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INTERNATIONAL NEWS

April US Container Volume Buoyed by China's Export Recovery

Cargo containers imported into the U.S. from China bounced back in April, reversing a months-long downward trend that started last summer. Goods originating out of China increased 26.7 percent month-over-month in April 2023 to 742,692 20-foot equivalent units (TEUs), but remain down 26 percent from their August 2022 high, according to data collected by Descartes Datamyne.

China represented 36.8 percent of total U.S. container imports in April, a 5.2-percent jump from March, but still down 4.7 percent from the high of 41.5 percent in February 2022.

Across the top 10 countries of origin for products imported into the U.S., China took up 82 percent of the total percentage increase in container volume. U.S. container import volume in April 2023 from all 10 sourcing markets increased 15.4 percent on a month-over-month basis to 190,962 TEUs. Hong Kong had the second-largest volume increase behind China's sequential growth, at 24.4 percent, while Taiwan came in third at 19.3 percent growth.

For the first time since 2020 when Covid-19 spread worldwide, April container import volume increased over the prior month. In both 2021 and 2022, April saw a dip in container imports after a strong March before escalating again in May.

April 2023 U.S. container import volumes increased 9 percent from March 2023 to 2.02 million TEUs. When tallying year-over-year changes, TEU volume was down 17.8 percent from April 2022, but up 5.3 percent from pre-pandemic levels during April 2019. The growth in container import volume in April continued to track to 2019 volumes for the first four months of 2023 with a difference of 1.5 percent for the same period in each year.

Overall, China's exports have seen a rebound in the first quarter of 2023, with the Administration of Customs of China reporting that exports rose 0.5 percent over the same period in 2022 to $821.8 billion in the first three months of the year.

March reflected China factory reopenings after Lunar New Year, according to Container XChange's report. It cited the customs agency's data in its May container logistics report, noting that exports rose 14.8 percent in March from the year-ago period after months of declines, dragging up the 6.8 percent decline in January and February, the customs agency said.

Exports to the U.S. and the 27-nation European Union, both China's biggest foreign markets, declined after the U.S. Federal Reserve and other central banks raised interest rates. In March, exports to the U.S. slid 7.7 percent to $45.9 billion, an improvement over the 21.8 percent contraction in January and February.

Supal Shah, CEO of Indian container logistics company Arcon Containers, told Container XChange on the outlook, "The freight rates and container prices seem to have bottomed out; I don't see big change on either side as there is a huge supply of equipment. On the positive side, Chinese factories are not producing too many new units so over the long run this will have a positive impact on demand and supply and price of the containers."

To gauge the second-half outlook, Container XChange surveyed 1,200 supply chain professionals last month on their biggest looming challenges. It found that 49 percent of respondents are worried about a recession in the U.S.

"Interest hikes by central banks due to sticky inflation has put the balance sheets of many lenders under pressure, essentially forcing them to mark down assets or sell them off at a loss to cover short-term liquidity needs," said Christian Roeloffs, co-founder and CEO of Container XChange, in a statement.

Roeloffs pointed to the global banking crisis that saw the collapse of Silicon Valley Bank and First Republic Bank and Signature Bank, as well as troubles in the real estate sector, as areas that negatively impact interbank lending.

"Higher cost of interbank lending will lead to tight access to credit for the real economy and this in turn leads to higher risk of recession," Roeloffs said.

Geopolitical tensions, according to 32 percent of supply chain professionals, and rising operating costs, as per 22 percent are other top areas of concern.

Container XChange forecasts the higher expenses even after profit margins for shipping lines remained strong in the first quarter, since many contract rates had already been pre-negotiated. As the contract negotiations are underway, the firm anticipates to soon see revised rates which will then impact the profitability of the shipping lines in the second half of 2023 and into next year.

"The container market, in general, is very volatile currently, it changes every week, so there is risk in predicting what will turn out after six months," said Aaron Callahan, the owner of container trading company Tier 1 Equipment Sales. "We face high demurrage and detention charges, operating costs and other charges pertaining to container storage and transfers. The demand is not coming back anytime soon, on the other hand, the capacity and supply of containers is abundant. Most of us are trying to build resilience and consistency in our operations. This is business critical."

"There is a shortage of depot space too," Aaron added.

East Coast ports, namely the Port of New York & New Jersey and the Port of Savannah, continue to attract shipping volume.

According to Descartes Datamyne, which covers more than 75 percent of the world's import-export trade, overall U.S. container import volume across the top 10 ports in the country increased 10.9 percent from March to April, or by 167,174 TEUs.

The Port of New York & New Jersey saw container volume surge 19.3 percent, an increase of 54,466 TEUs, while the Port of Savannah saw 14.6 percent growth of 24,923 TEUs. This growth is somewhat counterintuitive given that China volumes increased dramatically which should favor West Coast ports. Baltimore had the largest individual growth in container shipments, growing 26.1 percent by 9,717 TEUs.

Only the Port of Tacoma experienced a month-over-month decline at down 1.4 percent.

On the whole, top West Coast ports are seeing more container volume than their East Coast counterparts.

“Comparing the top five West Coast ports to the top five East and Gulf Coast ports in April 2023 versus March 2023 shows that, of the total import container volume, top West Coast ports increased to 43.9 percent (up 0.9 percentage points) and top East and Gulf Coast ports increased slightly to 47.9 percent (up 0.2 percentage points),” wrote Chris Jones, executive vice president of industry and services, Descartes Systems Group, in a blog post.

“Led by growth at the top West Coast ports, the top 10 ports gained share in April 2023 compared to smaller ports, as the top 10 represented 91.8 percent of all volume compared with 82.8 percent in January 2023.”

Source: sourcingjournal.com– May 11, 2023

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European home textile imports down 17.4% to $33.3 bn in 2022

European home textile imports experienced a significant decline of 17.4 per cent to $33.3 billion in 2022. Exporters attribute this slowdown to higher inflation and rising interest rates, which have dampened retail demand in developed countries.

The Russia-Ukraine war resulted in increased crude oil prices, driving inflation globally, particularly in the US and Europe. The war significantly impacted Europe, leading major brands to reduce their purchases due to decreased retail sales. Consumers have less disposable income for discretionary products like clothing, home textiles, and fashion items. The surge in demand for home textiles during the pandemic also contributed to the subsequent slowdown in the following years.

According to Fibre2Fashion's market insight tool TexPro, European home textile imports nearly doubled to $61.375 billion in 2020 from $32.296 billion in 2019 but decreased to $40.408 billion in 2021. The import value further declined to $33.4 billion in 2022, reaching levels similar to pre-pandemic times.

The inbound shipment declined since Q4 2021 when it was noted at $10.069 billion. It came down to $9.147 billion in Q1 2022, $8.482 billion in Q2 2022, $8.038 billion in Q3 2022 and $7.709 billion in Q4, 2022, as per TexPro.

Source: fibre2fashion.com– May 12, 2023

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US economy to softly expand in 2023; manufacturing to grow: ISM survey

The US economy will continue to softly expand for the rest of 2023, say the nation's purchasing and supply executives in the Spring 2023 Semiannual Economic Forecast of the Tempe, Arizona-based Institute for Supply Management (ISM).

Expectations for the remainder of the year are similar to those expressed in December 2022, despite continued inflation and geopolitical uncertainty.

Manufacturing revenue for 2023 is expected to increase by 1.7 per cent on an average. This is 3.8 percentage points lower than the December 2022 forecast of 5.5 per cent, and 7.6 percentage points lower than the 9.3-per cent year-over-year (YoY) increase reported for 2022.

Forty per cent of respondents say that revenues will increase this year by 11.6 per cent on an average compared to last year. Twenty per cent say revenues will decrease by 14.6 per cent on an average, and 40 per cent indicate no change.

With an operating rate of 82 per cent and projected increases in capital expenditures (0.4 per cent), prices paid for raw materials (2.3 per cent) and employment (0.5 per cent) by the end of this year, manufacturing continues its comeback from the turmoil that began in 2020 and is expected to continue through this year, the institute said in a release.

Ten manufacturing sector industries expect revenue growth in 2023 and 11 industries expect employment growth. Panelists forecast that recovery will continue the rest of the year, albeit somewhat softer than originally expected.

Ten of 18 industries, including textile mills, apparel, and leather & allied products, report projected revenue increases for the rest of 2023.

Source: fibre2fashion.com– May 12, 2023

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Global apparel trade surpasses pre-pandemic levels, textiles face minor decline

The global clothing trade volume in 2022 has exceeded pre-pandemic levels by 16%, signaling a robust recovery in the industry, according to a recent report titled "Global Trade Outlook and Statistics" by the World Trade Organization (WTO). The report highlights a substantial growth of 9% in clothing trade in 2022, following an impressive growth rate of 17% in 2021.

However, the value of textiles trade experienced a slight decline of 1% in 2022, following a 2% decrease in 2021. The rise in demand for medical face coverings partially offset the decline in apparel demand, resulting in a noteworthy 14% surge in global trade in textiles in 2022 compared to the pre-pandemic levels of 2019.

Despite the challenges brought by the COVID-19 pandemic, the WTO emphasizes the resilience of the global textile industry in 2020. The industry has managed to weather the storm and display a remarkable recovery.

Overall, the world merchandise trade witnessed a 12% increase in value, reaching an impressive $25.26 trillion in 2022. Although significant, this growth rate was slower compared to the remarkable 27% expansion experienced in 2021. It is important to note that global merchandise trade in 2022 was 32% higher than the pre-pandemic level recorded in 2019, reflecting a strong rebound.

While there is optimism for future growth, it is crucial to carefully monitor various risks and uncertainties to ensure sustained progress in the industry.

Source: fashionatingworld.com– May 11, 2023

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ASEAN to see growth above global average at 4.7% in 2023, 5% in 2024

The Association of Southeast Asian Nations (ASEAN) will maintain its growth above the global average at 4.7 per cent in 2023 and 5 per cent in 2024, making ASEAN a bright spot on the dark horizon, it was revealed at the 22nd ASEAN Economic Community (AEC) Council meeting in Jakarta recently.

The meeting discussed the implementation and progress of initiatives under the AEC Blueprint 2025 as well as future work of the AEC pillar post 2025 considering new and emerging issues.

The economy of ASEAN had shown a resurgence in growth as it has returned to pre-pandemic levels, with economic growth reaching 5.6 per cent in 2022.

Participants at the meeting reiterated the importance of the digital economy agenda as the key driver for ASEAN to become a leading digital community and economic bloc, an official release said.

They called for expeditiously finalising the ASEAN Digital Economic Framework Agreement (DEFA) study and the development of the Framework's core elements.

They look forward to the endorsement of the DEFA study and the launch of the DEFA negotiations at the 23rd AEC Council meeting in September this year.

There is a need for a collective ASEAN effort and strategy to identify synergies and potential cross-sectoral collaborations to support the sustainability agenda in the region, the participants emphasised.

Source: fashionatingworld.com– May 11, 2023

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EU Regulations: What Asian Apparel Suppliers Need to do?

The European Union is implementing regulations to reduce the negative impact of manufacturing on the environment and climate change. The regulations will affect textile manufacturing and every stage of the value chain. Asian textile and apparel manufacturers must meet strict sustainability and eco-labelling standards to continue exporting to the EU.

The European Union is taking its responsibilities seriously in terms of tackling causes of climate change and safeguarding the environment. Legislation is in the pipeline to curb the negative impact of the EU manufacturing value chains that cause most damage. These regulations will target the 27 EU countries but cannot be imposed outside of the bloc.

The regulations relevant to apparel and textiles are far-reaching, driven by a desire to protect consumers, improve sustainability, reduce pollution and minimise negative impacts on climate control. They affect practically every stage of textile manufacturing from design and the inbound supply chain to operations in the value chain that produce the finished product and (soon) even to end of life of these items.

However, it would be self-defeating to tighten internal environmental controls while still permitting products onto the EU market whose manufacture still follows existing “dirty” processes. Therefore, foreign suppliers, of any products, will have to adhere to strict sustainable green standards if they want to continue exporting to the EU.

The new regulations will force the Asian textile industry to reduce its environmental impact if it wants to export to the EU. It will require apparel products to be manufactured through environmentally friendly processes and made with environmentally friendly materials. Producers will be required to meet sustainability and strict eco-labelling standards.

It is the responsibility of importers to ensure that goods meet the criteria. That means that importers will seek proof of compliance from Asian suppliers. We can expect that all evidence of compliance will be thoroughly examined because non-compliance of any aspect can mean seizure of goods by the EU authorities and potential reputational damage to EU businesses and brands if specific negative incidents hit the headlines.

That in a nutshell is the challenge facing Asian textile and apparel manufacturers. Here we examine some of the changes that are inevitable to achieve compliance with the EU standards and requirements and what produces need to do.

What actions must Asian producers take?

Asian businesses in the textile and apparel sector need to adjust their production processes and invest in new technologies to stay competitive. This implies gaining an understanding of what the regulations stipulate, performing a gap analysis to identify areas of non-compliance, forming a plan to implement the necessary changes and devising a means of proving compliance in every aspect that is relevant to the regulations so as to qualify for Digital Passports1 (ideally) for their products.

Click here for more details

Source: fashionatingworld.com– May 11, 2023

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Plagued by illegal imports and other challenges, Indonesia's textile sector sees a March high

Indonesia, at the last count in 2022, was the world's 10th largest exporter of textiles. However, the Ministry of Industry's April stats revealed in March 2023, textile exports rose by 16.87 per cent compared to February 2023. The government-funded Export Task Force is keen to make textiles and footwear exports important sources of revenue and foreign exchange. It is currently taking stock of the current scenario and working towards presenting a list of strategic policies for the Ministry of Industry to collaborate with entrepreneurs and implement.

Pay cuts and illegal imports

The jubilation of March 2023 has a dark side as stated by Directorate General, Chemical, Pharmaceutical and Textile Industry (IKFT) of the Ministry of Industry, Adie Rochmanto Pandiangan, the success could have been a result of reduced operational cost as the government allowed the textile sector to pay 25 per cent less to its workers to gain a globally competitive pricing. Over 3.7 million Indonesians work in this sector and were affected by salary cuts.

The other problem is the ongoing smuggling racket that floods the country with cheap and spurious textiles, adversely affecting domestic consumption of legitimately produced textile. To add to exporter's woes, a large stock of second-hand and spurious textiles are being repackaged and exported as 'Made in Indonesia' apparels. Local government, councilors and the police are frequently busting such operations to curtail smuggling.

Challenges on the ground

According to Jemmy Kartiwa Sastraatmadja, General Chair of the Indonesian Textile Association (API), performance of the textile industry has dropped 30 per cent since September 2022. One of the most significant challenges faced by the Indonesian textile industry is competition from other foreign textile-producing countries such as China, India, and Vietnam. These countries have lower production costs and can produce textile products at a lower price than Indonesia.

Indonesia's textile and apparel export is forecast to decline by 10 percent from $12 billion in 2022 to around $11 billion this year, according to the Indonesian Fiber and Filament Yarn Producers Association or APSyFI. The association attributes exports decline to a 40-50 per cent fall in order value from overseas buyers. Therefore, the increase in March is being being seen as a flash in the pan.

US poses another challenge

Moreover, the current economic woes in the US is proving to be a looming threat as the world's number one economy is tightening its belt, slashing spending which in turn is reflected in its domestic consumption. The US is the single largest importer of Indonesian textiles by far and the current drop in demand can only sink Indonesia's textile export dreams. Also, some American importers were duped by spurious textiles and are weary.

Governmental support at its best

The majority of Indonesia's total textile and garment production is to supply international demand, with 70 per cent of the output being exported. Before Covid-19, Indonesia ranked number six in worldwide textile output, and exports were valued at $13.8 billion in 2019, a significant increase from $10 billion the year before.

The industry was heavily affected by the pandemic and textile and textile product exports dropped almost 52 per cent in May 2020 compared to previous year. Nevertheless, strong support and focus from the Indonesian government helped the industry recover. In the country's development 'asterplan "Industry 4.0', the government is aiming to propel Indonesia among the top five textile producers in the world by 2030.

Source: fashionatingworld.com– May 11, 2023

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Sri Lanka’s apparel exports could decline by $1 billion this year

Sri Lanka’s clothing export revenues could decline by $ 1 billion this year in comparison to the $5.95 billion of 2022, a top official of the Joint Apparel Association Forum of Sri Lanka (JAAF) told News 1st.

The apparel sector is currently the country's leading export industry, accounting for around 44% of total exports and providing employment for approximately 33% of the country's manufacturing workforce.

Yohan Lawrence, General Secretary of JAAF, said: “The decline is a result of the slowdown in demand in important export destinations amid growing prices and increased interest rates. Sri Lanka’s top industrial export, apparels, brought in US $ 5.95 billion in 2022, helping the nation’s dollar-starved economy. The US, EU, and UK are the top three buyers of clothing and textiles from Sri Lanka.”

“Although the sector does not anticipate significant job losses as a result of the downturn, small and medium-sized businesses may face challenges as the industry adjusts to a slowdown in orders. The apparel sector has about 300,000 employees, most of whom are women,” said Lawrence.

The first quarter of 2023 saw a 13.8% year-over-year fall in apparel and textile exports to US $ 1.3 billion, while March exports touched a three-year low.

According to research by the International Trade Administration, Sri Lanka's apparel export industry has experienced impressive growth over the past forty years, becoming one of the country's most important economic sectors.

In 2021, the industry reached a value of $5.42 billion, with exports increasing by 22.93% compared to the previous year.

Source: english.newsfirst.lk– May 10, 2023

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Comprehensive Partnership Agreement to drive trade growth between Dubai and Bangkok

UAE and Thailand have signed a joint statement, paving the way for negotiations on a Comprehensive Economic Partnership Agreement (CEPA) between the two nations. The inaugural round of talks is scheduled to commence in the UAE on May 16.

This landmark decision to establish a CEPA highlights the deepening ties between the UAE and Thailand, following the recent establishment of the first UAE-Thai Business Council in February 2023. The agreement aims to bolster bilateral trade and investment by creating new prospects across multiple sectors, including tourism, food security, IT, logistics, and financial services.

Of particular significance is the thriving trade relationship between the UAE and Thailand in the textile and garment sector. Both countries have been actively involved in exporting and importing textile products to meet their respective domestic demands as well as for international trade. The CEPA negotiations seek to further enhance bilateral trade, encompassing various sectors such as textiles and garments.

Underlining the importance of these negotiations is the UAE's growth agenda, which seeks to reinforce its position as a key facilitator of global trade, as well as Thailand's robust economy. Thailand, Southeast Asia's second-largest economy, is projected to experience a 3.8 percent growth in 2023, primarily driven by the recovery of its crucial tourism sector. With its well-developed services sector contributing 58.3 percent to its GDP, Thailand presents a promising market for economic collaboration.

The non-oil trade between the UAE and Thailand has witnessed substantial growth, surging by 21 percent in 2022, reaching a total of US$6.1 billion.

These negotiations with Thailand represent the latest significant achievement in the UAE's ambitious foreign trade agenda, which aims to double the country's foreign trade and national economy by 2031. Presently, the UAE has already concluded CEPA agreements with India, Israel, Indonesia, and Turkey, with the former two already in effect and the remaining agreements set to be signed in the near future.

The UAE is actively engaged in discussions with other strategically important markets, both regionally and globally, with the goal of establishing similar agreements that will further foster economic cooperation.

Source: fashionatingworld.com– May 11, 2023

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New Bangladesh RMG wage board to start review; 1st meeting on May 24

The newly formed minimum wage board for Bangladesh's readymade garment (RMG) industry will start reviewing wages amid opposition from many labour organisations over appointment of workers' representative to the board. Its first meeting will be held on May 24 amid demands for setting the monthly minimum pay at Tk 23,000.

The minimum wage for RMG workers was reviewed last in 2018, setting Tk 8,000 as minimum monthly pay for an entry level worker.

The ministry of labour had appointed former Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Mohammad Sidiqur Rahman as the owners' representative and Bangladesh National Garment Workers Employees League president Sirajul Islam Rony as the workers' representative to the wage board.

However, several trade unions are opposed to Rony's appointment, alleging that the government ignored the list of representatives suggested by various unions and appointed Rony due to political considerations, Bangladesh media reports said.

Source: fibre2fashion.com– May 12, 2023

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NATIONAL NEWS

Indian economy to grow at 5.9% in 2023: PHDCCI

India is outpacing its pre-pandemic levels of gross domestic product (GDP) growth, demonstrating robust resilience amidst the aftermath of the pandemic and ongoing geopolitical developments, as per an analysis by the Progress, Harmony, and Development (PHD) Research Bureau of the PHD Chamber of Commerce and Industry (PHDCCI). The industry body projected a promising growth rate of 5.9 per cent for 2023.

Recent International Monetary Fund (IMF) data reveals India's impressive recovery, with GDP growth rebounding from a decrease of 5.8 per cent in 2020 to an increase of 9.1 per cent in 2021, and 6.8 per cent in 2022. The growth rates for 2021 and 2022 significantly surpass the 3.9 per cent increase observed in the pre-pandemic year of 2019, the PHDCCI stated in a press release.

"Not only has India rapidly bounced back from the pandemic, but it has also maintained a steady growth rate of over 6 per cent in the post-pandemic years. India's projected growth rates for 2023-2028 significantly outstrip those of the top 10 global economies and overall world economic growth," commented Saket Dalmia, president of the PHDCCI.

Dalmia noted that India's growth projections from 2023 to 2028 are also the highest when compared to the top 10 global economies. However, the recovery trajectories of numerous economies have been hampered by geopolitical tensions between Russia and Ukraine, skyrocketing commodity prices, high inflation, and the coordinated move by central banks to hike interest rates.

While global economic growth saw a sharp recovery of 6.2 per cent in 2021 from a decrease of 2.8 per cent in 2020, it decelerated to 3.4 per cent in 2022 and is projected to further slow to 2.8 per cent in 2023.

In 2023, out of the top 10 global economies, the US, China, Germany, the UK, France, Canada, Italy, and Brazil are expected to underperform their pre-pandemic GDP growth rates of 2019.

"According to IMF data, India's growth trajectory is significantly robust with economic growth projected to be above 6 per cent from 2023 to 2028. During this period, China's growth rate will be under 5 per cent, which is lower than India's," added Dalmia.

Dalmia emphasised the need for ongoing economic reforms in India to bolster the country's economic fundamentals and ensure a steady growth trajectory. He also pointed out that strengthening India's integration with Global Value Chains (GVCs) could mitigate supply-side bottlenecks and lower business costs.

However, Dalmia stressed the need for support for industries grappling with the volatile global economic climate and inflation. He also highlighted the need for a focus on the manufacturing sector, which has been impacted by high borrowing costs and raw material prices. He suggested that streamlining business practices, such as easing compliances and implementing a robust Single Window System, would enhance the ease of doing business in India.

Source: fibre2fashion.com - May 12, 2023

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Focus on shared prosperity for people across the world making all stakeholders in the value chain prosperous: Shri Goyal

Shri Piyush Goyal, Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles, Government of India said that business is not just about numbers but about building relationships, partnership, collaborating, learning, technology and innovation. During the Trade and Investment Promotion Event for the Agricultural and Food Processing sector with Indian companies and Canadian importers on the sidelines of SIAL-2023, Toronto, Canada yesterday, the Minister said that focus has to be on shared prosperity for people across the world making all stakeholders in the value chain prosperous.

Sh. Goyal said that this is an opportunity to celebrate the Canada-India partnership and there is a huge potential of growth in the expansion of business and engagement between the two countries. He said that value addition of food products is a priority area. Sh. Goyal stressed that Indian businesses must focus on quality, scale, design, packaging, etc. to earn the confidence and trust of consumers and businesses in Canada.

The Minister appreciated the participation by Indian businesses at SIAL 2023 as it showcased India to the world. He said that the challenge ahead is to organize a larger and bigger trade show in the food industry in India or abroad showcasing the best we have to offer across continents. Sh. Piyush Goyal said that SIAL 2023 offered an opportunity to hone product quality and marketing skills of the food industry. Sh. Goyal said that 'World Food India' in November 2023 can serve as the platform that can showcase the best of India & collaborate with businesses across the world. He said that as a part of outreach as G20 President, Government and businesses need to put their best efforts in this respect.

The Minister said that the food industry is a high profile, high profits and high growth sunrise sector. He said that it is a focus area of Government and businesses as it directly impacts agriculture in India by adding value to the products of farmers and encouraging diversification of crops, fruits, vegetables. Sh. Goyal said that this industry’s contribution to the growth story of India is immense and valuable as it brings better life for the families engaged in farming and agriculture related sources of livelihood.

The Minister highlighted that there is multifold growth potential in the bilateral trade of India-Canada in this sector. Sh. Goyal said that the food industry has been able to bring the best of India into Canada and promised encouragement by the government in expansion of their businesses in Canada. He said that the export of agri-based products, foodstuffs, food products, marine products, etc. from India is rising but there is huge potential for more exports of these products.

Sh. Goyal said that millets are becoming popular amongst consumers in India and the world, it is important to highlight the nutritional and health benefits of millets especially among the youth who need high energy and high protein food intake. He said that millets can be a game changer in promotion of the Indian food industry. The Minister praised the serving of millets at the event.

In another meeting with Canadian companies inToronto, Canada earlier yesterday, Sh. Piyush Goyal invited the people and businesses from Canada to visit India. He said that the India that they will visit now is truly a New India. The Minister also invited them to join the B20 Sessions and sectoral engagements being organized across the country under India’s G20 Presidency. He also encouraged the Canadian companies to hold Board meetings in India.

Sh. Goyal said that India is not only the fastest growing large economy but also a consistently growing economy. He said that as India grows as an economy in the next 25 years, he invited Canadian businesses to be a part of India’s growth journey.

Source: pib.gov.in - May 11, 2023

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India’s trade ministry acts to cut ballooning trade deficit with Russia, reaches out to EPCs: Sources

The commerce ministry has stepped in to cut India’s ballooning trade deficit with Russia, asking all Export Promotion Councils (EPCs) to identify additional products India can sell to Russia to expand its own exports, sources said.

India’s trade deficit with Russia reached $34.79 billion between April 2022 and January 2023, helped by India’s purchases of Russian crude oil, according to government data. Russia, which was India’s 25th largest trading partner in FY22, has now risen to be the second, behind only China.

“We are looking at having some balance in trade with Russia. We need to increase our exports. India is looking to push exports of textiles and agricultural products to Russia. All Export Promotion Councils have been notified to identify the potential of India’s exports,” a senior government official told Moneycontrol.

India’s merchandise imports from Russia increased by 369 percent to $46.3 billion in 2022-23 from only $9.87 billion in 2021-22 with almost two-thirds consisting of crude oil as it diversified from more expensive Middle Eastern crude following the Russian invasion of Ukraine.

In contrast, in 2021-22, India's imports from Russia were worth only $9.86 billion. In just a year, Russia has become India’s fourth largest import source from being the 18th largest in 2021-22. “Export Promotion Councils have been asked to explore possibilities, analyse potential and understand what products are required to be exported to Russia,” the official cited above said.

Last month, delegations from the Export Promotion Councils delegations visited Russia to understand the Indian goods that have the potential for export to Russia.

Rupee trade

A trade settlement mechanism in rupee was used to facilitate trade between the two countries, following sanctions on Russian banks for using the international SWIFT messaging system for selling payments. The

Reserve Bank of India on July 11, 2022, permitted invoicing and payments for international trade in Indian currency.

The official cited above said that although India is promoting rupee trade with Russia, in order to boost exports to the country, exporters are free to trade in whichever currency is convenient to them.

“Rupee trade is happening. We are promoting rupee trade with Russia. But exporters should trade in the currency convenient to them,” he said.

Russian Foreign Minister Sergei Lavrov recently told reporters during the Shanghai Cooperation Organization (SCO) meetings that his country had accumulated billions of rupees in Indian banks due to its increasing trade surplus, which is an issue.

“We need to use this money. But for this, these rupees must be transferred in another currency, and this is being discussed now,” he said.

Discounted crude oil has constituted a large portion of India’s imports since last year. OPEC made up for as much as 90 percent of all crude oil India imported at one point in time, but this has been sliding since Russian oil became available at a discount in the aftermath of Moscow's invasion of Ukraine in February last year.

Russia has continued to be the single largest supplier of crude oil, which is converted into petrol and diesel at refineries, for a seventh straight month by supplying more than one-third of all oil India imported.

From a market share of less than 1 percent in India's import basket before the start of the Russia-Ukraine conflict in February 2022, Russia's share of India's imports rose to 1.67 million barrels per day in April, taking a 36 percent share.

According to energy cargo tracker Vortexa, India imported just 68,600 barrels per day of oil from Russia in March 2022 and this year the purchases have jumped to 1,678,000 bpd.

Source: moneycontrol.com - May 11, 2023

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CAI cuts cotton crop size to 298.65 lakh bales

A likely dip in output in the major growing regions of Maharashtra and Telangana will further push down India's cotton production for 2022-23.

In its crop estimate for April 2023, released on Thursday, the Cotton Association of India (CAI) has trimmed India's cotton crop size to 298.65 lakh bales, the lowest since 2008-09 (290 lakh bales). The latest crop revision is lower than CAI's March estimate of 313 lakh bales. As per CAI projections, cotton output in Maharashtra and Telangana will be lower by 2 lakh bales each compared to earlier estimates. Also, it has estimated a decline in output in Tamil Nadu by 0.50 lakh bales and Orissa by 0.15 lakh bales.

Of the projected 298.65 lakh bales, 224.17 lakh bales (75 per cent of the crop) have already arrived in markets until April 30, 2023. CAI has reduced cotton export projections to 20 lakh bales for the year, which is less than half of the 43 lakh bales exported last year. So far this year, 12 lakh bales have been shipped out of India.

Cotton prices hovered around Rs 60,800 per candy of 356 kg of 29 mm variety ginned cotton. The prices have corrected by Rs 3,000 per candy in the last month. Raw cotton prices quoted between Rs 7,700 and Rs 7,965 per quintal at Rajkot APMC market. CAI has retained its cotton import projections at 15 lakh bales, one lakh more than the 14 lakh bales recorded last year. As per CAI data, 7 lakh bales have arrived at Indian ports so far this year.

Estimated cotton consumption for the year will be around 311 lakh bales as against 318 lakh bales the previous year. Total availability of cotton is projected at 345.24 lakh bales, which includes opening stock of 31.89 lakh bales and imports of 15 lakh bales, besides the crop size of 298.35 lakh bales. The projected domestic consumption includes 280 lakh bales for mills, 15 lakh bales for small-scale industries, and about 16 lakh bales as non-textile consumption.

The carryover stock at the end of the season is projected to be 14.24 lakh bales.

Source: thehindubusinessline.com- May 11, 2023

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24 big importers found evading Rs 11,000 crore IGST

The Directorate General of GST Intelligence (DGGI) and Directorate of Revenue Intelligence (DRI) have detected alleged Integrated GST evasion to the tune of ₹11,000 crore by 24 large importers.

"So far evasion detected is about ₹11,000 crore in about 24 cases and we have sent notices to seven entities in this regard," a senior official from one of the agencies told ET.

These notices to importers from Mumbai, Kolkata and Chennai jurisdictions were sent out over the last 20 days. The agencies are in the process of sending notices to the others, ET has learnt.

The companies are largely from the steel, pharmaceuticals, gems and jewellery, and textiles sectors.

The tax evasion in these cases has been detected based on data generated by the Advanced Analytics in Indirect Taxation (ADVIT), said the official cited above.

While there were many instances of wrongly availing input tax credits, notices were being sent only in cases where data was independently verified and investigated by field formations, the official said.

The government is now looking to further strengthen ADVIT to capture newer sets of information about importers and exporters.

Changes introduced in it include a comparison report between tax paid and tax payable populated in the GSTR-9 filed by taxpayers under a selected jurisdiction for a financial year.

Officials can now get visibility on place of supply, amount of tax, and ledger utilised, all at one place, giving them a holistic view of payments made by taxpayers under the Know Your Taxpayer dashboard.

"The new functionalities are intended to enable a deeper and richer analysis of revenue and of trends in both import and export," Central Board of Indirect Taxes and Customs (CBIC) chairman Vivek Johri wrote in a letter to all field formations on May 2.

"The functionalities make use of advanced data science models to detect outliers and anomalies both on the customs as well on the GST side... These functionalities will go a long way towards better understanding of our revenue profile and help plug any potential leakages," he wrote.

The government is to start a two-month intensive drive from May 16 to detect fake invoices, fake GST registration and wrong input tax credit.

Source: economictimes.com- May 11, 2023

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North Indian cotton yarn experiences sluggish demand, prices decline

Cotton yarn prices in north India decreased by up to ₹5 per kg as lower demand put additional pressure on spinning mills and stockists. The market was still facing uncertainty about better buying from domestic and export markets. Cotton yarn was traded lower in Delhi and Ludhiana markets. Panipat market noted a declining trend in cotton comber and recycled polyester fibre. Recycled cotton yarn remained steady as demand was limited from domestic and export markets.

Ludhiana market witnessed down trend in cotton yarn prices. There was weaker demand from weaving industry as domestic and export apparel demand was very uncertain to improve. Gulshan Jain, a trader from Ludhiana market, told Fibre2Fashion, "Mills were facing very slow demand both from the export market and the domestic consumer industry. Many mills had to observe extra one day leave per week to reduce production. They are focusing on production of higher counts to reduce yarn production and cotton consumption." According to Fibre2Fashion's market insight tool TexPro, 30 count cotton combed yarn was sold at ₹270-280 per kg (GST inclusive). 20 and 25 count combed yarn were traded at ₹260-265 per kg and ₹265-270 per kg respectively. The price of carded yarn of 30 count was noted at ₹250-260 per kg. Cotton yarn prices eased down by ₹5 per kg in the market.

Delhi market also noted weaker trend in cotton yarn prices. Demand from downstream industry did not give any signal for improvement. A trader from Delhi market told F2F, "Millers and stockists were forced to reduce cotton yarn prices. Cotton yarn of 30 counts witnessed a declined of ₹5 per kg." 30 count combed yarn was traded at ₹265-275 per kg (GST extra), 40 count combed at ₹300-305 per kg, 30 count carded at ₹243-250 per kg and 40 count carded at ₹280-285 per kg, as per TexPro.

Panipat's recycled yarn market also witnessed weak sentiments. Cotton comber and recycled polyester fibre noted downfall of ₹2-3 per kg. According to trade sources, the price of cotton comber eased due to weaker demand from consumer industry. The price of recycled polyester fibre also came down due to fall in prices of virgin polyester staple fibre and its raw materials.

Export and domestic demand remained very weak. 10s recycled PC yarn (grey) was traded at ₹85-90 per kg (GST Extra). 10s recycled PC yarn (black) was traded at ₹55-60 per kg, 20s recycled PC yarn (grey) at ₹95-100 per kg and 30s recycled PC yarn (grey) at ₹150-155 per kg. Comber prices were noted at ₹138-142 per kg. The price of recycled polyester fibre (PET bottle fibre) was noted at ₹72-75 per kg. 10s recycled PC yarn (black) was traded lower due to poor demand.

Meanwhile, cotton prices steadied in north India amid lower buying. Traders said that poor demand from garment manufacturers dampened market sentiments. Cotton prices are unlikely to get support until demand from garment industry picks up. The arrival was noted at 5,000 bales of 170 kg. Cotton was traded at ₹6,100-6,200 in Punjab, ₹6,100-6,200 in Haryana and ₹6,300-6,400 per maund in upper Rajasthan. The natural fibre was sold at ₹59,000-61,000 per candy of 356 kg in lower Rajasthan.

Source: fibre2fashion.com- May 11, 2023

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Spinning mills industry seek relief from TANGEDCO, writes e-mail to Stalin

Chief Minister M.K. Stalin has to immediately intervene and give directions to the TANGEDCO which alone can save the spinning industry, said Tamil Nadu Spinning Mills Association president A.P. Appukutti here on Thursday.

In an e-mail sent to Mr. Stalin, the copy of which was released to the media, he said that with 821 members, who were engaged in yarn spinning and other operations in the value chains of the textile industry, the spinning industry was the biggest in the country with aplenty of activities and strength.

Even though, the State government had brought in various measures to improve the healthiness of the industries in the State, due to the war for the last 18 months between Ukraine and Russia, there is a strong demand recession seen in marketing the textile products in the rest of the World.

As a result, no export orders were received, which has left textile value chain in doldrums. Many industries worked at their bare minimum levels, to the extent of 25% to 30% capacities, to cater domestic needs alone.

Power usage falls

Due to this continuing demand recession, the usage of electricity has come down drastically. However, according to the framework of law, as found in the Tamil Nadu Electricity Supply Code 2004, even when the HT consumers did not use the power to their optimum extent and when the demand was much less than the sanctioned demand, such consumers have to however, pay the TANGEDCO a minimum of 90% of their sanctioned demand, as demand charges every month.

The present situation, the e-mail said, was similar to the COVID-19 period as many of the industries, for want of export orders for their products suffered to continue with normal production and operated meeting the domestic needs. As a result, they could not consume the electricity and reaching their demands was impossible in the current situation.

The Chief Minister alone can save them from the crisis as otherwise the industry may have to close down, which would lead to liviliehood loss for the work force.

The government should invoke Section 108 of the Electricity Act 2003, to charge the HT consumers, to pay only to the extent of 20% of their sanctioned demand or up to the recorded demand alone, instead of claiming demand charges at 90% levels, Mr. Appukutti added.

Source: thehindu.com- May 11, 2023

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