's. China leapfrogged past India. It planned for dominance in multiple areas and had good success too.

Why should we look at the past now?

India is going through its own push towards manufacturing. One reads about an announcement here and a policy change there. History rhymes even if it does not repeat. What is the big picture for India?

One of the government initiatives in the past few years is the production-linked incentive (PLI) scheme. There are various targeted sectors including medical devices, auto components and batteries for electric vehicles. India is attempting to claw back. One PLI scheme has also been rolled out for key starting materials (KSM), drug intermediates and API. The reasons are simple. India is a leading formulations supplier to the world but heavily dependent on China.

To understand the scale of China's dominance and what India would like to wrest away bit by bit, see the graphic below.

India's bulk drug imports from China were minimal in 1990 and these had grown to almost half of India's bulk drug imports by 2020. How did this happen?

Methods adopted by China included massive state support like better infrastructure, capital support, and lax environmental monitoring. The Chinese state supported penicillin fermenters. A key cost item in fermentation processes for antibiotics is power and utilities cost. Benefits were given. The cost differential across China and India was just too much for the latter. These led to hollowing out of capacities of competitors like India and increased its dependence on China (greater than 80% of India's requirement in many antibiotics from China, for example). Drug prices would be dropped in a predatory manner to kill competition and once eliminated, prices would go back to reasonable levels.

Incentives for production are only part of the picture though. There are more variables at play.

China is not the only example. There are other Asian countries that did it well. These nations charted their own paths towards growth and escaped the poverty trap. The starting variables were different in each case respectively – education levels, initial per-capita income, level of industrialisation, forms of government, and competitive advantages among others. Geography even. The paths chosen were also different but there are similarities, across different points of time, which are useful when we try to study India today.

In the previous article we covered how India has generally missed the bus on the manufacturing front. In this article, I intend to take you through key things that stand out as relevant in the manufacturing journeys of three nations – Taiwan, South Korea, and China, and compare them to where we stand today. We will take a tour across tools and policies used like differential tariffs, incentives, infrastructure, industry-sector focus, labour-intensive to value-added work and more.

Taiwan – one of the four Asian Tigers

Starting in the 1950s, the country initially went down the path of import substitution, tight controls on capital, and arbitrary import and export interventions in the first decade of the new nation's existence. In hindsight, it has been read by a few as a sign of the government's insecurity about competing in a global market. The path upward started with a fascinating set of interactions between a couple of economists, Tsiang and Liu, and government officials. There was an attempt to be competitive at an international level and earn through exports rather than focusing only on saving foreign exchange via import substitution. The government moved ahead with economists' suggestions and gradually took steps, including:

• 1.Working with a more realistic exchange rate.
• 2.Positive real rates of interest that led to savings growth, which in turn helped investments (real rate is nominal rate less inflation).
• 3.Reduced interventions in the import-export sphere.

There was agreement on letting the private sector, and not the public sector, take the lead. A key element, protection for businesses, was incrementally reduced over the years. They wanted to foster a culture where businesses would increase productivity and earn their fair share in the global market. Production moved away from basic agro-commodities to more labour-intensive industries including textiles and electronics assembly. Export-oriented industrialisation of the economy took place.

Over the past couple of decades, Indians became familiar with special export zones. The Taiwanese have to their credit one of the early EPZs in Asia. It was set up in Kaohsiung in 1966. Key features of this zone were –

zero import duties on plant and machinery, and intermediate goods on which further value addition was to be done in the zone, time-limited tax holiday, low-cost electricity and other utilities, good rail and road connectivity, warehousing, and port infrastructure. Today, these are deemed as basic requirements for such zones.

Geopolitics helped. The US looked at Taiwan favourably against China. It pitched in with aid and investments in businesses.

Money is important but so is the process maturity and managerial talent. This is under-rated because it is beyond hard numbers. These skills and know-how are not present initially in most countries. Technological know-how and better processes came in through the foreign investments in the EPZ. Subsequently, this helped the economy as talent and skills moved from the EPZ to non-EPZ domestic-focused industries.

The “behind-the-scenes” social development of a country is very important. What stands out in Taiwan’s case is the high involvement of females in the workforce. By around 1980, 90% of the workforce in the Kaohsiung EPZ was female.

How did Taiwan fare with all of this? Industrialisation firmly kicked in. From 1960 to 1996, the share of agriculture came down from 29% to 3% while the share of industry grew to 38% from 24%.

Taiwan experienced handsome growth rates of almost 10% CAGR for two decades (1961-80) – a truly enviable feat.

The country eventually made its mark in the hi-tech industry. Today, the world’s largest semiconductor foundry owned by TSMC is in Taiwan. It is a rich country with a GDP per capita of ~USD36,800 as of 2021.

South Korea – birth of a nation

With 90% of the electricity-generation capacity and most of the heavy industries lying with North Korea post-partition, South Korea had to rebuild its basic industries.

After the Korean War in 1953, the country followed import substitution for the first eight years, similar to Taiwan. Its GDP grew at a slow pace and there was not much to show for development.

What followed over the next 18 years was defined by the rule of Park-Chung-hee. His name is inseparable from South Korea's rapid rise. He was a General who seized power through a coup in 1961 and was eventually shot dead by the head of the nation's intelligence agency in 1979. His rule has been controversial for having restricted freedoms and captured institutions but simultaneously delivering record growth and bringing the country out of poverty.

Multiple changes took place under his leadership:

• 1.Banks were nationalised so that the state had a bigger say in the economy.
• 2.The currency went through devaluation to make it align more with the kerb rate.
• 3.The government was aware of its own inadequacies. It co-opted industrial groups that could deliver better, into the sectors that the state chose.
• 4.The government looked outward for growth through exports.
• 5.This is similar to how Taiwan progressed but there was comparatively heavy state involvement in directing capital and efforts.

A key element of the policy was differential tariffs for promoting industries focused toward exports. The effective rate of protection using import tariffs for industries, where the government desired to see competition, was at an average of 92% and it stood as low as -10% for non-competing industries (effectively a grant for importing). A similar picture was seen for capital goods for industries as they were made duty-free. This will probably ring a bell for most readers when we connect this to the present direction of industrial policy in India. Think of recent export duty on steel for example. If the government has decided to promote auto components through PLI, is there some utility in also assisting with a benign environment on the raw materials front?

A very interesting feature of South Korea's policies was differing interest rates for export businesses against regular businesses. Interest rates on general loans were 18% from 1961 to 1965. In the same period, it was 9% for export loans. Rates on general loans increased further to 23% between 1966 and 1972 and interest rates for export loans remarkably dropped to 6%. There could not have been a clearer sign to any entrepreneur for where they should be looking to grow.

The South Koreans also established free export zones (FEZ), similar to Taiwan's EPZ concept. Five years after Kaohsiung EPZ was started in Taiwan, it opened Masan in 1971. By 1980, the contribution of Masan to the country's exports was 18%. It was one more country that benefited with dedicated zones.

Capitalism, consumerism, and chaebols

Consider how the mix of exports changed. The most important items in goods exports in 1960 were primary products including ores, rice, crude animal and vegetable products, fish, and seaweed. It is astonishing to see that in a decade, clothing products were 25% of exports, plywood and textile fabrics together were greater than 20% and electronics was about 5% of exports.

Import substitution focus gave way to focusing on exports and how! The graphic below plots direct contribution of efforts towards import substitution and export expansion to manufactured output.

Sectors like steel were focused on at the start with an eye on building downstream industries later. These included machinery, shipbuilding, chemicals, and automobiles. They were "handed" over to chaebols. Former RBI governor Raghuram Rajan spoke about crony capitalism in developing economies in his book, Fault Lines, where he says that it could be also termed as "managed capitalism" where the government gives firms protection from foreign competition and special privileges so that they grow, while maintaining some incentives for them to be efficient. A word of caution when one tries to extrapolate through experiences that are success stories.

Crony capitalism is not a sure-shot way out of a middling existence. It is indeed seen in multiple countries in their early stages of development, but there are many countries whose progress was derailed by corruption that was out of control.

In South Korea, the government was focused on results even if it had co-opted industrial groups. It was more than happy to wrest business away from one group and have another take over, with execution being foremost in mind.

An important starting factor that helped the nation was a comparatively better level of social development. In 1961, South Korea already had the highest rate of school enrollment within the set of countries that had a comparable GDP per capita.

Geopolitics helped South Korea too. The US was liberal with its financial aid in 1950s, mostly food-related. This helped the country in its first tumultuous years after the exit of Japan, the colonial power, and the subsequent partition.

Much like Taiwan, South Korea's share of agriculture reduced, and manufacturing increased rapidly. From 1956 to 1986, the share of agriculture declined from 44% to 13.5%, while manufacturing increased from 12% to 30%.

Akey takeaway from experiences of both these countries stress on making local players competitive at an international level, forcing them to be world-class, and focusing on export-led growth through industrialisation. The era, however, was that of a much less globalised world, making a fresh start after the horrors of World War II.

China – the dragon

China is an outlier. The country's high growth rates are unmatched to any other nation at this scale for this long in recent decades. But it was not like this at the start.

China had deep problems, and the progress in the 1950s-1970s was tepid. It had a communist rule with central planning. Under Mao there were severe failures that even led to disasters like the Great Chinese Famine in 1959-61.

The country's annual growth rate in per-capita income was 2.34% from 1952 to 1978. Sluggish development forced its hand. This was the year when China woke up from its slumber, a couple of decades after South Korea and Taiwan had started their sharp upward journey.

The Chinese leadership concluded that "the Maoist version of the centrally planned economy had failed to produce efficient economic growth and had caused China to fall far behind not only the industrialised nations of the West but also the new industrial powers of Asia: Japan, the Republic of

Korea, Singapore, Taiwan, and Hong Kong." (December 1978, National Party Congress' Eleventh Central Committee). Deng Xiaoping, the ruling premier at that time, was credited for spearheading reforms. Though like in most cases, part of the reasons for reforms was pure compulsion.

Multiple changes took place during his tenure:

- 1.Initially, agri-reforms were carried out to strengthen the role of the individual farmer rather than subsuming their identity to the collective like in the past. This improved agri-productivity.
- 2.As in the previous cases covered above, the currency went through a planned devaluation, followed by a dual system (internal and for external-facing use) until they were finally combined into one currency unit.
- 3.The government had realised the inadequacy of a command economy. It gave greater freedom to enterprises at the town and village level. These were the initial entrepreneurial hotbeds of activity.
- 4.The role of state-owned enterprises (SOEs) in the economy was reduced over time.
- 5.Again, growth through exports was sought.

As described for two other countries, social development is important during the progress of a nation.Life expectancy for China stood at 65 years in 1977 while for India it was 53 years, while India had a higher per-capita income level as mentioned above. Adult literacy rate in China was 69% in 1980. In India, in contrast, this level of 69% was achieved in 2011.

Like South Korea and Taiwan, China implemented an export zone policy. They had a few geographical advantages. Their neighbours like Hong Kong, then under British rule, and Taiwan, were already ahead of them in terms of availability of skills, technology, and capital. There were cultural ties between the populations across the borders.

In 1980, China created four Special Economic Zones (SEZs) in Shenzhen, Zhuhai, Shantou and Xiamen. The first three were located in Guangdong province. The first two SEZs were literally across the border between China and Hong Kong. Xiamen was across the Taiwan Straits. There were advantages provided to businesses located in the zones.

They attracted capital and technology. Labour came from the hinterland. The success of the export-oriented policy can be seen from the fact that around 42% of the foreign direct investment (FDI) by 1990 was in one province Guangdong, which contributed to 20% of China's GDP that year. In the late 1990s, the 10 coastal provinces and municipalities had 10% of the population but generated about half of China's GDP.

In 1984, the nation focused on zones for another 14 coastal cities in addition to the initial four SEZs. The role of SEZs in the growth story of China cannot be emphasised enough.

Labour-intensive manufacturing was the route adopted, like was the case with Taiwan and South Korea.Light manufacturing in four areas, textiles, apparel, footwear, and toys rose from USD4.3 billion to USD53.5 billion from 1980 to 1998. It grabbed a significant market share at a global level.

Chinese exports rose by an average 5.7% per annum in the 1980s and an even more impressive 12.4% in the 1990s. As was the case with the others before, they moved subsequently into higher value-added manufacturing.

A common factor across the three nations was the use of tariffs. You could even say that there was the heavy hand of the government as it applied it to discourage the entry of foreign goods and allow domestic businesses to flourish. Intermediate goods imports were supported through rebates if they fed into goods for exports. You will see this same pattern emerging in India now.

In 1993, the Chinese government adopted a resolution that spoke of separation of government and enterprises that met the requirement of a market economy and socialist large-scale production. You will appreciate the phrasing "large scale production" when you think about the penicillin example at the start of this article. There are enough anecdotes one could give for other sectors and how China systematically achieved dominance.

In early 2000s, China formally joined the WTO after which it continued to grow rapidly. In a nutshell, China was able to bring large sections of its population out of poverty. Today, its per-capita income stands at levels that would have been tough to imagine 43 years ago. Between 1979 and 2021 the GNP per capital income moved from USD184 to USD12,556.

India- where we stand

A common thread across all countries described above were resolute steps taken early on by their governments. They realised the limitations of looking inward. Once a certain level of development was attempted and achieved with import substitution, they attempted to grow by exporting to richer countries.

In hindsight, it is easy to forge a narrative and see a “grand plan”. Each example tells us that actions were not linear, mistakes were made, and novel actions were attempted.

One difference between today and then was that you objectively saw global trade as a percentage of global GDP rising. The last decade has seen this trend slow down. This is something that works against India today compared to others before us.

A key difference between these countries and India is that we fared better on the tertiary industry (services) front. The composition of GDP of an economy can be broken down into primary (agriculture, forestry, fisheries and the like), secondary (manufacturing, both light and heavy) and tertiary (services including health, communication and financial). India lagged in manufacturing.

SEZ experience in India

Most would be surprised to know that the first export processing zone in India started in 1965 in Kandla, at the same time as Kaohsiung EPZ, Taiwan! The next one, SEEPZ, started in Mumbai in what is now firmly Andheri (the S in SEEPZ was Santacruz, a suburb some distance away actually).

Unlike some countries where labour laws were made more flexible within SEZs, India did not go down that path. This may have been one reason why labour-intensive industries at scale did not pick up well.

We have had very healthy growth in services undoubtedly, and not as much in manufacturing. Around 58% of operational SEZs in India as of 2018 were focused on IT/ITeS, electronics and telecom hardware.

However, there are dangers from an imbalance in growth in any one export sector. Consider Bangladesh, albeit a very lopsided case study. 84% of its export earnings came from readymade garments. There was a huge volatility in end-demand of garments over the last two years and this has led to forex pressures on the nation. The learning is that diversification is healthy. There must be timely upgradation of capability up the value chain and over a wider span of sectors.

The approach towards SEZs in India has evolved over time. The SEZ policy was announced in 2000. At that time, Murasoli Maran spoke of his visit to China and of the impression it left on him. The intent was to focus on SEZs for exports with some learnings from other countries that did well. Multiple EPZs from the past were subsumed and converted to SEZs. There was the promulgation of the SEZ ACT, 2005. There was a rapid increase in the notified SEZs in the next few years. There were problems too.

There was a scathing CAG report in 2014 that highlighted multiple problems. Key points from this report are as follows:

1.Diversion of land – 23% of lands were de-notified until 2012-13.Commercial benefits from land use change on what was land acquired for "public purposes" could have accrued to certain players.

2.There was a 93% shortfall in employment compared to projections at the time of filings, in the sample of 117 SEZ units chosen by auditors.

3.Similarly, there was a 58% shortfall in investments in the sample set.

4.More importantly, there was a 75% gap between exports achieved and projections made.

5.Significant tax revenue had been foregone by the government for objectives set out under the Act and benefits were not commensurate.

6.The CAG saw evidence of weak monitoring overall across multiple dimensions.

In 2018, a committee led by Baba Kalyani, chairman and managing director of Bharat Forge, was set up for re-evaluating the SEZ policy. They released a report that makes for an interesting read on possible directions that may be taken in the next leg of reforms on SEZs.

Its key recommendations that stood out was an overarching redefining of purpose – targeting domestic demand in addition to exports unlike only exports in the past. In fact, there is a proposal to rename SEZs as Employment and Economic Enclaves (3Es). Notice the de-emphasis on the word “exports” in the proposed acronym. This could be read in line with the present Aatmanirbhar thought process. We will revisit this point.

Other key proposals and the author’s comments are described below:

1.Utilisation of vacant space within existing SEZs. This appears useful when you consider the proliferation of SEZs and the potential under-utilization in the past 20 years.

2.Fine-tuning recommendations for manufacturing and services sectors respectively. The under-development of manufacturing vis-à-vis services merits this approach surely.

3.Various taxation related suggestions, proposals for reduction of bottlenecks in processes and logistics.

4.Flexibility in utilising non-processing area (SEZ NPA) - Allegations against SEZs have been made in the past on being a vehicle primarily for land value. There is a case for building integrated townships even in SEZs NPA from the perspective of employees needing accommodation and amenities. Considering criticism of incorrect land use in the past, this aspect will need greater control if these recommendations find their way into the law.

Until we get the SEZ reforms, there are actions possible even today. Even as late as 2019 and 2020, one sees SEZs lesser than 5 acres in size getting notified. In the past there were questions of whether one of the main benefits for enterprises setting up within an SEZ was the tax holiday. At small sizes, there is a chance that the SEZ did not even influence the set-up decision. One could even argue that the business would have got set up even outside the SEZ anyway. In future, there will need to be greater control to ensure that goals are met at the right scale.

One very interesting recommendation in the Baba Kalyani report is the creation of a limited number of large enclaves (not more than five) across the country with heavy government investment to back them (greater than USD1 billion). With scale difference across countries enumerated above, decisions on this front are keenly awaited, because one is reminded of the mega-SEZs of China which had the right infrastructure to support businesses.

Production-linked incentive scheme

The outlay towards the PLI schemes is often misunderstood by many to be a fresh allocation made by the government. The Merchandise Exports India Scheme (MEIS) existed from 2014-15 onwards. It faced challenges at the WTO that necessitated a termination of the scheme. There were also concerns that the while the MEIS outlay doubled from the initial INR20,000 crore to INR45,000 crore in FY21, there was not much increase in the exports figure in the same period.

In FY21, the allocation for PLI was essentially the same amount as that in MEIS. However, the key difference being avoidance of any linkage to exports only. Maybe this is why we are seeing the usage of the word “Aatmanirbhar”. There is nothing that stops exports in such PLI-supported facilities though. The reader can make their interpretations about how things are different between a few decades ago and now, and how we are having to navigate this new international landscape.

Another difference between MEIS and PLI in implementation is a greater concentration of capital in government-chosen areas. This reminds one of the South Korean models where the government decided which sectors should be favoured for growth. In industries, where the PLI is directed, time-bound targets for investment and incremental production need to be met for receiving the incentive. Participants have to put down their contributions first and the government will share incentives later. The outlay for the government is greater than INR2.5 lakh crore over the next 5-6 years.

We will not dwell on the PLI schemes in general but rather see them through the lens of intended goals. There are some sectors focused on what clearly appears to be import substitution. For example, the APIs for medicines. Remember the azithromycin example that we started with. There are other sectors focused on like mobile manufacturing where the target is exports too.

One could ask why the country is looking inward at all. Why not only outward? In my view it is a bit of both. The Asian countries mentioned in this article shifted towards exports with vigour but in a different era with a different base. We do not have the same starting conditions now.

Import substitution

We shall delve into a sector where space is being reclaimed – import substitution in toys. The import of toys to India has decreased from USD332 million in FY15 to USD110 million in FY22. Export of toys has increased from USD96 million to USD327 million in the same period. In 2022, a dedicated toys manufacturing cluster has started operations in Karnataka. A tool to check imports of toys has been the use of Quality Control Orders (QCO). In January 2023, there has been muscular action to implement norms where uncertified toys (mostly imported) have been seized across major toy retail stores.

Certain sectors are under the lens and are generally seeing greater control over imports.

If we go back in time, the same toys products category was reserved for MSMEs. Between 1997 and 2001, the process of de-reservation started -- 39 products including toys and readymade garments were de-reserved. In the preceding 2-3 decades, when Asian competitors were operating at large-scale in these critical labour-intensive sectors, there was a simultaneous restriction on scale in some manner in India. Is it not natural that production at scale did not happen easily, ceteris paribus?

There is higher protectionism now. Average tariffs have increased from 13% to 18% over 2013 to 2020. This has an impact on inflation across goods in the wholesale and consumer categories. We will most probably see higher price increases in goods output from targeted sectors, until scale develops.

It will also mean a consumer economy in transition as purchasing power may be in flux until you see a clear trend. Job growth may take time to kick in and there may be higher prices that flow through in the interim. This is a political economy choice that has a bearing on those of us in the investment management space as we navigate the markets.

Labour-intensive export sectors: why not seize the day?

Toys manufacturing is a small sector. What about a large sector like textiles and apparel (T&A)? T&A add up to around 10% of total exports for India. In the recent PLI scheme announcements, the government outlay towards man-made fibres and technical textiles was around INR10,000 crore. This is not a lot when you compare it to the total outlay across all PLI schemes.

In my view, the labour-intensive sectors are where one hopes to see more from the government. As per research by Shoumitro Chatterjee and Arvind Subramanian, we have a large pool of unskilled labour that is heavily underutilised. As of 2020, the potential production in the key low-skill textiles and clothing sector, that is “missing”, amounts to USD140 billion or 5% of GDP. They arrive at this by comparing the gap between potential (when compared to other low-income countries like us) and production. The corresponding figure for missing exports is estimated at USD60 billion.

Our overall exports figures are not bad in themselves. They stood around 20% of GDP for the last decade or so. There is a strong correlation between GDP growth and exports growth. We should not be ignoring low-hanging fruit that will help in GDP growth.

The data above was only for textiles. There are other sectors beyond this.

Again, the duo has shown that the share of low-skill intensive exports (manufacturing) in India declined from 34% to 20% from 1995 to 2018. Skill-based exports (manufacturing and services) rose from 42% to 65%.

This raises more questions even from a social perspective. Can India afford to leave one segment of the population behind?

There is additional data depicting case for focusing on the labour-intensive industries. A big competitor is potentially vacating some space as it moves up the value-chain. Consider that for a category like footwear, China lost around 7.5% of global market share post- global financial crisis (2008) until 2020. What did India gain relatively? A meagre 0.1%. Vietnam while being a much smaller country but an export powerhouse, took 5.9%. In apparel, 5.8% was lost by China. Vietnam and Bangladesh took around 2.8-2.9% each. India took home only 0.2%.

There are numerous examples of a K-shaped recovery amongst different income segments of our population. Problems may be exacerbated if inequality increases.

Social reforms that bring more women into the labour force are essential. Our labour force participation rate for females is low. Literacy levels and educational outcomes need to get better. Better healthcare access is needed for reducing chronic malnutrition and infant mortality.

One hopes that the next set of reforms will focus on these industries that are usual suspects in the trajectories of other countries before us respectively. Maybe the "enclaves" that the Kalyani report talks about hold some promise? Time will tell.

Free trade agreements

In the past few years India has taken a more guarded stance in free trade agreements. India walked back from the Regional Comprehensive Economic Partnership (RCEP). There appears to be a greater tendency to sign bilateral agreements with individual countries rather than with blocs. There are worries that imbalances between imports and exports may grow. The question remains as to how benefits of exports may be availed of using the FTA route, else we risk getting excluded from global supply chains. It is worth noting that on the export front, it is a tougher environment to navigate compared to the 1960-2000 period.

Today, the WTO mechanisms are used more actively against exporting nations than before.

The outlook

Through this article I have attempted to cover a few key dimensions, mostly to do with manufacturing, in the journey of economies.

There are more factors at play that are not covered here in as much detail - labour laws in India (attempts being made to simplify further in favour of industries), and infrastructure (sorely underdeveloped but improving).

South Korea and China had an authoritarian rule in at least parts of their journey, if not more. It would be lazy thinking to wish for the same for India. Just because we have seen a few success stories in countries run by strongmen does not change the fact that there are more examples of failures under their rule across the world than successes.

Democracy is slower generally, but it has other benefits. The same China that delivered a growth miracle, also had a famine in which one of the causes was a campaign to eliminate sparrows saying that they consumed too much grain. Citizens followed exhortations and killed sparrows in thousands. The following year, the natural predators of insects and locusts were no more. The predators had a free run and they contributed to more crop destruction than what sparrows alone may have eaten.

A big plus point today is that geopolitics is favourable. Corporations want greater control of their supply chains. Moving away incrementally from China is real. It gives India a great chance to compete and win some of this business. It will be lazy thinking again to say assume that we are the only game in town for China + 1. It is China + n and we are one of the many contenders.

There will be steps taken by the government and we should accept that some mistakes will also be made. It was not any different in other case studies. It is important for timely course corrections to happen and for holistic reforms to be carried out. One wishes for inclusive growth that leads to improvement of social development parameters and rise in per-capita income, and progress for the nation.

And lastly, one wishes that if we have the need to take any medicine in the years to come, the raw materials for the pill are made in India!

Source: economictimes.com - Feb 08, 2023

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# Russia keen on greater economic integration, but India wary

With Russia feeling the pressure of growing global isolation as the West notches up support to Ukraine, Moscow is busy persuading India to merge more firmly with the country's economy, sources said. India, however, is intent on treading the middle path.

Russian President Vladimir Putin's aide, Igor Levitin, has been in the capital and held meetings last week with Indian industry and officials. These discussions centered around ways to ease logistical and payment problems arising due to growing sanctions from the West and greater financial integration, a source tracking the matter told businessline.

But India, which has been successfully defending its increased purchase of discounted crude from Russia, is unlikely to take steps that could showcase it as a supporter of Russia in the war, the source added.

Currency trading

"Russia is hopeful that India would be open to allowing trading in the rupee at the Moscow Exchange and also agree to integrate with Russia's parallel financial messaging system (SPFS), developed as an alternative to SWIFT, but New Delhi is not keen," the source said.

Russia has become India's fourth largest import source in April-December 2022, with total goods imports during the period, driven mostly by crude, rising 400 per cent (year-on-year) to $32.88 billion.

India and Russia are trying to put in place a rupee payment mechanism to carry out trade in local currencies, but the system hasn't taken off yet.

The Chinese yuan has been doing exceptionally well at the Moscow Exchange, and so it may not be a good idea for India to take up the offer.

"As neither the rouble nor the rupee are fully convertible, trading in the Indian rupee at the Moscow Exchange will be difficult. Also diplomatically, the move could be harmful for India," the source said.

Taking sides

Similarly, while Iran and China, which are openly siding with Russia, are ready to integrate with SPFS to nullify the effect of several Russian banks being banned from using the SWIFT messaging system (as part of EU's sanctions), New Delhi would not want to do so.

"We can't be seen cosying up to Russia beyond a point," said Delhi-based trade expert Biswajit Dhar. He said while India has been able to legitimise its purchase of discounted oil from Russia by playing its diplomatic cards well, it would not want to be seen as taking sides.

Russian businesses also want direct conversion of rupee to rouble in bilateral trade without cross currency conversion.

Source: thehindubusinessline.com - Feb 08, 2023

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# FinMin issues draft for Vivad se Viswas-II to settle contractual dispute

The Finance Ministry on Wednesday released a draft for quick settlement of contractual disputes to promote ease of doing business, named Vivad se Viswas-II. The draft proposes settling disputes having only financial claims against the procuring entities and the receiving party will be paid after haircut. Also, it will cover only domestic arbitration.

The scheme which was proposed in the budget is a one time settlement scheme. The government has acknowledged that special efforts are required to clear the backlog of old disputes and litigation. Such cases are not only holding back the fresh investment, but are also reducing the ease of doing business with the government.

Pendency level

The scheme proposes a graded settlement terms depending on pendency level of the dispute. In matters where the court has passed award in favour of the contractor, settlement amount will be 80 per cent. Similarly, in case of arbitral award passed, 60 per cent of the award amount is proposed to be given. In case of on-going litigation, 20-30 per cent of net claim will be settlement amount.

According to the draft, only disputes involving above entities where the claim for proceedings (either to Court or for Arbitration or Conciliation) were submitted by the contractor on or before September 30, 2022 and Arbitral Tribunal/ Committee for Conciliation etc. for the specific case has been already notified by the procuring entity shall be eligible for settlement through this scheme. “Disputes having only financial claims against the procuring entities will be settled through this scheme,” it said.
Eligibility

The Scheme will be applicable to all the contractors/ suppliers who wish to participate. In case Central Public Sector Enterprises (CPSEs) etc are the contractors/ suppliers in a particular contract, they are also eligible to submit their claims under the scheme. It will be implemented through the Government e-Marketplace (GeM), which shall provide an online functionality for the same. The draft scheme document also provides a broad functionality that the GeM portal shall provide to implement the scheme.

The draft says the scheme will apply to disputes where one of the parties is either the Central government itself or all autonomous bodies of the Government of India, public sector banks and public sector financial institutions, all Central Public Sector Enterprises (CPSEs), Union Territories, National Capital Territory of Delhi and all agencies/ undertakings thereof and organisations like metro corporations, where Government of India has shareholding of 50 per cent. “However, these bodies can opt out of the scheme at their discretion, with approval of the Board of Directors,” it said.

The draft clarified that disputes, where claims are raised against procuring entities as above along with some other party (State government or private party), shall not be eligible under the scheme. The scheme will be applicable to all contractors/ suppliers who wish to participate. In case CPSEs etc. are the contractors/ suppliers in a particular contract, they are also eligible to submit their claims under the scheme.

Source: thehindubusinessline.com - Feb 08, 2023

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# Products with export potential identified from all 765 districts of the country under the One District One Product- Districts as Export Hubs (ODOP-DEH) initiative

Under the ODOP- Districts as Export Hubs initiative, products with export potential have been identified from all 765 districts of the country, the Minister of State for Commerce and Industry, Shri Som Parkash said in reply to a parliamentary question today. One District One Product - Districts as Export Hubs Initiative (ODOP - DEH) is not a scheme but rather an initiative aimed at fostering balanced regional development across all districts of the country.

The idea is to select, brand, and promote one product from each district (One District – One Product) of the country for enabling holistic socioeconomic growth across all regions. ODOP has been merged with 'Districts as Export Hubs Initiative' being run by the Department of Commerce (DoC) with Department for Promotion of Industry and Internal Trade (DPIIT) as a major stakeholder.

Under the ODOP-'Districts as Export Hubs initiative, products have been identified from all 36 districts from the State of Maharashtra.

ODOP-Districts as Export Hubs initiative is working with manufacturers/producers across districts along verticals like design, production, manufacturing, packaging, and market creation to boost sales both in the domestic as well as international market.

ODOP has been merged with 'Districts as Export Hubs Initiative' (DEH) being run by the Department of Commerce (DoC) with Department for Promotion of Industry and Internal Trade (DPIIT) as a major stakeholder. DEH Initiative highlights the need to channelize the potential and diverse identity in each district of the country to make them export hubs.

DoC through Directorate General of Foreign Trade (DGFT) has been working with the States/UTs and the districts directly to create institutional mechanisms to facilitate exports of identified products/services from the districts. Under this initiative, products and services with export potential have been identified in 734 districts of the country in consultation with all the stakeholders including the States/UTs.

Districts Export Action Plans have been prepared for identified products and services for overseas markets, which includes specific actions required to support local exporters / manufacturers in producing/manufacturing identified products in adequate quantity and with the requisite quality, for reaching potential buyers outside India. The aim is to benefit both producers and manufacturers by addressing challenges for exports of such identified products/services, identifying infrastructural bottlenecks, supply chain gaps, improving market accessibility and handholding for increasing exports.

Through DEH initiative, Government of India is significantly increasing the manufacturing and exports from urban areas while focusing on generating interest and economic activity in the rural hinterland to push new businesses to export.

As ODOP-Districts as Export Hubs is not a scheme, there is no financial assistance provided.

- Engagement with Indian Embassies: Facilitated the procurement of ODOP products by multiple Indian Embassies for gifting and placement including the Indian Embassy in Croatia, Nigeria, Argentina, etc.
- Export Training Workshop: The ODOP-DEH Initiative in collaboration with the Department of Post organized the first Export Training Workshop on 11th January 2023. 160+ exports from 5 States (Kerala, Tamil Nadu, West Bengal, J&K, and Meghalaya) participated. Training workshop was conducted for using the Dak Ghar Niryat Kendra portal. Training included basic requirements for exports along with major market opportunities.
- Lakadong Turmeric, West Jaintia Hills, Meghalaya - Facilitated a consignment of 30 tonnes of Lakadong Turmeric from Shillong, Meghalaya in February 2022.
- Indo-Japan Mango Festival, Tokyo, Japan -As a result of sustained efforts by the Embassy of India, Tokyo, Japan, and the Agricultural & Processed Food Products Export Development Authority (APEDA) - trade promotion for Indian mangoes in Japan has been undertaken under two editions of 'Mango Festival of India in Tokyo, Japan'. A key achievement of the same is the launch of aromatic, delicious, and nutritious Indian Mangoes in 127 convenience stores of Lawson (29th March 2022) and in the

wholesale markets of Nishikasai and Akita Prefecture (28th March 2022).

- Walnuts, Budgam, Jammu & Kashmir (26th September 2021) – Initiative in partnership with JKTPO facilitated import substitution of over 2000 KGs of walnuts from Budgam, Kashmir to Bangalore, Karnataka on 26th September 2021.
- Sui Dhaaga: India-Russia Buyer Seller Meet for Textile Products (22nd September 2021) - Initiative in partnership with the Embassy of India, Moscow held a buyer-seller meet on textile products focussing on rayon and polyester.
- Multiple ODOP products were displayed at the World Economic Forum held from January 2023 at Davos in Switzerland.
- ODOP also showcased and supported the celebration of the International Day of Yoga (IDY) at the at Times Square in New York on June 21, 2022 in collaboration with the Consulate General of India, New York.

Source: pib.gov.in- Feb 08, 2023

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# Government e-Marketplace (GeM) suitably placed to exceed its ambitious target of ₹ 1.75 lakh crore: Shri PK Singh, CEO, GeM

The Government e-Marketplace (GeM), the public procurement portal, is suitably placed to exceed its ambitious target of ₹ 1.75 lakh crore, Shri PK Singh, CEO, GeM said in a media interaction today. As on February 1st 2023, GeM has achieved a staggering ₹ 1.5 lakh crore of Gross Merchandise Value (GMV) in FY23 alone.

Cumulatively, GeM has surpassed the ₹ 3 lakh crore GMV since inception, with the overwhelming support of its stakeholders. The total number of transactions on GeM has also crossed 1.3 crore.

GeM has over 66,000 government buyer organisations and more than 58 lakh sellers and service providers offering a diverse range of goods and services.

The portal features over 11,000 product categories with more than 29 lakh listed products, as well as over 270 service categories with more than 2.5 lakh service offerings. Based on various studies, the minimum savings on the platform are about 10%, which translates into a savings of over ₹ 30,000 crore worth of public money.

CEO-GeM, Sh. P.K. Singh shared the journey and vision ahead for GeM at the media interaction. He also thanked all the stakeholders who are the primary drivers behind GeM's reaching such great heights.

Government e Marketplace (GeM) is an online platform for public procurement in India that was envisaged by the Prime Minister, Shri Narendra Modi. The initiative was launched on August 9, 2016 by the Ministry of Commerce and Industry with the objective of creating an inclusive, efficient, and transparent platform for the buyers and sellers to carry out procurement activities in a fair and competitive manner.

In the last ~6.5 years, GeM has revolutionized the ecosystem of public procurement in the country through technology, the digitization of processes, the digital integration of all stakeholders, and the use of analytics.

GeM is an example of how digital platforms created with a strategic and clear intent to reinvigorate and reimagine legacy processes can bring about lasting change for the nation as well as the underserved. GeM has been effectively contributing to the government's commitment of "Minimum Government, Maximum Governance".

The platform enables multiple procurement modes (direct purchase, L1 procurement, bidding, reverse auction, bid followed by reverse auction). GeM has evolved as a trust-based platform and is contactless, paperless, and cashless, where authentication of users is done through API integration with respective domain databases, i.e., Aadhaar, PAN, Startup, GSTN, MCA21, etc. The marketplace includes policies for automated market adjustments as well as end-to-end digital processes that support a thriving buyer-seller ecosystem.

GeM has successfully integrated with 1.5 lakh+ India Post offices and 5.2+ lakh Village Level Entrepreneurs [VLEs] via the CSCs for last-mile outreach and service delivery. Curated trainings are being conducted with the State Mission Coordinators and District Managers to help them understand GeM and its features.

Through automation and digitization of processes, GeM has led to higher process efficiencies, better information sharing, improved transparency, reduced process cycle times, and a higher level of trust among bidders, which in turn have resulted in greater competition and higher savings.

These innovations in GeM have also brought down waiting times and prices for buyers significantly and ensured timely payments to sellers. This is also expected to enhance the overall "Ease of Doing Business" while also promoting the highest standards of quality in public procurement in India.

Source: pib.gov.in- Feb 08, 2023

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# Industrial growth during 2021- 22 stood at 11.7 per cent over the corresponding period of the last year

As per the Index of Industrial Production (IIP), the industrial growth during 2021- 22 was 11.7 per cent over the corresponding period of the last year.

Whereas, annual average growth of IIP was 3.4 per cent and 3.2 per cent respectively during the period 2009-14 (Base year: 2004-05) and 2014-19 (Base Year: 2011-12), Minister of State for Commerce and Industry, Shri Som Parkash said in reply to a parliamentary question today.

Government has undertaken various steps to boost industrial performance. These include introduction of Goods and Services Tax, reduction in Corporate tax, interventions to improve ease of doing business, measures for reduction in compliance burden, policy measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP), FDI policy reforms.

The series of measures taken by the Government to improve the economic situation and convert the disruption caused by COVID 19 into an opportunity for growth includes Atmanirbhar packages, introduction of Production Linked Incentive (PLI) Scheme across fourteen sectors to augment the manufacturing capacity, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), soft launch of National Single Window System (NSWS), etc. An institutional mechanism to fast- track investments has been put in place, in the form of Project Development Cells (PDCs) in all concerned Ministries/ Departments of Government of India.

The Emergency Credit Line Guarantee Scheme (ECLGS), with provision of Rs 3 lakh crore which has now increased to Rs. 5 lakh crore, is in the form of a fully guaranteed emergency credit line to monitor lending institutions.

Financial support has been given to the stressed MSMEs with infusion of Rs.20,000 crore equity support through Subordinate Debt. Fund of Funds created to infuse equity worth Rs.50,000 crore in the MSME Sector by setting up Rs.10,000 crore Corpus Fund.

Also, Government is ensuring timely payment to the MSMEs by instructing all Government of India and CPSEs to clear all receivables of MSMEs within the next 45 days. Procurement from domestic companies is being encouraged by disallowing global tender in government procurement tenders upto Rs 200 crores. In Union Budget 2023- 24, an amount of Rs 9000 crore infused in the corpus of revamped Credit Guarantee Scheme for MSEs which will be effective from 1st April, 2023. This would enable additional collateral-free guaranteed credit of Rs 2 lakh crore.

Government has focused on infrastructure development. PM Gati Shakti-NMP & Logistics Policy facilitate development of infrastructure and last mile connectivity to reduce the logistic cost and increase the efficiency of economy. Capital investment outlay in the Budget has increased almost 3 times from Rs. 3.39 lakh crore in 2019-20 to Rs. 10 lakh crore in 2023-24.

Source: pib.gov.in- Feb 08, 2023

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# Registering a growth rate of 28.4%, India's exports of 207 Technical Textile products have grown from USD 2.21 billion in 2020-21 to USD 2.85 billion in 2021-22

The Union Minister of State for Textiles, Smt. Darshana Jardosh in a written reply to a question in Lok Sabha today informed that with a view to boost technical textiles sector in the country, the Government has set up the National Technical Textiles Mission (NTTM) for a period of 4 years (2020-21 to 2023-24) with an outlay of Rs. 1,480 crore.

The Mission aims at achieving an average growth rate of 15-20% per annum taking the level of domestic market size to 40-50 Billion USD by the year 2024. India's exports of 207 Technical Textile products have grown from USD 2.21 billion in 2020-21 to USD 2.85 billion in 2021-22, registering a growth rate of 28.4%.

The Government has issued General Guidelines for Enabling of Academic Institutes in Technical Textiles' Education in India for Private & Public Institutes, with the objective of improving learning levels by encouraging new Technical Textiles Degree Programme (UG & PG), updating existing conventional degree programmes with new papers of Technical Textiles etc.

Apart from this, the Government has approved the Grant for Internship Support in Technical Textiles (GIST) with the objective of supporting academic industry linkages in the domain of technical textiles.

As per the guidelines, financial assistance upto INR 20,000 per student per month (for a maximum period of 2 months) would be given to empanelled companies on re-imbursement basis, for onward release to eligible students. The two Guidelines were launched on 5th January 2023. The details of both the Schemes can be accessed from www.nttm.texmin.gov.in

Source: pib.gov.in- Feb 08, 2023

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# We are long on India, its consumers, and economy: Levi Strauss

India, will continue to grow in the low double digits, which is really remarkable when things are slowing down in the western world."

Denim maker Levi Strauss & Co said it is scaling up investment in its stores and innovation in India, a market it considers one of the top priority for sales growth amid fear of recession in many developed countries.

"Globally, the first half of 2023 is probably going to be a little tougher than the second half. The consumer in the western world is a little tight with higher inflation and high energy prices. But we are long on India, its consumers, the economy as well as apparel growth," Harmit Singh, global chief financial and growth officer at Levi Strauss & Co told ET. "We believe our Asian business, including India, will continue to grow in the low double digits, which is really remarkable when things are slowing down in the western world."

As the world's second most-populated country, India is an attractive market for apparel brands, especially with youngsters increasingly embracing western-style clothing. In India, fast fashion brands such as Zara and H&M have been runaway successes soon after they entered the country, much later than Levi's, which opened its first door nearly three decades ago and now has more than 400 stores across 150 cities.

"Growing our store base, and growing our business digitally in India is important. During the pandemic, we took a call to really restructure our store base. We expanded where we could, relocated the stores where we could, and that's really paid off," said Singh.

This reflects in its numbers – the San-Francisco based jeans maker posted a 58% year-on-year increase in net sales in India to Rs 1,154 crore in 2021-22.

However, unlike rivals that report retail sales, Levi's said its revenues are not comparable because sales are accounted at wholesale prices to franchise partners. The denim brand said it is already a market leader in India within the denim and apparel segment in terms of consumer price.

The steady abandonment of formal attire as de rigueur office wear for young corporate executives wearing smart casuals has been a trend over the past few years fuelled by millennials and Gen Z.

Globally, as well as in India, shoppers are opting for sustainable and durable garments instead of cheap and mass-produced ones. The brand, known for the leather tag having the iconic two-horse design, said it calls itself slow fashion and has set fashion trends.

“We are not running after fast fashion, ensuring our product is on trend, ensuring we are able to sustain the cycles over time, and are durable," said Singh.

Apart from being one of the sourcing hubs, India also has a global capability centre in Bengaluru, an engineering hub to accelerate omni-channel capabilities globally. In addition, India is increasingly becoming a talent hub for the retailer globally.

For instance, more than a year ago, Levi's named Sanjeev Mohanty, managing director of South Asia-Middle East and Africa for Levi Strauss & Co, based out of India, as its managing director for the US and Canada. Singh was also elevated last month and given additional roles in corporate strategy and global retail real estate.

Levi’s said it sells more than three tops for every bottom in key markets worldwide, but it is trying to push more non-denim clothing and women's apparel in consumers' wardrobe. India, however, is an exception, as people buy one bottom for every top on average.

“If you really want to own a share of the closet, then we need to sell a lot more tops and India has set the trend on that,” said Singh, who has been instrumental in turning the company around, taking it public, driving accelerated, profitable growth for the global retailer.

Source: economictimes.indiatimes.com- Feb 09, 2023

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# Awaiting better prices, some Indian farmers store cotton on terraces

For the first time, Indian cotton farmers, particularly in Karnataka and Telangana, have begun storing raw cotton (kapas) on their terraces and backyards, waiting to get better prices for their produce.

"I personally saw farmers in 2-3 villages near Raichur in Karnataka storing cotton on their terraces. Similarly, farmers are storing cotton in Yadgir district. A lot of kapas are being held back in many cotton-growing villages," said Ramanuj Das Boob, a sourcing agent for multinationals in Raichur, Karnataka.

Since the beginning of the current cotton season which began on October 1, 2022, farmers have been holding back their produce as cotton prices have declined by over 40 per cent from the peak of over ₹1 lakh per candy (356 kg) witnessed in May-June 2022.

Market data

According to data from Agmarknet, a unit of the Agriculture Ministry, cotton arrivals between October 1, 2022, and February 6 were at least 30 per cent lower at 125 lakh bales (170 kg) from 190.5 lakh bales during the same period a year ago. "These farmers had got ₹12,000-13,000 a quintal for kapas last season. This season they are getting ₹8,000 only," said Das Boob.

Currently, cotton is quoted at ₹61,500 a candy in Gujarat compared with ₹62,500 a week ago. The modal price (the rate at which most trades take place) for raw cotton in Rajakot's Gondal agricultural produce marketing committee (APMC) yard has dropped to ₹8,205 a quintal from ₹8,405 a week ago.

In Karnataka APMC yards, prices have dropped to the levels of ₹7,700 a quintal (₹7,900 a week ago).
Gujarat, the leader

"Farmers all over the country are holding back cotton. That's why arrivals have been lower this year. This may be new in Telangana and Karnataka, but it is nothing new in Gujarat," said Anand Popat, a trader in cotton, yarn and cotton waste in Rajkot.

In Gujarat, cotton farmers are holding back at least 75 per cent of their harvested crop. “For years, farmers in places such as Jamnagar have been storing cotton on their terraces. In Saurashtra, too, farmers tend to hold back on their terrace or godowns set up in their houses when they are not happy with the prices,” he said.

Das Boob and Popat say cotton farmers now have the financial capacity to hold back their produce and sell when prices are bullish. “Only farmers who need immediate cash are selling. Their capacity to hold back has increased after they got good prices last season,” he said.

Check on prices

For example, farmers who grow the DCH variety in Karnataka are yet to bring out their produce despite a rise in the variety’s acreage. “Last season, farmers who grew DCH cotton got ₹15,000 a quintal,” Das Boob said. One of the reasons for farmers looking for better prices this season is that the crop yield is less.

Prabhu Dhamodharan, Convenor, Indian Texpreneurs Federation (ITF), said with demand challenges continuing in all markets, the lower level of industry utilisation will keep a check on cotton prices. “Alternate low-cost fibres are at an advantage, having taken away the market share of cotton permanently in multiple areas of fashion,” he said.

However, the entire cotton value chain now are slowly trying to come back towards production from its recent lows as cotton prices have been stable over the past month. “These realities and the upcoming summer season will enable farmers to bring more cotton to the market in the coming days,” Dhamodharan said.

Inflows on the rise

Popat said cotton arrivals have begun to rise across the country. From 90 lakh bales (170 kg each) a fortnight ago, arrivals are currently at 120 lakh bales. “I expect arrivals to touch 200 lakh bales by the end of this month,” he said.

Though prices, particularly, in Gujarat may not decline much below ₹60,000 a candy as export demand has begun to re-emerge, Popat said chances of any sharp rise in prices are remote.

However, cotton prices in Maharashtra are ruling ₹1,000 a candy lower than in Gujarat from having ruled at ₹1,000 higher last season. “Growers in Maharashtra may want to sell their stocks now,” he said. “Probably, this is the best time to dispose of their stocks. But I don’t rule out the possibility of the farmers wanting to sell from June onwards,” he said.

Looking for lean season

“I expect farmers to sell their produce after March when the lean season begins,” said Das Boob, adding that farmers have been encouraged by the “good support” they are getting from the government through schemes such as the PM Kisan scheme. Maharashtra and Telangana have their own schemes to support growers, he said.

Das Boob expects the current price trend to continue. Popat said huge stocks are still with the farmers ruling out any surge in the rates.

Poppat said cotton production will likely be 360 lakh bales, higher than the 339.75 lakh bales estimated by the Cotton Association of India and 341.9 lakh bales projected by the Ministry of Agriculture.

“Export demand has come from Bangladesh. If prices drop a little more compared with the InterContinental (ICE) cotton rates, China could be back to buying Indian cotton. That could leave the market balance tight next season” Popat said.

Currently, cotton in ICE New York for delivery in May is quoted at 85.06 cents a pound (₹55,650 a candy). Prices are lower on weak demand and fears of recession.

Source: thehindubusinessline.com- Feb 07, 2023

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# Cotton arrival in north zone down by at least 10 lakh bales this season

Cotton arrival in the country's north zone, which includes Punjab, Haryana, Ganganagar circle, and lower Rajasthan, was down by at least 10 lakh bales compared to the corresponding figures till January 31 last season.

According to data provided by Indian Cotton Association Limited (ICAL), 26.17 lakh bales arrived this season till January 31, as against 36.84 lakh bales last season in the corresponding period. It was also way below the estimated cotton arrival quantity this season (40.91 lakh bales).

One bale is equal to 170 kg of ginned cotton (cotton separated from cotton seed).

According to the ICAL, around 1.33 lakh bales arrived in Punjab till January 31, as against 5.55 lakh bales last season in the corresponding time frame. This season, 2.82 lakh bales were expected to arrive in mandis (grain markets), much lower than the 7.19 lakh bales that arrived last season.

In Punjab, cotton crops got damaged because of unfavourable weather conditions during the season and the attack of various diseases.

In Haryana, 12.03 lakh bales were estimated to arrive this season, as against the 15.05 lakh bales that arrived last time. But till January 31, only 5.97 lakh bales have arrived as against the 10.11 lakh bales that had arrived in the same period last season.

In Rajasthan, around 19.50 lakh bales arrived, as against 22 lakh bales in the same period last season. Rajasthan's Ganganagar circle witnessed the arrival of 11.20 lakh bales, as against 13.10 lakh bales last season. Last season, 16.26 lakh bales arrived in the entire season, and this year, 16.63 lakh bales are expected to arrive.

In lower Rajasthan, 8.29 lakh bales arrived till January 31, as against 8.97 lakh bales in the same period last time. This season, the expected arrival is 10.41 lakh bales, as against the total arrival of 9.86 lakh bales last season.

Last season, 47.24 lakh bales arrived in the entire north zone and lower Rajasthan. In Punjab, cotton is grown in the cotton belt districts, including Bathinda, Fazilka, Mansa, Muktsar Sahib, Sangrur, Barnala, Faridkot and Moga.

The rate of raw cotton (unginned, not separated from cotton seed) is between Rs 8,000 to 9.000 per quintal, which is way above the minimum support price (MSP) of Rs 5,726 and Rs 6,380 per quintal for medium and long staple raw unginned cotton, respectively.

In Punjab, the area under cotton is decreasing because in the last few years, various diseases, including white flies and pink bollworms, have been attacking the crop. Also, the farmers need a timely water supply in the canals in the cotton belt at the time of sowing, due to which the cotton sowing got delayed, and farmers prefer to sow other timely crops.

Every year, the canal department of the state starts its canal repair work in April, while cotton sowing starts after April 15. With this repair work, the water supply in canals is stopped for 20 days to one-month period, which is the best time for cotton sowing.

The agriculture department officials have written to the state government several times to complete canal repair work before cotton sowing begins. Still, there needs to be more coordination, and canal work is only completed after sowing time.

Source: indianexpress.com- Feb 09, 2023

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