स्वच्छ भारत
एक कदम स्वच्छता की ओर
TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU
TEXPROCIL

TEXPROCIL
NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com
ID 9105079408

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 31 of 2023 February 14, 2023

CLICK HERE
To Watch Currency Outlook by CR Forex Advisors

NEWS CLIPPINGS

Currency Watch	
USD	82.72
EUR	88.85
GBP	100.46
JPY	0.63

INTERNATIONAL NEWS

No	Topics
1	Australian cotton supplies over 10% of gross crop value in 24 LGAs
2	US cotton industry growth to slow down for next 2 years: NCC
3	Annual UK GDP output estimated to have grown by 4.1% in 2022: ONS
4	US textiles & apparel exports up 9.77% during 2022
5	Chinese home textile fair in August
6	What's in Store for Dwell Times, Blank Sailings and Cargo Capacity in 2023
7	Ethiopia inks landmark $40 mn forest preservation deal with World Bank
8	Bangladesh: BGMEA seeks Chinese support in RMG sector

NATIONAL NEWS	
No	**Topics**
1	Trading in Cotton Futures Contract starts in collaboration of Centre, MCX, trade & industry
2	India's Rupee trade plans with Russia has likely run into trouble
3	What India's latest farm exports data show
4	Illegal subsidies by trade partners, other countries hurt Indian trade & biz: Govt
5	India hosts the special negotiation round for Pillars II-IV of Indo-Pacific Economic Framework (IPEF) from 8-11 February 2023 in New Delhi
6	Digital initiatives undertaken for the promotion of digital empowerment and enabling the ease of doing business of MSMEs
7	Schemes and programmes implemented for investment and adoption of latest technologies in MSME sector; scheme for capacity building of first time exporters launched in June, 2022
8	Dip in China's share an opportunity for India apparel trade with Japan
9	North India cotton yarn rises on export orders, recycled yarn steady
10	Lal10 to launch 7 satellite offices to digitise textile factories across India

INTERNATIONAL NEWS

Australian cotton supplies over 10% of gross crop value in 24 LGAs

Australian cotton has been found to have a significant financial contribution to rural and regional communities with cotton supplying over 10 per cent of gross crop value in 24 Local Government Areas (LGAs) in the 2020-21 season, as per official government data.

The result is even more important with the Australian Bureau of Agricultural and Resources Economics and Sciences (ABARES) forecasting a 2022-23 gross value of cotton production at around $3.4 billion with expectations that exports will reach a value of $5.1 billion because of prior shipping delays for the 2022 crop.

“The 2021 Census Data, collated only recently, proves how important cotton is to the future of many communities. We have always known that when a cotton grower has a good year, so too does the community they are part of. They invest back into their local communities by providing jobs, buying farming essentials like chemicals, diesel, machinery, and fertilisers while also supporting schools and community groups,” Cotton Australia CEO Adam Kay said in a press release.

The Australian Bureau of Statistics (ABS) 2021 Agricultural Census also revealed that cotton was grown in 65 local government areas with more than 75 per cent of cotton grower business expenses spent locally. In 38 of those LGAs, cotton contributed over $1 million to the local economies with 25 of those in New South Wales, nine in Queensland, one in West Australia, and three in the Northern Territory.

The ABS publication, Value of Agricultural Commodities Produced – Australia, 2020-21 also showed the gross value of cotton lint, irrigated and non-irrigated, at $1.465 billion.

“Since the census many billions have flowed through to the economy, helping communities prosper. Last year we recorded a record crop of 5.6 million bales, with 5 million bales forecast this year. Those 10 million-plus bales equate to approximately $7 billion injected into the Australian economy with much of it spent locally,” added Kay.

Results from the 2021 Population Census show that cotton growers support higher indigenous employment with Aboriginal and Torres Strait Islander employment on cotton farms and gins at 6.9 per cent while the 2022 Indigenous Employment Index Average Indigenous employment rate was 2.2 per cent for surveyed companies, and a parity target figure of 3.3 per cent.

"Cotton farmers would hope to boost the employment figures even higher if only they could access more workers for their farms. We are working with the federal government to solve the shortage of agricultural workers and we look forward to filling vacancies as soon as possible," he said in the Cotton Australia statement.

Source: fibre2fashion.com- Feb 13, 2023

HOME

****

US cotton industry growth to slow down for next 2 years: NCC

Although modest economic growth is forecasted by National Cotton Council (NCC) economists for the next two years, the projected growth for the US cotton industry represents a slowdown from the prior two years. The past year can be characterised as a year with significant uncertainty and volatility in the global economy and the world cotton market.

The US cotton industry continues to navigate an environment characterised by increased production costs, slumping consumer demand, and supply chain disruptions.

"The NCC projects 2023 US cotton acreage to be 11.4 million acres, 17.0 per cent less than 2022," Dr. Jody Campiche, the NCC's vice president, economics and policy analysis, said in her analysis of the NCC Annual Planting Intentions survey results.

While production costs remain elevated, cotton harvest-time futures prices are currently 16.5 per cent less than a year ago and the prices of most competing commodities are relatively unchanged. The current economic signals are reflected in the 2023 survey results as many growers indicated a shift away from cotton to other competing commodities.

Using five-year average abandonment rates along with a few state-level adjustments, Cotton Belt harvested area totals 8.8 million acres for 2023 with a US abandonment rate of 22.6 per cent. Using the five-year average state-level yield per harvested acre generates a cotton crop of 15.7 million bales, with 15.2 million upland bales and 466,000 extra-long staple (ELS) bales.

Campiche said world production is estimated to increase slightly to 115.9 million bales in 2023-24 due to an increase in harvested acreage. Overall, the outlook for world cotton demand for the 2023-24 marketing year takes on a more positive tone as compared to 2022-23 with the expectation of improving global economic conditions. For the 2023-24 marketing year, world consumption is projected to increase by 4.7 per cent to 116.1 million bales.

The removal of COVID-19 restrictions in China should provide a boost to cotton consumption in 2023. The International Monetary Fund has projected an increase in China's growth rate from 3.0 per cent in 2022 to 5.2 per cent in 2023. With expanded consumption in key importing countries, world trade is projected to increase to 44.2 million bales in 2023-24.

Regarding domestic mill cotton use, the NCC is projecting an increase in US mill use to 2.3 million bales during the 2023-24 marketing year. As one of the largest markets for US cotton, US mills continue to be critically important to the health of the cotton industry. In the face of rising textile imports from Asian suppliers, the US textile industry has focused on new investment and technology adoption in order to remain competitive. Preserving important trading arrangements in the Western Hemisphere is also critical to the US textile industry's health.

A projected increase in world consumption for the 2023-24 marketing year along with a larger US supply results in a higher US export projection as compared to 2022-23. When combined with US mill use, total offtake is lower than expected supply, and ending stocks are projected to increase to 5.3 million bales. World ending stocks are projected to decline slightly in the 2023-24 marketing year to 89.9 million bales, resulting in a stocks-to-use ratio of 77.5 per cent.

The current economic outlook for the US and global economies should be viewed with caution as several downside risks are present. Continued impacts of tighter monetary policy, high inflation, the Russia-Ukraine war, potential for severe COVID-19 health impacts in China, geopolitical tensions, currency pressures in key importing countries, and slower economic growth could affect cotton demand in 2023 and put downward pressure on cotton prices.

Source: fibre2fashion.com- Feb 13, 2023

HOME

****

Annual UK GDP output estimated to have grown by 4.1% in 2022: ONS

The monthly UK real gross domestic product (GDP) is estimated to have fallen by 0.5 per cent in December last year, following an unrevised growth of 0.1 per cent in November. Annual GDP output is estimated to have grown by 4.1 per cent in 2022, following growth of 7.4 per cent in 2021. However, there was no growth in real GDP in the fourth quarter (Q4) last year.

GDP was flat in the three months to December 2022.

Production output grew by 0.3 per cent in December, following growth of 0.1 per cent (revised up from a 0.2 per cent fall) in November last year.

Monthly GDP is now estimated to be 0.5 per cent below its pre-COVID-19 levels of February 2020.

Source: fibre2fashion.com- Feb 13, 2023

HOME

****

US textiles & apparel exports up 9.77% during 2022

Exports of textiles and apparel from the United States went up by 9.77 per cent in 2022. The value of exports stood at $24.866 billion during the period under review compared to $22.652 billion in the same period of 2021, according to data from the Office of Textiles and Apparel, US department of commerce.

Category-wise, apparel exports increased by 20.18 per cent year-on-year to $7.377 billion, while the exports of yarn ($4.577 billion) and fabric ($8.521 billion) increased by 16.87 per cent and 3 per cent, respectively in the period under review. Made-up and miscellaneous article exports grew by 1.42 per cent to $4.134 billion.

Country-wise, Mexico (27.49 per cent) and Canada (23.92 per cent) together accounted for more than half of the total US textile and clothing exports during the period under review. The US supplied $6.836 billion worth of textiles and apparel to Mexico during the last year, followed by $5.948 billion to Canada and $1.730 billion to Honduras.

In recent years, the US textile and clothing exports have remained in the range of $22-25 billion per annum. In 2014, they stood at $24.418 billion, while the figure was $23.622 billion in 2015, $22.124 billion in 2016, $22.671 billion in 2017, $23.467 billion in 2018, and $22.905 billion in 2019. The value had dropped to $19.330 billion in 2020 due to the COVID-19 pandemic but rose again in 2021 to $22.652 billion.

Source: fibre2fashion.com- Feb 14, 2023

HOME

****

Chinese home textile fair in August

Intertextile Shanghai Home Textiles will be held in China, August 16 to 18, 2023.

This is a home textile show and will comprise a wide range of home textile products, including bedding and toweling, rugs, table and kitchen linen, upholstery and curtain fabrics, editors, home textile technologies, and textile design.

With well-known participating brands, extensive product categories, and an informative fringe program, the fair will continue to serve as the hub for resource exchange within the global home textile sector, and prove particularly essential for industry players who wish to enter the Chinese market.

This autumn edition of Intertextile Shanghai Home Textiles is targeted more toward international participants. With many trade fairs restarting their event schedules worldwide and China notably relaxing border restrictions for travellers entering the country, global industry players are looking forward to the return of trade fairs. Due to the promising home textile market, the fair expects to welcome more overseas exhibitors and visitors to the upcoming show.

The global home textile market is expected to grow at an annual rate of 3.5 per cent between 2020 and 2025. China is expected to remain the world's largest home textile market with a share of over 28 per cent.

Source: fashionatingworld.com- Feb 13, 2023

HOME

****

What's in Store for Dwell Times, Blank Sailings and Cargo Capacity in 2023

Despite concerns surrounding port congestion and worries about a West Coast dockworker strike, container dwell times at the busiest ports on both U.S. coasts are getting shorter.

Dwell times at the Ports of Los Angeles and Long Beach, as well as the Port of New York and New Jersey both hovered around eight days on March 1, 2022, according to analysis from Flexport. On the West Coast, these times have dipped nearly two full days to roughly six on average by Feb. 1, 2023, while East Coast dwell times declined six days to just two.

However, while importers are likely to be overjoyed with the news, they will have to keep a close eye on this for the duration of the year. Nathan Strang, director, ocean trade lane management at Flexport, warned in a recent webinar that importers must account for a potential cutback in gate availability so they don't get squeezed out of a spot at the terminals.

"As vessel volumes decline, so does gate availability," Strang said. "If you're unfamiliar with how the ports operate, the inbound containers pay the labor costs—to run the cranes, the gates, all the drivers and clerks, etc. If inbound volume declines, that also means the available pool to pay for your labor has declined. That means they'll do things like restrict night gates, second shifts and weekend gates with less labor available."

Less labor may either flatten either dwell time or even a reversion in turn times, according to Strang, especially on the West Coast where total volumes have declined further.

Beyond dwell times, Strang said that transit times have been impacted by the diversification of sourcing away from China, more so than shipping rates.

"A lot of shippers are used to routes like Shanghai to L.A. or Yantian to Seattle transit times," said Strang. "Suddenly you're shipping out of Malaysia, Indonesia or Vietnam, and your transit times are 2-3X. That was something that I saw a lot of clients just weren't ready for. They didn't anticipate that. If you are looking to shift production, it's important to engage with your freight forwarder very early in that."

Expect more blank sailings in February

The deployment of 20-foot equivalent units (TEUs) is on par so far in 2023 with the fourth quarter of 2022, according to Sea-Intelligence data cited by Flexport. But across the board, freight supply transported from East and Southeast Asia to North America has remained volatile. The week-over-week supply also is unpredictable across gateways, primarily due to a lack of demand.

“Last year it was largely driven by congestion and vessels being misaligned,” said Kyle Beaulieu, director, ocean strategy and carrier development at Flexport.

However, with the drop in demand, combined with the passing of China’s Lunar New Year holiday, Beaulieu said ocean carriers have “major voids” for February. Effective capacity in the fifth week of 2023 hit the lowest level in three years at fewer than 200,000 TEUs.

“Overall deployment for February might actually hit less than 50 percent on average by the time the month wraps up,” he said.

Currently, every major gateway into the U.S. is at or below 60 percent capacity. In the Pacific Southwest, TEU deployment is at its lowest at 55 percent, while it is 60 percent in the Pacific Northwest. Across the East Coast and the Gulf Coast, deployment reached 57 percent capacity.

This will result in more blank sailings before the month is out, especially since the capacity numbers traditionally drop anywhere between 5 percent and 10 percent over the course of the month, according to Beaulieu.

The decline in demand has resulted from carriers remaining over-inventoried. Carriers currently face the challenge of balancing out when the inventory will return, and how they should appropriately manage their capacity for that.

Additionally, carriers are still trying to regain a sense of schedule reliability, and as such are deliberately “slow steaming” the speed of cargo ships. For carrier clients, this means that shipping times will be slower than pre-Covid. But Beaulieu emphasized that these times will still be an improvement over the peak pandemic years.

However, Beaulieu noted that he expects freight rates to increase again in the second half of 2023 after they cooled off last year.

“Rates are far below where people would have expected three months ago, and definitely six months ago,” Beaulieu said. “They’re at a place where they’re not healthy overall for ocean carriers from a profitability standpoint, so this is a challenge for them. In many places we’ve started to hit the floor. We’ve seen in the past that carriers can go below the floor or the market if it’s just not there.”

Freight services consolidate, but ramp up in Southeast Asia

One upside to the drop in demand and an increase in blank sailings is that this gives carriers time to reposition their vessels, with new carrier service rotations generally starting in March and April.

Beaulieu highlighted two common trends across the major shipping alliances that have announced new service rotations for 2023.

The first trend is a consolidation of service strings—coming in the form of either outright service cancellations or fewer port calls—which ease congestion at major ports.

The second trend is an increase in service offerings for Southeast Asia, particularly Vietnam and the Indian subcontinent.

India benefits from added capacity as carriers seek higher rates

While the major shipping carriers still have not confirmed vessel deployment across strings and carriers for 2023, Beaulieu noted that the two top trends have led to carriers chasing higher shipping rates and shoring up their position on smaller trade routes.

Container fleet deployment on the Trans-Pacific East Bound (TPEB) route, which represents trade from East and Southeast Asia to North America, dropped 6 percent on a year-over-year basis to Feb. 1, 2023. Similarly, deployment on the Far East Westbound (FEWB) trade route from Asia to Europe decreased 4 percent.

With the new services across the Indian subcontinent, total TEU across ports in the region and the Middle East increased 11 percent.

“This is in part because they’re taking on more of the 13,000 to 15,000 TEU ships that have come from the larger East-West trades,” Beaulieu said. “There’s likely to be more of a volume shift as carriers add strings in this region.”

Latin America is also seeing a rebound after losing vessels to East-West trades during the Covid-19 pandemic, with total TEU deployment at the region’s ports increasing 5 percent.

Source: sourcingjournal.com- Feb 14, 2023

HOME

****

Ethiopia inks landmark $40 mn forest preservation deal with World Bank

Ethiopia has entered into a landmark $40-million agreement with the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL). This Emission Reductions Purchase Agreement (ERPA) will help communities, government, and stakeholders to reduce carbon emissions and increase carbon sequestration through forest preservation and other environment-friendly land uses.

The ERPA marks the first of its kind for ISFL, which will reward efforts to reduce around 4 million metric tons of CO2e (carbon dioxide equivalent) emissions through 2030 under Ethiopia’s ambitious Oromia Forested Landscape Program (OFLP), the World Bank said in a press release.

The Oromia Forested Landscape Program (OFLP) seeks to reduce greenhouse gas (GHG) emissions by improving forest and livestock management throughout the Oromia region.

ISFL grant financing has supported the OFLP since its start of implementation in 2017. It has enabled on-the-ground investments that have resulted in over 350 community cooperatives being engaged in afforestation and reforestation activities and participatory forest management, with plans and assessments covering more than 195,000 hectares of natural forests.

Over 46 million tree seedlings have been produced and more than 9000 hectares of land have already been reforested. The program has also worked with the private sector and governmental entities to promote the adoption of new business models that ensure environmental and economic sustainability and development of forest-smart policies that support local initiatives to thrive and scale up.

With the activities underway, the ERPA will bring significant additional funding to the program in the form of results-based payments for the verified emission reductions. A comprehensive benefit sharing plan is prepared to ensure stakeholders are fairly recognised and rewarded for their effort in reducing emissions.

"Signing this ERPA is a reason to celebrate," said Ato Kebede Yimam, director general for Ethiopian Forest Development. "It is the culmination of our careful planning, increased partnerships, and political commitment to managing our forests and agriculture sustainably as part of national efforts to combat climate change, build resilience, and ensure inclusive green growth."

"We are proud to sign our first ERPA with Ethiopia and reward the hard work of changing how land is managed to avoid deforestation," said Roy Parizat, ISFL fund manager. "It is particularly gratifying to see local communities empowered to protect, manage, and decide on how to use the benefits accrued from protecting the forest and improving the environmental sustainability of other critical land-use sectors, most notably agriculture."

Source: fibre2fashion.com- Feb 13, 2023

HOME

****

Bangladesh: BGMEA seeks Chinese support in RMG sector

Bangladesh Garment Manufacturers and Exporters Association President Faruque Hassan sought cooperation of China in its transformation from cotton to non-cotton and high-value items in order to move up the value chain in the country's readymade garment industry.

He made the call while paying a courtesy call on Chinese Ambassador to Bangladesh Yao Wen at the embassy on Monday (13 February).

During the meeting, Faruque Hassan highlighted Bangladesh RMG industry's target of $100 billion garment export earnings by 2030.

In pursuance of the vision, Bangladesh's apparel industry was increasingly focusing on diversifying from cotton to non-cotton and high-value items in order to move up the value chain, he said.

"The shift will increase the demand for manmade fiber-based fabrics, chemicals and other raw materials, and China is a big source of all of these items and can meet the demand of Bangladesh. Besides, China is a leading exporter of garment and textile machinery," Faruque Hassan said.

"On the other hand, China is a promising market for Bangladesh's RMG exports. So there lies a huge scope of widening collaboration and strengthening partnership between Bangladesh and China, which will greatly benefit both countries," he said.

BGMEA Director Tanvir Ahmed and Chair of BGMEA Standing Committee on Foreign Mission Cell Shams Mahmud were also present at the meeting.

Economic and Commercial Counsellor Song Yang was also present at the meeting.

They discussed potential opportunities of expanding bilateral trade between Bangladesh and China.

Their discussion also included how both countries could derive more mutual trade benefits through further collaboration, especially in the area of apparel and textile industry.

They also talked about sharing of knowledge and expertise in the apparel and textile industry through collaboration between BGMEA University of Fashion and Technology (BUFT) and leading Chinese textile and fashion universities and institutes.

The BGMEA president expressed thanks to the Chinese government for allowing Bangladesh duty-free access to the Chinese market for RMG exports.

He called upon the Chinese envoy to extend more cooperation and support to Bangladeshi businessmen in obtaining visas to facilitate their trading with China and Hong Kong.

He also requested the Chinese government to increase the number of flights between Bangladesh and China and sought support of the envoy in this regard.

He informed the Chinese Ambassador that the Bangladesh Apparel Summit would be organised in Hong Kong in 21 March 2023.

Source: tbsnews.net- Feb 13, 2023

HOME

****

NATIONAL NEWS

Trading in Cotton Futures Contract starts in collaboration of Centre, MCX, trade & industry

Trading in newly launched, more representative Cotton Futures Contract has commenced from 13.02.2023 with the collaborative approach of Government of India, MCX, trade & industry.

In order to make the futures prices more representative and not speculative, contract specification and quality standards has been modified and new cotton future contract has been launched at MCX on 31st January 2023.

It will help in real price discovery and also will provide a platform for the industry to hedge their risk from future adverse price volatility. Further, farmers would also be benefitted and will have reference price while taking a decision to sell their produce in the market.

During Cotton Season 2021-22, Indian cotton prices reached to its peak level of more than Rs. 100,000 per candy in the month of May 2022 following unseasonal rain, speculative trading and a global cotton shortage.

Industry were raising the concern of lesser open interest and speculation through trading of cotton future contract on the multi- commodity exchange (MCX) and thereby distortion in domestic cotton prices.

The matter was raised during the 2nd interactive meeting of Textile Advisory Group (TAG) held on 14th July 2022 as a result of which, Product Advisory Committee of MCX was re-constituted and enlarged with representation of Textile Value Chain from farmer to end users (i.e. spinning mills) to make the system more structured as per domestic market to curb the speculative trading and volatility in cotton prices. Now, Indian cotton prices are competitive and in line with global prices.

Source: pib.gov.in - Feb 13, 2023

HOME

****

India's Rupee trade plans with Russia has likely run into trouble

India's love for discounted Russia oil is widening its trade deficit with Moscow and the casualty is their much-touted rupee trade plan.

The gap between their exports and imports is rising and that's making the local currency payment mechanism futile, people familiar with the matter said, asking not to be identified as the discussions are private. No payment has been initiated because Russian banks do not want excess rupee piling up, they said.

New Delhi's imports from Russia in eight months to November were almost 16 times its shipments to the nation, trade ministry data show. Russia's war with Ukraine, which invited US-led sanctions, germinated the idea of rupee trade as India boosted its purchases of cheap oil from Moscow to contain a rising import bill amid high commodity prices. The mechanism worked as a template to draw out similar arrangements with other nations such as Mauritius and Sri Lanka.

Slow progress in the rupee trade with Russia could add to pressure on the local currency which slipped the most against the dollar among emerging Asian currencies in the past 12 months. India is betting on internationalization of the rupee to reduce dollar demand and make its economy less vulnerable to global shocks after current account deficit, the broadest measure of trade in goods and services, widened to a record in July-September.

Officials from the two nations met last month to discuss ways of enhancing exports to Russia in areas such as electronics so that the rupee trade mechanism can be brought back on track as traders mull other ways of settlement.

The plan to allow overseas trade to be settled in rupees was announced by the Reserve Bank of India in July. Seven months later, the mechanism is largely limited to payments for import of defense equipment, the people said.

Payment in rubles is also a challenge because there is no fixed exchange rate for the currency, a Bharat Petroleum Corp. Ltd. executive, who didn't want to be named, said, adding refiners would rather pay in the United

Arab Emirates dirham which is pegged to the dollar. India's biggest company by market value Reliance Industries Ltd., and BPCL are among Indian refiners using dirhams to pay for some shipments of Russian crude as they navigate Western sanctions.

Spokespersons for the India's external affairs and trade ministries didn't immediately comment on the matter.

Russia is now the biggest supplier of crude oil to India overtaking Iraq and Saudi Arabia. In December, the South Asian nation bought 1.2 million barrels of crude from Russia every day — a whopping 33 times more than a year earlier.

While crude continues to dominate their bilateral trade, imports of items such as sunflower oil and fertilizers have also jumped in the past few months. As a result, India's imports from Russia climbed more than 400% in eight months to November from a year earlier, while exports fell 14%, showing little success in the government's efforts to improve outbound shipments.

"As far as we know , there has been no transaction in Indian rupees so far," said Ajay Sahai, director general and chief executive officer of the Federation of Indian Export Organisations.

Source: economictimes.com - Feb 14, 2023

HOME

****

What India's latest farm exports data show

India's agricultural exports are poised to scale a new peak in the financial year ending March 31, 2023. But so are imports, bringing down the overall farm trade surplus.

Government data show the value of farm exports in April-December 2022, at $39 billion, was 7.9% higher than the $36.2 bn for the corresponding period of the previous year. At the present rate, the record $50.2 bn exports achieved in 2021-22 look set to be surpassed.

However, equally significant are the imports of agri produce, that at $27.8 bn in Apr-Dec 2022, have grown 15.4% over the $24.1 bn for Apr-Dec 2021. As a result, there has been a further shrinking of the surplus on the farm trade account. The accompanying table shows that the surpluses even in 2020-21 ($20.2 bn) and 2021-22 ($17.8 bn) were lower than the $22.7 bn and $27.7 bn of 2012-13 and 2013-14 respectively.

The two big contributors to India's agri-export growth have been rice and sugar.

INDIA'S AGRICULTURAL TRADE IN MILLION US DOLLARS

YEAR	EXPORTS	IMPORTS	TRADE SURPLUS
2012-13	41726.33	18978.33	22748.00
2013-14	43251.66	15528.94	27722.72
2014-15	39080.43	21151.77	17928.66
2015-16	32808.64	22578.60	10230.04
2016-17	33696.83	25643.40	8053.43
2017-18	38897.21	24890.90	14006.31
2018-19	39203.53	20920.34	18283.19
2019-20	35600.47	21859.99	13740.48
2020-21	41895.68	21652.05	20243.63
2021-22	50240.21	32422.30	17817.91
Apr-Dec 21	36155.42	24071.55	12083.87
Apr-Dec 22	38997.92	27770.64	11227.28

India in 2021-22 shipped out an all-time-high 21.21 million tonnes (mt) of rice valued at $9.66 billion. That included 17.26 mt of non-basmati (worth $6.12 billion) and 3.95 mt ($3.54 billion) of basmati rice. In the current fiscal, the growth has been primarily led by basmati rice.

Its exports have gone up by 40.3% in value (from $2.38 billion in April-December 2021 to $3.34 billion in April-December 2022) and 16.6% in quantity (2.74 mt to 3.20 mt) terms. The corresponding increases have been less for non-basmati exports: 3.3% in value ($4.51 billion to $4.66 billion) and 4.6% in quantity (12.60 mt to 13.17 mt).

More spectacular perhaps is sugar. Sugar exports hit a record value of $4.60 billion in 2021-22, as against $2.79 billion, $1.97 billion, $1.36 billion, and $810.90 million in the preceding four fiscals. This fiscal has seen a further surge of 43.6%, from $2.78 billion in April-December 2021 to $3.99 billion in April-December 2022.

India exports of rice and sugar are well on course to touch, if not top, $11 billion and $6 billion respectively in 2022-23. Marine products exports, too, are likely to exceed last year's peak of $7.77 billion, having registered a marginal 2.7% jump from $6.12 billion in April-December 2021 to $6.29 billion in April-December 2022.

However, exports of some big-ticket items have faltered or slowed. The value of buffalo meat shipments fell 5.1% from $2.51 billion in April-December 2021 to $2.39 billion in April-December 2022. So did spices: down 6.7% from $2.95 billion to $2.75 billion. While wheat exports have grown by 3.9% from $1.45 billion to $1.51 billion, they are unlikely to sustain or even reach the 2021-22 full-fiscal level of 7.23 mt ($2.12 billion), thanks to a poor crop and the ban on shipments imposed in May 2022.

...And that of imports

More than a general export slowdown, it's the growth in imports that should be cause for concern. This has come mainly from three commodities.

The first is vegetable oils, whose imports shot up from $11.09 bn in 2020-21 to $18.99 bn in 2021-22, and even more during the first nine months of 2022-23 over the same period of last fiscal — from $14.04 bn to $16.10 bn or 14.7%. According to the Solvent Extractors' Association of India, India's total edible oil imports rose from 13.13 mt in 2020-21 to 14.03 mt in the

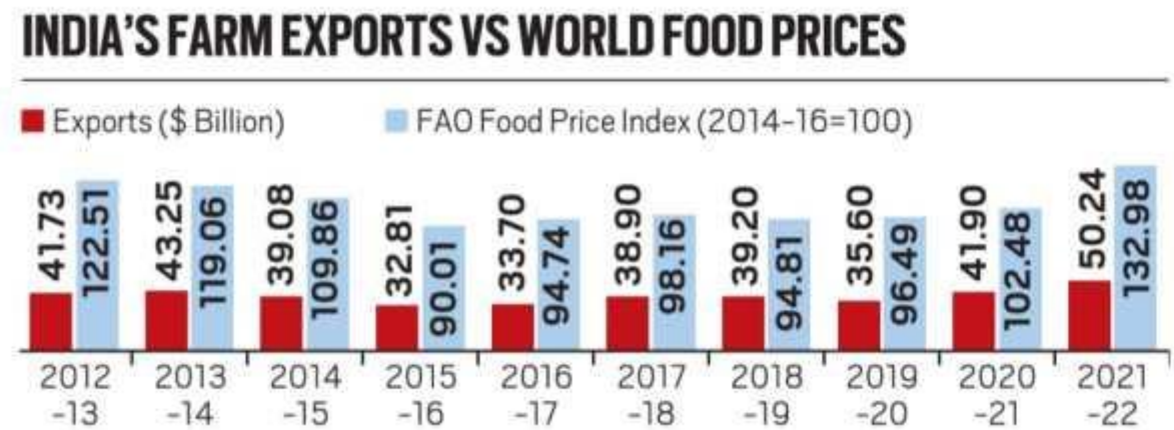
2021-22 oil year (Nov-Oct), and increased further by 30.9% from 2.36 mt in Nov-Dec 2021 to 3.08 mt in Nov-Dec 2022. Imports now account for over 60% of the country's estimated 22.5-23 mt annual oil consumption.

The second is cotton. India's cotton exports reached an all-time-high of $4.33 bn back in 2011-12. It remained at reasonably high levels until 2013-14 ($3.64 bn), before plunging to $1.62 bn by 2016-17 and $1.06 bn in 2019-20. There was a recovery thereafter to $1.90 bn in 2020-21 and $2.82 bn in 2021-22.

But during this fiscal, not only have exports collapsed to $512.04 million in April-December (from $1.97 billion in April-December 2021), imports have also soared from $414.59 million to $1.32 billion for the same period. In other words, India has turned from a net exporter to a net importer of cotton.

The third commodity is cashew. During April-December 2022, imports have posted a 64.6% rise to $1.64 billion from $996.49 million in April-December 2021, even as exports of cashew products have plummeted from $344.61 million to $259.71 million for the same period. A similar trend has been witnessed in spices, with exports de-growing (from $2.95 billion to $2.75 billion) and imports edging up ($955.75 million to $1.03 billion). The policy implications

From the chart, it can be seen how closely India's farm performance is linked to international commodity prices.



India's farm exports vs world food prices.

The UN Food and Agriculture Organization's (FAO) Food Price Index — having a base value of 100 for the 2014-16 period — averaged 122.5 points in 2012-13 and 119.1 points in 2013-14. Those were the years when India's agri-exports were at $42-43 billion. As the index crashed to 90-95 points in 2015-16 and 2016-17, so did exports to $33-34 billion. The exports recovery in 2020-21 and 2021-22 happened along with — rather, on the back of — rising global prices and the FAO index averaging 102.5 points and 133 points in the two years.

The FAO index peaked at 159.7 points in March 2022, just after the Russian invasion of Ukraine. Since then, it has fallen every month, with the latest reading of 131.2 points for January 2023 the lowest after the 129.2 points of September 2021.

Going by past correlation, one can expect this to lead to India's farm exports slowing down in the months ahead. Moreover, this could be accompanied by increased imports, as was the case from 2014-15 to 2017-18. In the event, the focus of policymakers too, may have to shift from being pro-consumer (to the extent of banning/ restricting exports) to pro-producer (providing tariff protection against unbridled imports).

Secondly, the government needs to do something about cotton and edible oils. India's cotton production has declined from the high of 398 lakh bales in 2013-14 to a 12-year low of 307.05 lakh bales in 2021-22. Clearly, the effects of not allowing new genetic modification (GM) technologies after the first-generation Bt cotton are showing, and impacting exports as well. A proactive approach is required in edible oils as well, where planting of GM hybrid mustard has been permitted with great reluctance — and which is now a matter before the Supreme Court.

Source: indianexpress.com - Feb 14, 2023

HOME

****

Illegal subsidies by trade partners, other countries hurt Indian trade & biz: Govt

The government on Monday said illegal subsidies by trade partners and other countries hurt Indian trade and business, and that corrective actions are taken in the form of invoking dispute settlement mechanisms. The Department of Commerce on February 9, 2023 had stated that illegal subsidies by trade partners and other countries hurt Indian trade and business, Minister of State for Corporate Affairs Rao Inderjit Singh told the Lok Sabha.

"At a multilateral forum, the disciplines regulating the provision of subsidies and the use of countervailing measures to offset injury caused by subsidized imports are addressed in the Agreement on Subsidies and Countervailing Measures," he said in a written reply.

According to him, the subsidies whether they are prohibited (illegal) or actionable are determined by three major steps within the Subsidies and Countervailing Measures agreement.

Based on them, corrective actions are taken in the form of invoking dispute settlement mechanism, Singh said.

Source: economictimes.com - Feb 13, 2023

HOME

****

India hosts the special negotiation round for Pillars II-IV of Indo-Pacific Economic Framework (IPEF) from 8-11 February 2023 in New Delhi

India hosted the special negotiating round for the Indo-Pacific Economic Framework for Prosperity (IPEF) in New Delhi, India, from February 8-11, 2023. The round covered IPEF Pillars II (Supply Chains), III (Clean Economy), and IV (Fair Economy).

Approximately 300 officials from India, the United States, Australia, Brunei, Fiji, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam participated in the deliberations.

Commerce Secretary of India, Shri Sunil Barthwal, inaugurated the Special Round on the 8th February 2023 in a brief opening ceremony which saw Chief Negotiators from the partner IPEF countries joining the Commerce Secretary in lighting the traditional lamps. Speaking on the occasion, the Commerce Secretary reiterated that India was committed to play a significant role in the Indo Pacific region and contributing to a more stable and prosperous future. He urged all the delegates to focus on the broader objectives: creating more conducive environments for enhancing trade and investment linkages, development of resilient supply chains, and acceleration of sustainable development.

On 10 February 2023, Shri Piyush Goyal, Union Minister of Commerce and Industry hosted a reception for the visiting delegates of the IPEF partner countries. The dinner was attended by Chief Negotiators and their delegates, Ambassadors and senior officials from IPEF partner countries. Citing the remarks of Prime Minister of India, Shri Narendra Modi at the launch of IPEF in May 2022, the Minister encouraged members to come up with creative and innovative approaches to develop convergences and achieve tangible outcomes.

He specifically urged members to focus energy on early harvest of deliverables which can benefit all the members. He shared his views on some of the common tangible benefits like capacity building; technical assistance, including sharing of expertise and best practices; investments, innovative projects, etc, expected out of this initiative.

Building on the discussions that took place during the previous round in Brisbane, Australia, in December 2022, in-depth text-based discussions of the three pillars were held in New Delhi. The IPEF Partners engaged in a productive exchange of ideas and feedback and agreed to continue working intensively in the period ahead in order to make further progress in each of the three pillars. The IPEF Partners reaffirmed their commitments to continuing collaboration to expeditiously conclude agreements that include concrete benefits to enhance a shared vision for economic competitiveness and prosperity in their respective economies.

Speaking at the Stakeholders session that was held on the sidelines of the Special Round on 09 February 2023, the Chief Negotiator of India, Shri Rajesh Agarwal, Additional Secretary, Department of Commerce, reiterated India's belief that IPEF will deepen the economic engagement and promote inclusive development through enhancement in trade and investment in the region; and sought views and ideas of all the concerned stakeholders. IPEF Partner engagement will continue and details on the next in-person negotiating round will be shared in due course.

Source: pib.gov.in- Feb 13, 2023

HOME

****

Digital initiatives undertaken for the promotion of digital empowerment and enabling the ease of doing business of MSMEs

The Government has undertaken various digital initiatives for the promotion of digital empowerment and enabling the ease of doing business of MSMEs.

These inter-alia include Udyam Registration portal for online registration, Champions Portal for grievance redressal of MSMEs, Government e-Marketplace (GeM) for online procurement, Trade Receivables Discounting System (TReDS) for discounting invoices and msmemart.com for facilitating online marketing support.

In addition, MSME SAMBANDH for monitoring of procurement by Central Public Sector Enterprises (CPSEs) from Micro and Small Enterprises (MSEs) and MSME SAMADHAAN portal for filling applications regarding delayed payments by Central Ministries / Departments / CPSEs / State Governments, etc.

Further, Ministry of MSME has included 'Digital MSME Scheme' under the MSME Champions Schemes to increase awareness, use of cloud based digital tools, for digital empowerment of MSMEs in the country.

As on date Rs. 1.39 crore MSMEs are registered in Udyam Registration portal and further benefitted through various programmes. Procurement from Central Ministries / Departments / CPSEs made purchases about Rs. 139018 Cr. from MSEs under Public Procurement Policy (PPP) for MSEs and 22,974 applications filed by MSMEs have been disposed by MSEFC council.

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

Source: pib.gov.in- Feb 13, 2023

HOME

****

Schemes and programmes implemented for investment and adoption of latest technologies in MSME sector; scheme for capacity building of first time exporters launched in June, 2022

The Ministry of Micro, Small and Medium Enterprises (MSME) has established Technology Centres (TCs) which provide technological support to industries through design & manufacture of tools, precision components, moulds, dies, Jigs etc. in sectors such as general engineering, forging & foundry, electronic system design and manufacturing, electrical, fragrance & flavour, glass, footwear and sports goods. The Ministry also implements various schemes and programmes aimed at providing investment for adoption of latest technologies in MSME sector. These schemes / programmes, inter alia, include financial support, under schemes such as MSME Champions Scheme, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Prime Minister's Employment Generation Programme (PMEGP) and Micro and Small Enterprises - Cluster Development Programme (MSE-CDP).

As per the information received from Directorate General of Commercial Intelligence & Statistics, the share of export of specified MSME related products in all India exports during 2021-22 is as follows:

To increase the contribution of MSMEs in Indian exports and enhance their competitiveness, the Ministry of MSME is implementing the International Cooperation (IC) Scheme under which financial assistance is provided on reimbursement basis to the eligible Central/State Government organizations and Industry Associations to facilitate visit/participation of MSMEs in the international exhibitions/fairs/buyer-seller meets held abroad and for organizing international conference/seminar/workshops in India with the aim of technology upgradation, modernization, joint venture etc. Further, under the new component of IC Scheme namely Capacity Building of First Time Exporters (CBFTE) launched in June 2022, reimbursement is provided to new Micro & Small Enterprises (MSE) exporters for costs incurred on Registration-cum-Membership Certification (RCMC) with EPCs, Export Insurance Premium and Testing & Quality Certification for exports. These interventions under IC Scheme assist the exporters in MSME sector to increase their access in international markets.

Ministry of MSME has established 52 Export Facilitation Centers (EFCs) across the country with an aim to provide requisite mentoring and handholding support to Micro and Small Enterprises (MSEs).

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

Source: pib.gov.in- Feb 13, 2023

HOME

****

Dip in China's share an opportunity for India apparel trade with Japan

The decline of China's share in Japanese apparel market has provided business opportunity for the Indian industry. Abundant raw materials along with the world's second largest spinning and weaving capacity provides the Indian industry an opportunity for a 95 per cent domestic value addition, and offer complete value chain solution from fibre to fashion.

During Upnext India 2023, Naren Goenka, chairman, Apparel Export Promotion Council (AEPC), said that China has witnessed a decline in its apparel exports in the past five years giving significant advantage to India. Goenka was speaking after inaugurating the first edition of Upnext at Apparel House, Gurugram on Friday. Goenka said, "China has been a dominant garment supplier to Japan but after a trend of decline, garment fraternity in India and Japan have geared up to increase this trade taking advantage of duty-free access for Indian garments post Indo-Japan CEPA agreement as against an approximate 9 per cent for China and Turkey." After having established itself in traditional garments, the Indian apparel industry has now moved on to diversifying itself into newer areas of MMF garments, he added.

Upnext India is an initiative in the form of a series of Reverse Buyer-Seller meet, which started with the first such event with Japan, which was held on February 10-11, 2023. Upnext India was organised by AEPC and supported by India's ministry of commerce and industry under the Market Access Initiative (MAI) Scheme. 84 prominent Japanese buyers, including trading companies and retail chains/stores, were in India to source their requirement from the 112 Indian exhibitors who displayed the diverse range of apparel, reflecting Japanese taste.

Some of the iconic Japanese brands including Koizumi Apparel Co. Ltd, Marubeni Intex, X Plus Co. Ltd, AIS Xo. Ltd, Indepp Co. Ltd, Aube Co. Ltd, Sumitomo Corporation Kyushu Co. Ltd, Oyoshima & Co. Ltd, Yagi, Muji, Amina Collection Co. Ltd, United Arrows Ltd, Konaka, Nissenken Quality Evaluation Centre etc attended the show. Indian companies displayed the various categories of garments, including summer and winter collections.

During a panel discussion, Goenka, said, “Japan is the 4th largest readymade garment (RMG) importer in the world. India has a huge untapped trade potential in the RMG sector and also a duty-free access to the Japanese market, that is why India must extensively and aggressively focus on building India-Japan trade.” The government of India is coming up with a PLI scheme which will majorly include RMG. This PLI will have much simpler norms to be eligible, which will largely address the issue of capacity creation, Goenka added.

Sudhir Sekhri, vice chairman, AEPC said, “Japanese companies have two competitive advantages as apparel sourcing base: sourcing cost and flexibility and agility. Indian suppliers can cater to both small size customised orders of 300 pieces to large orders as huge as 3 lakh pieces of one style.” Apparel imports into Japan have witnessed a positive uptick in the last three years despite of COVID-19 which allows India’s apparel industry a huge opportunity.”

Ashok G Rajani, chairman, Fairs and Exhibition, AEPC said, “Upnext India looks forward to building bridges of partnerships between the Indian exporter community and buyers worldwide starting with Japan. This Japan focused 2023 edition of the Reverse Buyer-Seller Meet hosted interested apparel and fashion accessories exporters, providing them a platform to engage with Japanese brands and buyers. We look forward to enabling Japanese brands to plan for greater sourcing from India through this event.”

The two days of Upnext India 2023 also hosted theme pavilions for the startups in technology and sustainability domain, two very crucial areas where Indian garment industry is making rapid transformations. Japan imported RMG worth $23 billion in 2022 (till November), of which India exported RMG worth $0.22 billion to Japan with a share of 0.9 per cent. This depicts that there is a huge scope for the Indian apparel manufacturers and Japanese RMG importers to bridge the gap and write a new chapter for the India-Japan apparel trade.

Source: fibre2fashion.com- Feb 13, 2023

HOME

****

North India cotton yarn rises on export orders, recycled yarn steady

North India's cotton yarn market witnessed positive mood as export demand pushed up yarn prices. Delhi market noted a price rise of ₹5-10 per kg, while cotton yarn prices increased by ₹2 per kg in Ludhiana market. Traders said that cotton yarn prices increased in last one week because of new export orders. Recycled yarn market of Panipat remained steady.

A trader from Delhi market told Fibre2Fashion, "Spinning mills have export orders for yarn supplies. Domestic market was facing supply shortage in polyester-cotton and cotton yarn." According to Fibre2Fashion's market insight tool TexPro, 30 count combed yarn was traded at ₹285-290 per kg (GST extra), 40 count combed at ₹315-320 per kg, 30 count carded at ₹260-265 per kg and 40 count carded at ₹290-295 per kg.

Trade sources from Ludhiana market also confirmed better buying for export orders. A trader from Ludhiana said that Indian exporters have secured orders from various global markets. 30 count cotton combed yarn was sold at ₹282-292 per kg (GST inclusive), according to TexPro. 20 and 25 count combed yarn were traded at ₹272-282 per kg and ₹277-287 per kg respectively. Carded yarn of 30 count steadied at ₹262-272 per kg.

The prices in Panipat's recycled yarn market were unmoved while demand was limited. Traders said that buyers were buying cotton yarn for immediate or assured demand. They were avoiding stocking of raw materials for their future demand. 10s recycled yarn (white) was traded at ₹88-90 per kg (GST extra). 10s recycled yarn (coloured - high quality) was traded at ₹105-110 per kg, 10s recycled yarn (coloured - low quality) at ₹80-85 per kg and 20s recycled PC coloured (high quality) at ₹110-115 per kg. 30 recycled PC coloured (high quality) was priced at ₹145-150 per kg, whereas 10s optical yarn was priced at ₹100-110 per kg in the market. Comber prices were noted at ₹150-155 per kg. The price of recycled polyester fibre (PET bottle fibre) was noted at ₹82-84 per kg.

Meanwhile, cotton prices remained steady in north India amid slower demand. According to the traders, cotton arrival and demand were limited. Cotton prices could not get support from lower arrival due to weak demand. Softness in MCX cotton candy future was also unsupportive for yarn market. Cotton arrival was around 11,000 bales of 170 kg in north Indian states. Cotton was traded at ₹6,300-6,400 in Punjab, ₹6,300-6,400 in Haryana and ₹6,475-6,550 per maund of 37.2 kg in upper Rajasthan. Cotton was sold at ₹60,500-62,500 per candy of 356 kg in lower Rajasthan.

Source: fibre2fashion.com- Feb 13, 2023

HOME

****

Lal10 to launch 7 satellite offices to digitise textile factories across India

With a vision to digitise the MSMEs in India for global trade, Lal10, a cross-border B2B tech-enabled full-stack platform, has announced that it will launch seven satellite offices across seven states by the end of June 2023. With 2292 MSMEs in its fold, Lal10 has become the largest pan-India aggregator of textile factories.

The MSME sector of India is one of the biggest contributors to the nation's GDP and the export markets, with a 30 per cent and 50 per cent share respectively. Digitising these factories, Lal10 claims to be the largest cloud-export house from India to the world. This expansion is in line with the start-up's strategy to leverage technology and transparent supply chains to unleash the latent potential of these MSMEs for global trade.

It is opening offices in Varanasi, Hyderabad, Kolkata, Ahmedabad, Indore, Jaipur, and Noida, all of which are close to the country's major centres for textile production. These centres are at the mouth of manufacturing, where the company will digitise these textile factories.

The supporting regional offices will be empowered with a Production Manager who will head operations, a Quality Control Manager who will be responsible for uniform product quality as per global standards and the Catalogue Manager who will look after up-skilling the manufacturers and teaching them how to 'come online' and reap the benefits of economies of scale in raw material and finance sourcing, efficient inventory management while being updated on global design trends.

Maneet Gohil, CEO and Co-Founder, Lal10 said in a statement, "With such huge global demand for textiles, Indian MSMEs have enormous potential to grab a larger share of the export market. There is an immediate need to enable more textile hubs from India to plug this demand and provide a large assortment of products. The traditional Indian textile hubs are only contributing to domestic markets."

"We are leveraging technology to map these factories on production, streamline processes for quality and design and make the systemic changes which were due for Indian manufacturing to go global. Tech built to support our regional operational expertise at the satellite offices is helping us build for scale. We will be the largest export house from India in a span of the next 18 months," Gohil added.

Currently, there is a huge discrepancy between the few big exporter belts of the country and the rest of the MSMEs which have tremendous production capacity but lose out due to systemic inefficiencies which are easily addressed through transparent technology solutions.

Source: economictimes.com- Feb 14, 2023

HOME

****