TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

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. 113 of 2023 June 22, 2023

Currency Watch			
USD	EUR	GBP	JPY
81.91	90.00	104.94	0.58

INTERNATIONAL NEWS

INTERNATIONAL NEWS

American supply chains boost resilience amid global volatility: Report

American businesses have been transforming their supply chain networks to bolster resilience against future volatility, according to a report produced annually for the Council of Supply Chain Management Professionals (CSCMP) by global consulting firm Kearney and presented by Penske Logistics.

US business logistics costs have escalated to a record $2.3 trillion from last year's $1.85 trillion. This cost now represents 9.1 per cent of the national gross domestic product (GDP), marking the highest percentage ever recorded.

Despite consumers returning to brick-and-mortar stores, e-commerce sales continue to rise. The US e-commerce market saw an 8 per cent growth in 2022, reaching $1.03 trillion, up from $871 billion, and now accounts for 14.5 per cent of the total US retail market, as per the 34th annual State of Logistics Report.

Third-party logistics providers are progressively investing in technology, with 96 per cent migrating to the cloud compared to 86 per cent of shippers.

Additionally, 80 per cent of these providers are investing in the Internet of Things (IoT), as opposed to 77 per cent of shippers. Lastly, the report confirms the ongoing reshoring trend. The Kearney Reshoring Index indicates a 26 per cent increase in American imports of Mexican manufactured goods since spring 2020.

"I believe supply chain leaders will find this year's Annual State of Logistics Report, produced by our expert partners at Kearney, to be one of the very best shared with CSCMP's 10,000 members worldwide. After reading the report cover-to-cover, I encourage you to ask, 'what's different, and do I understand the course of action to ensure maximum logistics success on the road ahead?'" said Mark Baxa, CSCMP president and CEO.

"As the logistics sector moves forward from years of supply chain challenges and bottlenecks, our report shows that now is the time to begin thinking seriously and proactively when it comes to building strategic capacity," said Balika Sonthalia, senior partner at Kearney and co-author of the 2023 State of Logistics Report.

"Although the market has swung back in shippers' favour—to the detriment of carriers—we cannot emphasise enough the importance for all industry participants to begin planning for geopolitical tensions, cybersecurity threats, climate change, and related natural disasters, slowing e-commerce growth, and global recessionary factors."

Source: fibre2fashion.com– June 22, 2023

HOME

****

European firms' business confidence in China deteriorates: Survey

European companies' business confidence towards China has significantly deteriorated, according to a survey by European Union Chamber of Commerce in China, in partnership with Roland Berger. Faced with escalating risks and a more unpredictable business environment, European companies are reportedly reassessing their investment and operational strategies.

Companies are also adapting their supply chains to become more resilient in the face of uncertainty.

A record 64 per cent of survey respondents reported that doing business in China had become more challenging over the past year. Furthermore, 30 per cent of respondents noted a decline in their revenue compared to the previous year, a significant increase of 20 percentage points and a new high in the survey's history. Meanwhile, a concerning trend showed 11 per cent of businesses have relocated existing investments away from China, and 8 per cent are choosing to channel future investments initially earmarked for China to other locations, as per the European Business in China Business Confidence Survey 2023 (BCS).

Additionally, one in every ten respondents disclosed intentions to move their Asian headquarters or business units out of Mainland China. The country also saw a drop in its investment appeal, with a 13-percentage point decrease in respondents considering China as a top-three destination for future investments.

As for supply chain strategies, 75 per cent of respondents reassessed their plans in the last two years. Specifically, 24 per cent are looking to partially relocate their supply chains into Mainland China, while 12 per cent have already shifted parts of them out of the country.

Nearly 75 per cent of respondents have localised their IT and data storage infrastructure. A notable trend of staff localisation has also been observed over the last five years, with 16 per cent of respondents reporting no foreign nationals employed in their China operations.

These shifts come at a significant cost to both companies and China. Creating divergent systems for China and the rest of the world disrupts the overall efficiency provided by global economies of scale. Moreover, the decline in foreign nationals employed contributes to a reduced transfer of knowledge and best practices, difficulties in communication, delayed investment plans, and even the closure of Chinese operations, the survey added.

“The negative trends we see in this year’s survey are concerning and reflect both recent challenges—brought by uncertainties in China’s policy environment and rising geopolitical tensions—and the persistence of long-standing market access barriers,” said Jens Eskelund, president of the European Union Chamber of Commerce in China. “For China to turn the tide and allow European companies to develop and contribute to their full potential, we really need to see concrete action.”

“Unless further steps are taken to address the uncertainties confronting companies, then the trend of supply chain diversification is likely to strengthen in the medium-term,” said Denis Depoux, global managing director of Roland Berger. “Many European companies are now focusing more on how to make their China operations more durable instead of capturing greater market share, which is not good for competition.”

Source: fibre2fashion.com – June 22, 2023

HOME

****

Texworld NYC, Apparel Sourcing, Home Textile Sourcing to return in Jul

Texworld NYC, Apparel Sourcing NYC, and Home Textile Sourcing are set to make a grand return to the Javits Convention Centre in New York City from July 18-20, 2023. The co-located events will offer an expansive show floor with brand-new special feature areas and a focus on innovation and sustainability.

Renowned for its role as a source of inspiration for designers, buyers, and industry professionals, the event will give attendees the opportunity to explore the latest fashion textile, apparel and home trends through curated showcases and educational presentations. The Texworld Trend Showcase, curated by New York-based trend agency DONEGER | TOBE, returns to the show floor along with a presentation of the Fall/Winter 24-25 themes and Explore the Floor Tour by Creative Director, Kai Chow. Attendees will also be able to take home a complimentary trend book encompassing each curated segment.

A brand new element to the co-located event, the Home Trend Showcases curated by Nancy Fire, creative director for Nancy Fire Designs, will provide home textile-focused attendees with a curated journey through the colour, pattern, and material trends for Fall/Winter 24/25. Immediately following her trend presentation, Fire will lead a guided Home Trendspotting Tour of the four vignettes featuring products from Home Textiles Sourcing exhibitors, the organiser said in a press release.

As a prominent forum for the industry to learn and stay up-to-date on the latest innovations in textiles and state of the trade industry, Texworld New York City's leading educational programmes including Textile Talks and the Lenzing Seminar Series, will return once again to the summer event. Foremost industry professionals from brands including Alice + Olivia and Steve Madden will offer attendees valuable knowledge and practical advice to stay ahead in the rapidly evolving marketplace.

A longstanding partner of Texworld New York City and key industry player, Lenzing will once again join the upcoming summer event with expanded resources and offerings through the Lenzing Seminar Series and Lenzing Innovation Pavilion which will showcase a range of sustainable exhibitors, highlighting their commitment to promoting eco-friendly practices within the industry.

“We are thrilled to have Lenzing's continued support and expertise, which further enhances the educational and sustainable aspects of Texworld New York City”, stated Jennifer Bacon, vice president, Messe Frankfurt Inc., Fashion + Apparel.

“The Lenzing Seminar Series at Texworld New York City exemplifies how Lenzing, a leader in the textile industry, looks beyond fiber to connect leading voices in the industry. It is an honour to bring together brands, mill partners, NGOs, leaders and experts in the industry to discuss the most current and crucial topics. From innovation and next-gen solutions to social responsibility and sustainability, these panels are educational and inspirational and we appreciate the collaboration and support from Messe Frankfurt and our partners to be able to bring this series to life,” Tori Piscatelli, regional marketing manager for Lenzing, said.

With the aim to provide visitors with an enriching and productive experience, the show will include enhanced networking opportunities and new specialty interactive elements including the “Dye-It-Yourself” dye workshops provided by Sodhani Biotech. Led by founder and CEO, Sidhant Sodhani, the workshops will give attendees both a scientific as well as a hands-on experience in the process of natural dyeing.

Partnership shows, Printsource and Global Footwear Sourcing, will also return to the summer edition alongside Texworld New York City, Apparel Sourcing New York City, and Home Textiles Sourcing making the event a one-stop-shop for global sourcing.

Source: fibre2fashion.com – June 21, 2023

HOME

****

Cambodian apparel exports to US fall 50.32% YoY in Jan-Apr 2023

The US remains the biggest market for Cambodian exports, particularly for textiles and garments. However, the country's apparel exports saw a significant decrease in the first four months of 2023. These exports to the US amounted to $643.886 million, comprising 26.50 per cent of Cambodia's total exports of $2,807.546 million during this period. This figure, however, marks a 50.32 per cent decline from the corresponding period in 2022.

In the first four months of 2022, Cambodia exported garments worth $1,497.387 million. The respective figures for January-April 2021, 2020, and 2019 were $1,097.180 million, $977.303 million, and $819.210 million, as per Fibre2Fashion's market insight tool TexPro.

In 2022, Cambodia's total garment exports amounted to $4.438 billion, contributing 34.37 per cent to the country's overall exports of $12.910 billion.

Product analysis shows that Cambodia has exported trousers & shorts to the US worth $230.292 million in first four months of this year. It was the most dominating product among apparel with the share of 31.39 per cent in total garment exports.

A product breakdown for the first four months of 2023 reveals that trousers and shorts were the most exported garments to the US, earning Cambodia $230.292 million and making up 31.39 per cent of total garment exports.

Jerseys brought in $122.014 million (16.63 per cent), followed by shirts at $67.086 million (9.14 per cent), baby wear at $47.581 million (6.48 per cent), T-shirts at $43.340 million (5.91 per cent), nightwear at $33.623 million (4.58 per cent), and dresses at $31.846 million (4.34 per cent), according to data obtained from TexPro.

Source: fibre2fashion.com – June 22, 2023

HOME

****

Uzbekistan's Global Textile joins ITMF as corporate member

Global Textile, one of the leading integrated textile companies in Uzbekistan, producing cotton, yarns, grew and dyed knitted fabrics, has joined the International Textile Manufacturers Federation (ITMF) as a corporate member. The company started production in 2018. The factories are located near the largest transportation hubs of Uzbekistan, in Tashkent and Fergana.

"The decision of Global Textile to join the ITMF as a corporate member is a clear indicator that Uzbekistan has evolved from a mainly cotton producing and exporting country to an international supplier of yarns, fabrics, apparel, and home textiles.

For an integrated producer ranging from cotton to finished knitted fabrics ITFM can offer Global Textile an international forum that provides a unique international network covering the entire textile value chain including textile machinery and chemical companies.

This will help Global Textile to better understand international markets, increase visibility, and connect with relevant international players in the industry. ITMF members will have the opportunity to discover Uzbekistan both as a production alternative as well as a customer and partner," said Christian Schindler, director general of ITMF.

"Joining ITMF is enabling Global Textile to receive statistics and publications in a timely manner, participate in surveys, webinars, workshops, or conferences, and to participate in the discussions about the trends shaping the future of the industry.

It is vital for a company like Global Textile, Uzbekistan textile ambassador to the world, to be an active part of a global community and expand its network, and ITMF is offering this in a unique way," Muzaffar Razakov, chairman of Global Textile, said.

Source: fibre2fashion.com – June 21, 2023

HOME

****

Bangladesh Bank eases import rules for textile raw materials

To facilitate easier importation of specific goods, the Bangladesh Bank (BB) has directed all banks to relax the cash margin rate related to the initiation of import letters of credit (LCs) for 10 types of products, among which are textile raw materials.

A recently issued BB circular stated that the directive stipulates that banks should determine the opening margin rate based on their relationship with the customer. This is a departure from the previous requirement where importers had to pay a 75 per cent LC margin on imports of these goods, according to local media reports.

The central bank's new regulations apply specifically to the designated product categories. For other imports, LC margins of 75 per cent and 100 per cent remain applicable.

The circular further states that banks currently have the flexibility to import several other products based on the banker-customer relationship. These products encompass items including fuel, imported capital machinery, and raw materials for local, export-oriented industries.

Source: fibre2fashion.com– June 22, 2023

HOME

****

Pakistan: Textile mills fear closure in absence of RCET

Textile millers have cautioned the government that a significant number of exporting units could be closed down as they have lost competitive edge following discontinuation of the Regionally Competitive Energy Tariff (RCET).

All Pakistan Textile Mills Association (Aptma) Patron-in-Chief Dr Gohar Ijaz, in a letter sent to Prime Minister Shehbaz Sharif on Wednesday, said that the withdrawal of RCET was likely to result in closure of a significant part of export industry, leading to unemployment, loss of export revenue and further deterioration in balance of payments.

He pointed out that textile exports had surged 55% from $12.5 billion to $19.5 billion in financial year 2021-22, which was attributable to the application of competitive energy tariffs.

RCET significantly enhanced the industry's competitiveness on the global stage and enabled Pakistani products to compete well with countries of the region, he said.

Furthermore, the improved competitiveness of Pakistan's textile industry attracted an additional investment of $5 billion in expansion and new projects. The investment augmented the export capacity by an estimated $5-6 billion per annum.

With such promising trends, Ijaz emphasised, Pakistan was on track to fetch $22-24 billion in textile exports in the current fiscal year but foreign exchange constraints combined with the withdrawal of RCET, difficulties in energy supply and the liquidity crisis as a consequence of currency devaluation halted the upward momentum.

This year alone, Pakistan is experiencing a shortfall of over $3.5 billion in textile exports as compared to exports of $19.5 billion last year.
In spite of the fiscal challenges, Ijaz said, the government rightly continued the RCET facility for most of the year. However, its "withdrawal at a time when the country is in need of foreign exchange is confusing."

"Without the continuation of RCET, our exports will inevitably decline, leading to a much lower-than-expected influx of foreign exchange," he stressed.

Apart from that, he added, 75% of the industrial establishments in Punjab, which did not have cheaper gas supply, were expected to cease operations in the next three months.

The Aptma patron cautioned that the impact of RCET discontinuation would not be limited to the large-scale manufacturing sector, but would also extend to small and medium enterprises and the cottage industry, which had formed clusters and were feeding the big manufacturers.

Source: tribune.com.pk– June 20, 2023

HOME

****

NATIONAL NEWS

Sh. Goyal urges industry to collaborate and partner for R&D and innovation

Union Minister of Textiles, Commerce and Industry and Consumer Affairs, Food & Public Distribution, Shri Piyush Goyal commended the industry for their enthusiasm to set up and expand businesses in the upcoming Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks. Chairing the Industry Interaction on 'Investment Opportunities in the Textiles Industry under PM MITRA Scheme' yesterday in New Delhi, the Minister strongly urged the industry to collaborate and partner for Research and Development (R&D) and innovation to jointly achieve greater strides in the sector.

Shri Goyal praised the exemplary initiatives taken by the 7 state Governments, namely, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Telangana, Tamil Nadu and Uttar Pradesh, in providing a thriving ecosystem for textiles manufacturing. The Minister further encouraged the industry to take benefit from the existing attractive schemes of the Ministry of Textiles, including the National Technical Textiles Mission and Scheme For Capacity Building In Textile Sector (Samarth).

The Minister also suggested setting up a dedicated Invest India desk in the Ministry of Textiles to assist and handhold investors looking to set up or expand their manufacturing base to meet increasing global demand in the sector. Shri Piyush Goyal released a PM MITRA Brochure prepared by the Textile Team of Invest India during the event.

Secretary, Ministry of Textiles, Ms. Rachna Shah and senior officials from the Ministry and State Government of the 7 shortlisted states under the PM MITRA scheme held wide-ranging discussions with the industry. During the first session chaired by Secretary, Ministry of Textiles, Ms. Rachna Shah, senior Government official from each selected State Government showcased the strengths of the respective State in the textiles sector with a special focus on infrastructure & connectivity, scheme benefits & incentives and basic utilities provided besides initiatives for an industry friendly ecosystem to attract investments in the upcoming PM MITRA parks.

This session was followed by an exclusive industry interaction session chaired by Sh. Goyal with participation of senior leadership from 80+ prominent textiles companies besides infrastructure developers, banks, and international organizations such as the United Nations Industrial Development Organization (UNIDO).

The industry interaction revolved around the themes of Sustainability, introduction of R&D centres and making upcoming factories in the PM MITRA, ESG (environmental, social and governance) compliant and ensuring value added products are manufactured in the upcoming parks.

The Minister emphasized the need for phase-by-phase development of these parks for efficient utilization of resources and better integration of the textile value chain. It was suggested that two 5 member Action Teams be set up to study ESG norms and model park design in line with global leading practices for upcoming units in the PM MITRA parks.

The session offered a unique platform for the Ministry of Textiles, Government of India and the 7 selected State governments to deliberate together with the industry on various aspects related to PM MITRA scheme and pave the future roadmap for this scheme.

Inspired by the 5F vision (Farm to fibre; fibre to factory; factory to fashion; fashion to foreign) of the Prime Minister, Shri Narendra Modi of building an Aatmanirbhar Bharat and positioning India strongly on the global textiles map, the scheme for setting up of 7 PM MITRA Parks was announced in Union Budget for 2021-22. PM MITRA scheme will offer the opportunity to create an Integrated Textiles Value Chain right from spinning, weaving, processing/dyeing, and printing to garment manufacturing at one location and will reduce logistics cost of Industry.

PM MITRA scheme will help India in attracting investments, boosting employment generation, and position itself strongly in the global textile market.

It is expected to generate around 1 lakh direct and 2 lakh indirect employment per park, spreading over 1000 acres each and attracting proposed investments of around ₹ 70,000 Cr. These parks are envisaged to be located at sites that have inherent strength for the textile industry to flourish and have necessary linkages to succeed.

The PM Mitra Parks will be developed in Public Private Partnership mode through a Special Purpose Vehicle jointly owned by the Central and State Governments.

The Central Government will provide development capital assistance of Rs 500 crores to each Greenfield PM MITRA Park for the development of common basic infrastructure besides Rs. 300 crores per park as an incentive for investors on a first come, first serve basis.

Source: pib.gov.in– June 21, 2023

HOME

****

India-US strategic relationship: trade ties can push multilateralism: Experts

"Prime Minister Narendra Modi is a strong votary of multilateralism and supports the World Trade Organisation as an important player in the system", said Mehta.

He was moderating a webinar organised by CUTS to discuss the prospects for India and the US to collaborate on revitalising the multilateral trading system with the WTO at its centre. The programme saw a number of distinguished panellists sharing their thoughts on the subject.

Rajesh Agrawal, Additional Secretary, Department of Commerce, making remarks in his personal capacity, observed that a rules-based multilateral trading system is a natural corollary of India's Vasudhaiva Kutumbakam ('the world is one family') philosophy. As a global public good, the multilateral trading system has room to accommodate the interests of all countries.

He pointed out that India has always been a strong votary of special and differential treatment (S&DT), and that differential levels of development of different countries have to be taken into account within the multilateral rules.

While noting that trade policy and geopolitics go hand in hand, Agarwal also recognised the substantial momentum generated by the WTO's 12th Ministerial Conference last year, where countries including India and the US came together to drive tangible outcomes.

Mark Linscott, Senior Advisor with the Asia Group and former Assistant US trade representative stated that while collaboration between India and the US on WTO and multilateral trade issues had been limited, highlights of positive engagement included the successful conclusion in 2013 of the Trade Facilitation Agreement and the Bali decision on public stockholding for food security in developing countries, both cases where India and the US led from the front.

Although observing that neither side had much of an appetite for trade multilateralism for now, he suggested that the bilateral Trade Policy Forum (TPF) mechanism can introduce a dedicated work programme which can advance shared interests on WTO issues.

Linscott recognised that while it was challenging, joint efforts by India and the US to collaborate on WTO issues could be a game-changer in addressing systemic concerns of trade multilateralism.

Amita Batra, Professor of Economics, Jawaharlal Nehru University sounded a cautionary note and questioned the premise of India and the US coming together to promote trade multilateralism.

She reminded that this was not the first time the multilateral system was being undermined, but today it was clearly being challenged by various self-serving actions of the US such as unilateralism and exclusionary regionalism.

While emphasising that the continuing relevance of the WTO has to be preserved, Batra doubted the extent of convergence that could be achieved between the two sides' approaches to multilateralism and WTO issues.

She observed that arriving at a shared understanding of new areas, such as the role of trade in climate change and sustainability, was crucial for multilateralism to revive itself.

Rajya Vardhan Kanoria, CMD, Kanoria Chemicals and Industries Ltd. noted that the actions undertaken by both India and the US were often very different from their statements on multilateralism.

"A prime example was the recent trend seeking reshoring of manufacturing, which was evident in the policy measures undertaken by both countries".

Kanoria recognised the potential of the growing strategic relationship between India and the US as an important driving force in the coming years, with potential positive spillovers for trade multilateralism.

He also said that it was ill-advised to believe that multilateralism could be steered only by market economies, given China's predominant position in the global economy and geopolitics today.

Veena Jha, CEO, IKHDVAJ Advisers, pointed out that restoration of the two-tiered WTO dispute settlement system with a functional Appellate Body was a priority for India, which the US was effectively single-handedly blocking.

Similarly, maintaining the integrity of consensus-based decision making and understanding the full range of impacts of newer trade-related obligations on developing countries are front and centre for India, but which the US contests. She also observed that there was significant potential to discuss some of these issues within the framework of the bilateral TPF.

Pritam Banerjee, Head, Centre for WTO Studies observed that the international order as it stands today is greatly affected by the technological transition that has been underway since the last decade. Given the range of priorities of different countries, no perfect multilateral system can exist.

He pointed to agriculture, sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) measures, and digital trade as some of the areas of potential bilateral cooperation which could lead to multilateral solutions in the longer-term.

Banerjee cautioned against moving too fast on international regulation of the digital economy, given the varying levels of development of countries and without first adequately addressing these issues on the domestic front.

He also suggested that India and the US could collaborate on defining the contours of industrial policy, recognising that these policy tools were here to stay.

R V Anuradha, Partner, Clarus Law Associates recounted that the WTO system, although an imperfect bargain, remains unique given the enforceability of its rules.

She noted that the world has come too far ahead in terms of economic interdependence, and there is somewhere a realisation of the need for minimum cooperation between countries in order to maintain the global economic system.

On the WTO dispute settlement system, she observed that no alternative could match the confidence that WTO members had reposed in the appellate mechanism in the form of the Appellate Body.

She highlighted that even in those cases where countries, such as India and the US, were deciding to settle their trade disputes out of court, the framework of the dispute settlement system encouraged such mutually agreed solutions, thereby highlighting its centrality.

Anuradha also emphasised the importance of participating in the plurilateral negotiations on several issues underway at the WTO, in order to effectively shape the evolution of rules on new and emerging areas.

Pranav Kumar, Vice-President, Reliance Industries Ltd. noted that translating the political messaging of WTO reform into ground realities has always remained an enduring challenge.

While there remains limited convergence between India and the US on collaboration towards WTO reform, growing bilateral convergences in other areas may contribute to meaningful action on this front further down the line.

He also observed that revitalising multilateralism in all its forms, not just trade multilateralism, was a stated priority for India.

Mehta added that even though the meeting of Modi with Biden in Washington DC may not discuss this issue, it will certainly come up at the G20 summit in September in Delhi when both leaders meet and that WTO reforms will be a part of the summit declaration.

Prabhash Ranjan, Professor of Law, South Asian University, also struck a cautionary note and opined that the US was not significantly interested in trade multilateralism at this point. As an example, he pointed out that while the US had flagged several deficiencies with the existing dispute settlement system, it did not engage in constructive discussions nor offer any solutions on how to address them.

Source: economictimes.indiatimes.com– June 21, 2023

HOME

****

India's GDP forecast to grow 6% in FY24 amid external headwinds: ICRA

India's gross domestic product (GDP) is expected to grow 6 per cent in financial year 2024 (FY24), according to projections by ICRA, an independent credit rating agency. The agency has projected CPI inflation at 5.1 per cent, asserting that the risks are evenly balanced.

Domestic economic activity is expected to gain substantial momentum in FY2024. The main drivers are set to be the sustained improvement in urban consumer confidence and an overall recovery in investment activity. However, the demand for goods may remain uneven due to fluctuating inflationary pressures, as per ICRA.

The Indian government and states' commitment to increased budgeted capex targets offers further encouragement, although the timely implementation will be critical to support economic activity amid external headwinds. These challenges are reflected in the ongoing contraction in merchandise exports. In addition to these factors, potential environmental risks could add to the country's economic strain.

In terms of monetary policy, ICRA predicts a stable path throughout FY2024 unless there is a substantial increase in CPI inflation during Q2-Q4, diverging from the Monetary Policy Committee's (MPC) projections. Consequently, the agency expects an extended pause, with the policy stance likely to remain unchanged over the next two policy reviews.

Source: fibre2fashion.com– June 21, 2023

HOME

****

India-UK FTA: Govt draws red lines to safeguard sensitive areas

The India-UK FTA negotiations are poised for an early conclusion, possibly by the year end, but India has fixed some red lines to safeguard sensitive areas such as generic medicine production, regulatory data protection, and reservation for small and medium enterprises (MSEs) in government procurement that it is unlikely to cross, sources tracking the development have said.

"The negotiating teams from India and the UK had a fruitful round earlier this month, and there is agreement on about 80 per cent of issues. "On the remaining issues, there would be more give and take, but we have redlines in Intellectual Property Rights (IPR), data protection, and government procurement that we are not going to cross," an official source told businessline.

In the tenth round of the India-UK FTA talks, which concluded on June 9, technical discussions were held across 10 policy areas over 50 separate sessions. They included detailed draft treaty text discussions in these policy areas. The negotiations cover 26 policy areas, which include, goods, services, investments, government procurement, sustainability, and intellectual property.

"As many as 14 chapters are substantially closed for negotiations, while there has been significant progress in other chapters," per the Commerce Department. Both sides are hopeful that the proposed FTA will double bilateral trade to $100 billion by 2030.

Red lines

While regular meetings are being held to resolve all outstanding issues, such as tariff reduction for automobiles, wine and whisky, and visa policies, the red lines for India have been conveyed to the other side, the source said.

"India is engaged in discussions on IPR with the UK but will not give in to demands on data exclusivity and patent term extension as it would hamper production of cheap life-saving generics in the country. That cannot be compromised," the source added.

Granting data exclusivity or exclusive rights to companies over the clinical data for their drugs will prevent other producers from launching a cheaper generic version, even if the drug does not have patent protection. Effectively, data exclusivity can be used to extend the patent life of a drug after the patent term has expired through minor modifications in the formulation and securing rights on the clinical data.

Patent term extension is about allowing a patent holder a longer term of patent protection to compensate for the time lost awaiting regulatory approvals.

Data protection

India also does not want to take on any commitments in data protection and related areas. “India has no digital policy yet and hence cannot make commitments in areas such as data localisation and data transfer. Therefore, it is important to have a carve-out for it in the proposed FTA,” the source said.

Procurement

Government procurement is yet another area where India is willing to negotiate but not ready to give up flexibilities for the MSE sector. “To encourage the lower segment of manufacturing, we have a public procurement policy that gives comfort to small and medium enterprises. We cannot compromise on that,” the source said.

Source: thehindubusinessline.com– June 21, 2023

HOME

****

India and UAE in talks to resolve customs concerns raised by exporters

Exporters have expressed their concerns regarding 'rules of origin' requirements outlined in the free trade agreement signed by both nations

India and the United Arab Emirates (UAE) are entering into discussions to address concerns raised by exporters regarding the extensive details of manufacturing and procurement required by customs authorities in both countries.

These extensive details are a part of the 'rules-of-origin' requirements outlined in the free trade agreement (FTA) signed last year by the two nations. Additionally, the two nations have decided to enhance non-oil trade amid the global decline in commodity prices. These developments came after the first review of the India-UAE Comprehensive Economic Partnership Agreement (CEPA) last week.

According to a report by Mint, one of the main concerns raised by Indian exporters is the burden of complying with rules-of-origin requirements. These requirements determine the origin country of goods and determine their eligibility for preferential treatment (i.e tariff reductions) under the FTA.

This challenge has risen because UAE tariffs are not significantly high, so exporters are questioning whether it is worthwhile to undergo the compliance burden. Indian exporters have expressed these concerns to the Ministry of Commerce.

The certification of the country of origin confirms that the exported goods meet specific criteria to qualify as originating from a particular country. Although the country of origin may be reflected in actual exports with a delay, it serves as a reliable indicator of utilisation and compliance with the trade agreement.

An even greater concern for India is the potential circumvention of rules-of-origin requirements since the UAE serves as a transnational hub. Due to India's insistence on strict rules-of-origin, the UAE has also adopted a similar stance.

The same report added that the UAE has requested detailed information about the manufacturing process, which exporters are uncomfortable sharing as it involves disclosing intellectual property rights.

Indian exporters perceive this as a risk and the issue was discussed during the India-UAE joint committee meeting on June 12th and has been referred to the sub-committee on rules of origin. The sub-committee is expected to provide recommendations to the joint committee by November.

The India-UAE CEPA, implemented on May 1st last year, eliminated duties on 90 per cent of India's exports to the UAE by value and covered various sectors, including gems and jewelry, textiles, leather, and engineering goods. Notably, gems and jewelry, automobiles, cereals, and machinery and mechanical appliances have been the top beneficiaries in terms of value.

The Ministry of Commerce's data showed that India's exports to the UAE contracted by 10.2 per cent to $4.82 billion during April-May this financial year against $5.37 billion in the year-ago period. Despite this temporary slowdown, the Ministry and Industry expects India's exports to the UAE to increase to $50 billion by the financial year 2027 from $31.8 billion in the financial year 2023. India's exports to UAE.

Source: business-standard.com– June 21, 2023

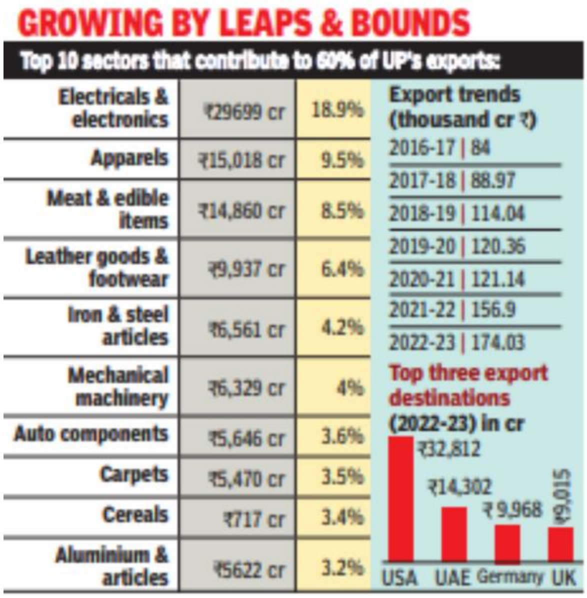
HOME

****

From Rs 84,000 crore to Rs 174k crore, UP exports up 100% in 6 years

LUCKNOW: An assessment undertaken by the UP State Export Promotion bureau has noted that exports from the state have gone up over 100% in the past six years.

Data from the department indicated that UP undertook exports to the tune of Rs 84,000 crore in 2016-17. The corresponding figure for the 2022-23 year was Rs 174,000 crore. The department is eying to make exports cross Rs 200,000 crore in the present financial year.



Details indicated that the top 10 buyers of goods from UP are USA, UAE, Nepal, UK, Germany, Vietnam, the Netherland, France, China and Egypt. Together they contribute to 60% of Uttar Pradesh's exports.

Among the products which are driving up the state's exports are telecom instruments, buffalo meat, RMG cotton, including accessories, RMG manmade fibre, leather footwear, saddlery and harness, aluminum and aluminum products, silk and handmade carpets, machinery and engineering goods, wheat, rice, sugar, iron and steel, handicrafts etc.

When contacted, Nand Gopal Gupta Nandi, cabinet minister for industries, export promotion,

NRI and Investment Promotion said: "The plan for the 2023-24 financial year includes widening the export basket and increasing the number of exporters in the state, capacity building on export processes, unlocking the export potential of ODOP and geographical indication, leveraging e-commerce for exports growth, hand holding expertise at ground level, facilitate product development among other things."

Earlier, as per an assessment by Federation of India Exports Organisation (FIEO), the reasons for UP's growth have been the export promotion schemes of the state government.

If an exporter is registered with the export promotion bureau, they will be helped with 60% of the stall charges at foreign fairs, up to a maximum of Rs 2 lakh, 60% of economy air fare up to a maximum of Rs 1 lakh, 60% of the total expenditure on publicity up to a maximum of Rs 75,000 annually, 75% of the cost of sending samples to a foreign buyer, up to a maximum of Rs 1 lakh per annum and 50% of the cost of certification, up to a maximum of Rs 2 lakh per annum.

Source: timesofindia.com – June 20, 2023

HOME

****

Cotton yarn stable in south India, optimism rises amid export orders

Cotton yarn prices have remained stable in the markets of Mumbai and Tiruppur today. The market in south India has seen an average demand, which is sufficient to sustain yarn prices at their current levels. Traders report that the present level of purchases from the downstream industry is decent.

Garment exporters in Tiruppur have begun receiving some orders. If these orders are significant in quantity, their impact is expected to be evident in the yarn market within the next week. Despite being regular, buying in the Mumbai market is somewhat limited, yet cotton yarn prices have managed to maintain their previous levels.

In Mumbai, cotton yarn prices have remained at their previous level due to regular but limited buying from the consumer industry. A trader from the Mumbai market told Fibre2Fashion, “Cotton yarn prices have remained stable. The demand is average. If the market receives support from the garment industry, yarn prices might see an upward trend.”

In Mumbai, 60 count carded cotton yarn of warp and weft varieties was sold at ₹1,450-1,480 and ₹1,320-1,340 per 5 kg (excluding GST), respectively.

Other prices include 60 combed warp at ₹335-345 per kg, 80 carded (weft) cotton yarn at ₹1,400-1,430 per 4.5 kg, 44/46 count carded cotton yarn (warp) at ₹264-272 per kg, 40/41 count carded cotton yarn (warp) at ₹256-264 per kg and 40/41 count combed yarn (warp) at ₹277-282 per kg, according to Fibre2Fashion's market insight tool TexPro.

In Tiruppur, there have been talks of some export orders from global brands. The size of these export orders is unclear, but the yarn market is optimistic.

Cotton yarn prices have remained stable in the past few days. A trader from Tiruppur told F2F, “If the export orders are significant, they may support the yarn market. The impact of export orders will be reflected in the yarn market within the next week. Currently, the market is experiencing average demand, which should maintain yarn prices.”

Prices in the Tiruppur market were noted as 30 count combed cotton yarn at ₹264-270 per kg (excluding GST), 34 count combed cotton yarn at ₹275-280 per kg, 40 count combed cotton yarn at ₹285-292 per kg, 30 count carded cotton yarn at ₹240-245 per kg, 34 count carded cotton yarn at ₹247-252 per kg and 40 count carded cotton yarn at ₹250-257 per kg, as per TexPro.

In Gujarat, cotton trading has resumed following disruptions caused by cyclone Biparjoy. Some markets remain closed due to the after-effects of the cyclone. Cotton was traded at ₹57,500-58,000 per candy of 356 kg. It was not possible to estimate cotton arrival as many markets are still closed. Trade sources report that the post-cyclone rains have benefitted cotton sowing. Farmers have started planting, which could lead to a higher acreage in Gujarat.

Source: fibre2fashion.com – June 20, 2023

HOME

****