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INTERNATIONAL NEWS

Stronger merchandise trade growth needed for 2023 WTO forecast of 1.7%

While the volume of world merchandise trade grew stronger than expected in the first three quarters last year before falling sharply in the fourth, trade continued to contract in the first quarter (Q1) this year, but at a slower pace, according to the World Trade Organisation's (WTO) World Trade Statistical Review 2023.

Merchandise trade volume in Q1 2023 was down by 1 per cent year on year (YoY).

Year-on-year (YoY) growth in the seasonally-adjusted volume of world merchandise trade was surprisingly strong at 4.4 per cent in the first three quarters last year, before a 2.1 per cent quarter-on-quarter (QoQ) decline in Q4 reduced growth for the year, it said.

Several factors contributed to the trade decline in Q4 2022. High food prices reduced disposable incomes of households in many economies, while high energy prices and rising interest rates raised costs in manufacturing and discouraged investment in industrialised economies, especially in Europe.

Renewed outbreaks of COVID-19 in China also disrupted production and trade in Q4 2022, but the relaxation of pandemic control measures in the country promises to boost growth in 2023.

Merchandise trade growth will need to be stronger in the remainder of the year to reach the WTO's forecast of 1.7 per cent for 2023, the document commented.

Merchandise trade growth has slowed in most regions since the outbreak of the war in Ukraine and the impact of the COVID-19 pandemic has proven long-lasting.

The performance of merchandise trade across the world was weak toward the end of last year and at the beginning of this year.

Between Q3 2022 and Q1 2023, the volume of merchandise exports rose in North America (0.7 per cent) but all other regions recorded declines, including Africa (minus 1.5 per cent), Europe (minus 1.5 per cent), Asia (minus 1.9 per cent), South America (minus 2.6 per cent), the Middle East (minus 2.8 per cent) and the Commonwealth of Independent States (CIS), including certain associate and former member states (minus 8.4 per cent).

Over the same period, merchandise import volumes declined in South America (minus 9.4 per cent), Africa (minus 3.5 per cent), Asia (minus 3.4 per cent), Europe (minus 3.2 per cent) and North America (minus 1.9 per cent).

Imports of the Middle East were up slightly (0.8 per cent), while those of the CIS were up sharper (17.1 per cent) after plunging earlier in the year following the start of the war in Ukraine.

The divergence in export volumes among regions that emerged during the pandemic has persisted. In the first quarter of 2023, Asia's exports were still well above their average level in 2019 (up by 13.3 per cent).

Smaller increases were observed over the same time frame in North America (4.7 per cent) and Europe (4.1 per cent), while South America and Europe were mostly unchanged (1 per cent and nil respectively). Export volumes were down strongly in Africa (minus 12.9 per cent) and the CIS region (minus 14.5 per cent).

Import volumes were up between Q3 2022 and Q1 2023 compared to 2019 in all regions except Africa (minus 1.8 per cent).

Source: fibre2fashion.com – Aug 03, 2023

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2022 global trade in goods, services worth $31 trn, 13% rise YoY: WTO

Worldwide trade in goods and services amounted to $31 trillion last year—a 13 per cent rise year on year. The value of merchandise trade expanded at a faster pace across the globe than volume in 2022, inflated in part by high global commodity prices, according to the World Trade Organisation's (WTO) World Trade Statistical Review 2023.

China remained the top merchandise exporter in 2022, but its share in world exports declined to 14 per cent from 15 per cent in 2021. The United States, with 8 per cent of world trade, and Germany, with 7 per cent, ranked second and third respectively. The share of manufactured goods in world merchandise exports fell to 63 per cent last year compared to 68 per cent in 2018, primarily due to high energy prices limiting demand.

Intra-regional merchandise trade represented 65 per cent of Europe's world trade last year, the highest amongst the major world regions. The lowest was for Africa—14 per cent in 2022, down from 16 per cent in 2018.

World exports of intermediate goods (IGs—inputs used to produce a final product—fell from a 9 per cent year-on-year (YoY) increase in the first quarter (Q1) last year to a 10 per cent decline in Q4. In value terms, they remained stable compared to 2021, amounting to $9.7 trillion.

Weakness in the exchange of industrial inputs in supply chains was largely due to a 0.3 per cent decrease in exports of manufacturing supplies, parts and accessories, which represent more than 85 per cent of IGs, the document noted. Exports of intermediate goods declined in Europe and Asia last year by 1.8 per cent and 1.2 per cent respectively. North and South America, however, witnessed an increase of 5.7 per cent, the WTO report said.

Africa's trade deficit in intermediate goods shrank to $4.4 billion in 2022. This was partly due to growth in its exports of intermediate goods, which totalled $292 billion last year—an increase of 47 per cent compared with its pre-COVID-19 figure in 2019. A rise in value terms is largely due to high commodity prices.

Source: fibre2fashion.com – Aug 02, 2023

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Americans for Free Trade: Clock is Ticking on China Tariff Exclusions Renewal

The U.S. Trade Representative (USTR) is running down the clock on a decision regarding the continuation of China tariff exclusions, and a coalition comprised of dozens of trade groups is urging Ambassador Katherine Tai to address the issue promptly.

Formed in 2018, Americans for Free Trade includes about 170 associations that represent brands, retailers, manufacturers, farmers, technology firms, energy companies and other supply chain stakeholders. The collective on Thursday released an open letter the Ambassador Katherine Tai asking that she address the forthcoming expiration of tariff exclusions, along with subsequent Covid exclusions, on Sept. 30, preferably by opting for their continuation.

“In the last five years, American importers, including members of our coalition, have paid more than $183 billion in Section 301 tariffs on products imported from China,” it wrote. “The product exclusions granted to date have provided limited relief for some companies over this time.”

However, the USTR has not yet issued a decision on whether the exclusions will be renewed, as they were last December, and that uncertainty is coming at a cost.

“As USTR is fully aware, American businesses make their supply chain and sourcing decisions many months in advance of products arriving here in the U.S.,” signatories like the Accessories Council, the American Apparel and Footwear Association (AAFA), the Footwear Distributors and Retailers of America (FDRA), the California Retailers Association, the Consumer Brands Association, the National Retail Federation and the Travel Goods Association wrote.

“Since the tariffs have been in place, exclusion extensions have been announced routinely at the last-minute—sometimes within mere days of the exclusions being set to expire,” they added.

Protracted decision-making and communication could also harm consumers, the coalition said. “Any delay in announcements regarding the exclusions extension or expiration compels American companies to incorporate 25 percent price increases into product lines that may soon be without a Section 301 tariff exclusion," it wrote. "Upward pricing pressure of this kind will continue to exacerbate inflationary pressures on American companies and the U.S. economy."

In addition to pushing for a speedy extension, it renewed a request for a more robust exclusions process to be available for all items covered by the tariffs on China-made goods, allowing businesses to apply for targeted relief. "We also call upon USTR to finalize the results of the four-year statutory review of the 301 tariffs," the letter read. The public comment period for the review, which began in 2022, closed more than six months ago, and Americans for Free Trade was among hundreds of organizations and companies that offered its insights.

Members of Congress on both sides of the aisle have been applying the same pressure for more than a year. On July 19, the USTR provided responses to written inquiries submitted by senators during a Senate Finance Committee meeting in March, asking for the status of the review and a timeline for its completion. Tai stated that the review of the Section 301 tariffs would be closed "this fall."

"As part of the four-year review of the Section 301 tariffs, USTR is reviewing the effectiveness of the tariffs in achieving the objectives of the investigation, as well as the effect of the tariffs on consumers, workers, and the U.S. economy at large," she said. "As part of this review, we are considering the existing tariffs structure and how to make the tariffs more strategic in light of impacts on sectors of the U.S. economy as well [as] the goal of increasing domestic manufacturing."

Source: sourcingjournal.com – Aug 01, 2023

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EU adopts new standards for corporate sustainability reporting

The European Commission has adopted the European Sustainability Reporting Standards (ESRS) for use by all companies subject to the Corporate Sustainability Reporting Directive (CSRD). This marks another step forward in the transition to a sustainable European Union (EU) economy.

The standards cover the full range of environmental, social, and governance issues, including climate change, biodiversity, and human rights. They provide information for investors to understand the sustainability impact of the companies in which they invest, the European Commission said in a press release.

Moreover, the new standards take account of discussions with the International Sustainability Standards Board (ISSB) and the Global Reporting Initiative (GRI) in order to ensure a very high degree of interoperability between EU and global standards and to prevent unnecessary double reporting by companies.

“The standards we have adopted today are ambitious and are an important tool underpinning the EU’s sustainable finance agenda. They strike the right balance between limiting the burden on reporting companies while at the same time enabling companies to show the efforts they are making to meet the green deal agenda, and accordingly have access to sustainable finance,” said Mairead McGuinness, commissioner for financial services, financial stability, and capital markets union.

Source: fibre2fashion.com – Aug 03, 2023

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UK Clamps Down on Textile Waste, Ups Recycling

The United Kingdom's Department for Environment, Food & Rural Affairs has laid out a new and comprehensive roadmap for handling all kinds of waste, including textiles, to be enacted gradually over the next few years.

Under the heading "Maximizing Resources, Minimizing Waste," the edict presents a plan for making it as easy as possible to do the right thing for the environment in the face of an enormous cost-of-living crisis. Residents around the country are up against crippling cutbacks in health care, a winter of "heat or eat," increasingly unaffordable housing and the shuttering of countless small businesses that are the backbone of many small towns and cities.

The U.K. government dubs the move toward circularity and sustainability "one of our biggest opportunities" and reminds consumers how much ground was gained in sustainability efforts before Covid-19 hit.

"Resources on our islands—indeed our planet—are finite and precious," the report said. "Success relies on us, as a society, to change our relationship with how we use [those] resources."

It's an England-only drive, but with a nod to similar programs in Scotland, Wales and Northern Ireland, that flags seven specific sectors. They are construction, furniture, electronics, vehicles, plastic and packaging, food and textiles.

Reducing textile waste means extending the life of any products, steering them away from landfills and creating a profitable textile recycling industry. The government wants a strong circularity program pegged to resale, rental and repair in addition to post-consumer reprocessing and recycling. Establishing these things, the government may reach its goal of the near elimination of municipal biodegradable waste in landfills beginning in 2028, and halve residual waste per person by 2042.

Fashion and textiles are resource intensive, consuming vast quantities of non-renewable resources that lead to extreme levels of emissions, pollution and waste. Worldwide, the sector accounts for between 4 and 8 percent of global greenhouse gas emissions, growth of which is exacerbated by the challenges of dubious and opaque multi-national supply chains that make transparency and traceability difficult.

In England alone, more than one million tons of textiles are said to be disposed of each year, divided almost equally between clothing (400,000 tons) and non-clothing textiles (430,000 tons), or 4.2 percent of all municipal waste.

The U.K. aims to strengthen its already strong collection system to increase domestic sorting and reprocessing of textiles in order to capitalize on the growing demand for recycled materials. Currently, it collects 620,000 tons of used textiles for reuse and recycling every year. Collections of this nature are vital to keeping material out of landfill and incineration, but there are no economies of scale for comparison.

One bright spot in the U.K. is the resale market for garments. It will reach $57 billion in sales by 2025, up from $27 billion this year, according to the Department for Environment, Food & Rural Affairs, which released the new rules. Even the London department store Selfridges is on that bandwagon with a shop selling secondhand items. Last September, it predicted that by 2030, some 45 percent of all transactions will come from circular products and services.

The U.K. created a number of projects in 2021 to jump start its textile management efforts, including Textiles 2030, the U.K. Sustainable Textile Action Plan, a voluntary program run by the Waste and Resources Action Program. Signing on means agreeing to ambitious 2030 targets, including a 50 percent reduction in the carbon footprint of new products and a decrease of 30 percent in water use.

Current signatories represent more than 62 percent of all clothing on the U.K. market. They will also collaborate on 2030 targets in three areas: designing for circularity (longevity, recyclability, better fibers), circular business models (resale, rental, subscription, repair, upcycling), and closing the loop on materials (turning clothes back into clothes).

Greenwashing is also in the crosshairs as a way to quell waste. The Competition and Markets Authority, the U.K.'s regulatory watchdog, is taking aim at misleading environmental claims and will bring legal action if claims do not meet the following criteria: clarity, truthfulness, transparency, fairness, substantiated with fact, and applying to the full lifecycle of the product.

Other provisions under consideration are a framework for advising businesses managing textiles, apparel and materials, a requirement that businesses over a certain size provide customer take-back systems for used textiles and requiring stringent prior sorting in order to train the lens on those items that can be reused, redistributed and recycled, like returns, surplus and unsold stock.

The government has also funded a number of programs to further support the recycling effort. They include a 2.5 million pound ($3.07 million) circular economy innovation fund and a 150,000 pound ($192,000) award to develop an Extended Producer Responsibility scheme in conjunction with the U.K. Fashion and Textiles Association, the British Fashion Council and the British Retail Consortium.

Source: sourcingjournal.com – Aug 02, 2023

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Nearshoring and Forced Labor Fears Eating China's Lunch, USFIA Survey Finds

U.S. fashion companies' shift away from China shows no signs of slowing down, according to a recent survey from the United States Fashion Industry Association (USFIA).

This year, over 40 percent of respondents to USFIA's annual Fashion Industry Benchmarking Study said they sourced less than 10 percent of their apparel products from China, up from 30 percent in 2022 and 20 percent in 2019.

This year's study surveyed executives from 30 U.S. fashion companies from April to June. Approximately 73 percent self-identified as retailers, 60 percent as brands and 65 percent as importers/wholesalers.

The survey, now in its 10th year, also saw the percentage of respondents no longer using China as their top supplier hit a record high in 2023: 61 percent. Only 50 percent said the same last year, which itself was a giant leap from the pre-pandemic normal of 25 percent to 30 percent.

Meanwhile, nearly 80 percent of respondents said they plan to reduce sourcing from China over the next two years. A record high of 15 percent plan to "strongly decrease" sourcing from the country. Large-size U.S. fashion companies—around 77 percent of respondents reported having more than 1,000 employees—that currently source more than 10 percent of their products from China were "among the most eager to de-risk," the report said.

Lowering "China exposure" will remain challenging in terms of textile raw materials, however, the USFIA noted. More than 70 percent of respondent said they currently source various yarns, fabrics and textile accessories from China "with no practical alternatives," the report said.

Though "finding a new sourcing base other than China" ranked fourth among respondents' top business challenges—a sharp increase from 11th in 2022—"managing the forced labor risks in the supply chain" took second place. The heightened concern comes a year into the implementation of the Uyghur Forced Labor Prevention Act (UFLPA).

The most common responses to forced labor risks and the UFLPA's implementation included "asking vendors to provide more detailed social compliance information," "attending workshops and other educational events to understand related regulations better," and "intentionally reducing sourcing from high-risk countries."

Concern has centered on cotton products in particular, the report noted. Nearly 86 percent of respondents said they have or plan to reduce sourcing cotton apparel from China, while 55 percent said the same for non-cotton apparel from China.

The top concern identified in the USFIA survey was inflation and the U.S. economic outlook, however. Half of respondents said they expect their apparel sourcing value or quantity to increase this year, down from 90 percent last year. Most, 69 percent, expressed optimism or cautious optimism for the U.S. fashion industry in the next five years. Even more, 85 percent, plan to increase hiring over the next five years.

At the same time, the survey reported "robust excitement" for increasing apparel sourcing from members of the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR).

More than 80 percent of respondents reported sourcing from CAFTA-DR members this year, up from 60 percent in "the past few years," the report said. Nearly 30 percent placed more than 10 percent of their sourcing orders with CAFTA-DR members, up from 19 percent last year and just 10 percent two years ago. About 40 percent plan to increase sourcing from these countries in the next two years.

The USFIA also found "a solid dedication" for expanding sourcing of recycled or other sustainable fibers, with nearly 60 percent of respondents saying at least 10 percent of their products already use such fibers. A similar number plan to "substantially" increase sourcing apparel made with such materials over the next five years. About 60 percent also called for policy support, such as preferential tariff rates and guidance on sustainability and recycling standards.

Dr. Sheng Lu, associate professor of fashion and apparel studies, at the University of Delaware, offered a measured perspective on some of the survey's biggest findings.

"One notable takeaway of this year's study is that U.S. fashion companies expressed a new level of anxiety and showed eagerness to reduce 'China exposure' to mitigate the growing sourcing risks due to the deteriorating U.S.-China relations and the Uyghur Forced Labor Prevention Act (UFLPA) enforcement," he told Sourcing Journal.

Though China was once considered "indispensable" for any major apparel company sourcing apparel because of its "vast size and wide variety of products," the USFIA survey indicates that the world's factory is losing its luster, he added.

"Recent studies I conducted, which examined hundreds of thousands of actual apparel products sold in the U.S. retail market, further reveal that the five largest Asian apparel suppliers other than China, namely Vietnam, Bangladesh, Cambodia, India, and Indonesia, collectively can offer a diversified product range almost equivalent to that of China," Lu continued. "In other words, U.S. fashion companies today are much more prepared to 'de-risk' from China than they were in the past."

Lu questions whether companies can figure out the raw material aspect of nearshoring from areas such as CAFTA-DR, noting that "the region's lack of sufficient textile raw materials, especially fabrics using fibers beyond cotton and polyester, concerns respondents."

He went on to say that "[s]trengthening the CAFTA-DR region's immediate garment production capacity and textile raw material supply calls for new innovative thinking and policy support."

Source: sourcingjournal.com – Aug 01, 2023

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Xinjiang new communications, logistics hub of Asia

Once a deprived region, Xinjiang now becomes one of the major communications and logistics hub of Asia due to the establishment of the Urumqi Land Port.

The province has borders with eight countries and as the main city of the province-- Urumqi is at the epicentre of the Silk Road.

From there rail is connecting China with Pakistan, Iran, the Middle East, Europe via Russia and South Asia via Yunan.

The state-of-the-art land port was built with the aim to achieve high-quality development in the new era and Urumqi City authorities take a series of measures such as strengthening overall planning, highlighting development priorities, making full use of policies, building a broad platform, focusing on project construction, and optimising the business environment to promote the 'one port and five centres' in the core area of the Silk Road Economic Belt.

According to officials, focusing on promoting the construction of 'one port and five centres', Urumqi is strengthening overall planning and is attracting domestic and foreign resources.

In realising the 'opening up' vision, the authorities gather and promote the overall improvement of the core area by building the Urumqi International Land Port Area, Airport Economic Zone, and International Textile and Garment Trade Center.

The authorities make good use of policies to accelerate the construction of an international comprehensive transportation hub, a land-port-type national logistics hub, and a national cross-border e-commerce comprehensive pilot zone.

The Urumqi International Land Port Area is a landmark project in the construction of the core area of the Silk Road Economic Belt.

Due to these 'five major platforms' including the China-Europe Express (Urumqi) assembly centre and express centre projects, Urumqi is becoming the multimodal transport collection area and grain and oil trading centre.

Officials said the Land Port Group will organise multimodal transport, bulk commodity supply chain, park (station) development and operation, comprehensive financial services, data information services, etc.

The main business is to build an ecosystem integrating "logistics, trade, industry, finance, and data".

The Inland Port Group will further improve the supporting facilities in the international inland port area and fully promote the construction of functional infrastructure, basic facilities for the assembly centre of China-Europe Railway Express, and information transformation and upgrading projects.

There are nine investment projects, and the annual investment is about 390 million yuan.

According to the reports, a number of major landmark projects in the core area, such as the Urumqi Airport Reconstruction and Expansion Project, the International Textile Center Textile Fiber and Yarn Industrial Park, and Jingdong Asia No.1 are accelerating.

Since its inception in 2015, over 6,500 China-Europe (Central Asia) freight trains departed from the Urumqi International Land Port Area in Xinjiang Uygur Autonomous Region till June.

The Urumqi International Land Port Area has launched 21 rail routes accessing 19 countries and regions in Europe and Asia, with over 200 categories of goods carried by trains.

In 2022, more than 19,000 freight trucks passed through the land port, double that of 2021, along with more than 1,165 China-Europe railway express trains, an increase of 16.5 per cent year-on-year.

Officials also informed that with a planned area of 67 square km containing the Urumqi China-Europe Railway Express Hub and a comprehensive bonded zone, the land port area stands as a landmark project in the construction of the core area of the Silk Road Economic Belt.

Source: thefinancialexpress.com.bd– Aug 01, 2023

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Poland's exports up 6.9%, imports rise 12.7% in 2022

Poland's exports rose to $365.8 billion, an increase of 6.9 per cent, while imports surged to $387.0 billion, marking an increase of 12.7 per cent, in 2022. This led to a negative balance of $21.2 billion, in stark contrast to 2021, when it stood at -$1.5 billion.

The statistics further indicate that Poland's largest share in total exports is with developed countries, at 87.3 per cent—of which the European Union (EU) is at 75.8 per cent. This figure has slightly increased from 2021 when it was 86.4 per cent with the EU at 75.1 per cent. In contrast, the smallest share is observed with Central and Eastern Europe countries, with total exports at 4.8 per cent and imports at 6.2 per cent. This is a decrease compared to 2021 when the figures were 5.7 per cent and 7.9 per cent, respectively, Statistics Poland said in a press release.

The data also highlighted a negative balance with developing countries at -$92.9 billion and with Central and Eastern European countries at -$6.9 billion. On a more positive note, a substantial positive balance was achieved in turnover with developed countries at $78.6 billion, of which the EU countries alone accounted for $77.9 billion.

Source: fibre2fashion.com– Aug 01, 2023

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Intex Sri Lanka: Textile connections

Intex, the highly anticipated International Textile Sourcing Show, is set to return to Sri Lanka from August 9th to 11th, 2023, at the prestigious BMICH (Bandaranaike Memorial International Conference Hall) in Colombo.

Since its inception in 2015, Intex has been a driving force behind business collaborations, innovation, and trade opportunities in the global textile industry. With exhibitors from 11+ countries, including India, Sri Lanka, Pakistan, Bangladesh, Vietnam, China, Korea, Indonesia, Taiwan, Thailand, USA, and the UK, Intex Sri Lanka will showcase a comprehensive range of products, from yarns and fabrics to accessories, denims, dyes, certifications, designing solutions, and more.

A key highlight will be the India Pavilion, boasting over 70 companies representing the entire textile value chain. This pavilion aims to address Sri Lanka's growing demand for raw materials, with garment exports reaching US$ 5.93 billion in 2022.

Moreover, the Interactive Business Forum (IBF) Seminar Series will be a platform for industry leaders, including WGSN, Cotton USA, and others, to share market insights on sustainability, digital transformation, supply chain management, and traceability.

Supported by various esteemed associations and organizations, Intex Sri Lanka is poised to shape the future of the textile industry both in Sri Lanka and globally. This must-attend event promises to foster growth, collaboration, and advancement in the thriving textile landscape.

Source: fashionatingworld.com– Aug 1, 2023

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Uzbek business delegation visits BGMEA to discuss potential trade opportunities

A delegation from the Uzbekistan Textile and Garment Industry Association (UZTEXTILEPROM) paid a visit to Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on Tuesday.

During the visit, they held a meeting with BGMEA Vice President Shahidullah Azim to discuss potential areas of collaboration to gain mutual trade benefits in the apparel and textile sector.

Mukhammadsaidov Bakhtiyor, Head, Department of the Textile, Garment and Knitwear Industry, Ministry of Investment, Industry and Trade of Uzbekistan and Sherzod Akbarov, Head of Department, UZTEXTILEPROM, and Mehdi Mahbub, Adviser, UZTEXTILEPROM were present at the meeting, said a press release.

They discussed how both could work together to identify possible areas of trade and investment.

In the meeting, the UZTEXTILEPROM delegation made a presentation on the textile and garment sector of Uzbekistan, highlighting its key competitive advantages, especially the country's proximity and easy access to CIS countries. They also invited a business delegation from BGMEA to visit Uzbekistan and explore business opportunities.

BGMEA Vice President Shahidullah Azim highlighted Bangladesh's increasing emphasis on product diversification, especially on high-value mmf-based garments. He also mentioned that Bangladesh is also seeking export opportunities in new markets like CIS which have around 55-billion dollar apparel market.

He called on the visiting delegation for collaboration to explore possibilities of Bangladesh's RMG exports to CIS markets through Uzbekistan.

It would create a win-win situation for both sides, Azim remarked.

Source: businessinsiderbd.com– Aug 03, 2023

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Vietnam marks $15.23 bn trade surplus in Jan-Jul 2023

Vietnam recorded a trade surplus of $15.23 billion in the first seven months of 2023, as per the General Statistics Office (GSO). The total trade turnover for July was estimated at $57.21 billion, reflecting a 2.5 per cent month-on-month (MoM) increase, but a year-on-year (YoY) decline of 6.7 per cent.

For the first seven months, the total trade volume was valued at $374.23 billion, a drop of 13.9 per cent compared to the same period last year. This included a 10.6 per cent decline in export revenue and a 17.1 per cent fall in import turnover.

The domestic economic sector faced a slump of 10.2 per cent, earning $51.5 billion, constituting 26.4 per cent of total export turnover. The foreign direct investment (FDI) sector also experienced a downturn, with a turnover of $143.23 billion, down by 10.8 per cent, accounting for 73.6 per cent of total export turnover, the GSO said.

Within this reviewed period, 30 items achieved export turnover of over $1 billion each, together forming 91.6 per cent of the country's total export volume. Conversely, import turnover of goods was estimated at $179.5 billion, a decline of 17.1 per cent on-year.

While the domestic economic sector endured a trade deficit of $12.58 billion, the FDI sector recorded a trade surplus of $27.81 billion.

Vietnam's trade surplus with the US stood at $44.3 billion, down 24.1 per cent on-year. The country also maintained trade surpluses with the European Union (EU) and Japan, estimated at $16.4 billion and $0.9 billion, respectively.

Significantly, Vietnam’s trade deficits with China, South Korea, and the Association of Southeast Asian Nations (ASEAN) plunged by 35.2 per cent, 35.1 per cent, and 35.3 per cent, amounting to $27 billion, $15.5 billion, and $5 million, respectively.

Source: fibre2fashion.com– Aug 02, 2023

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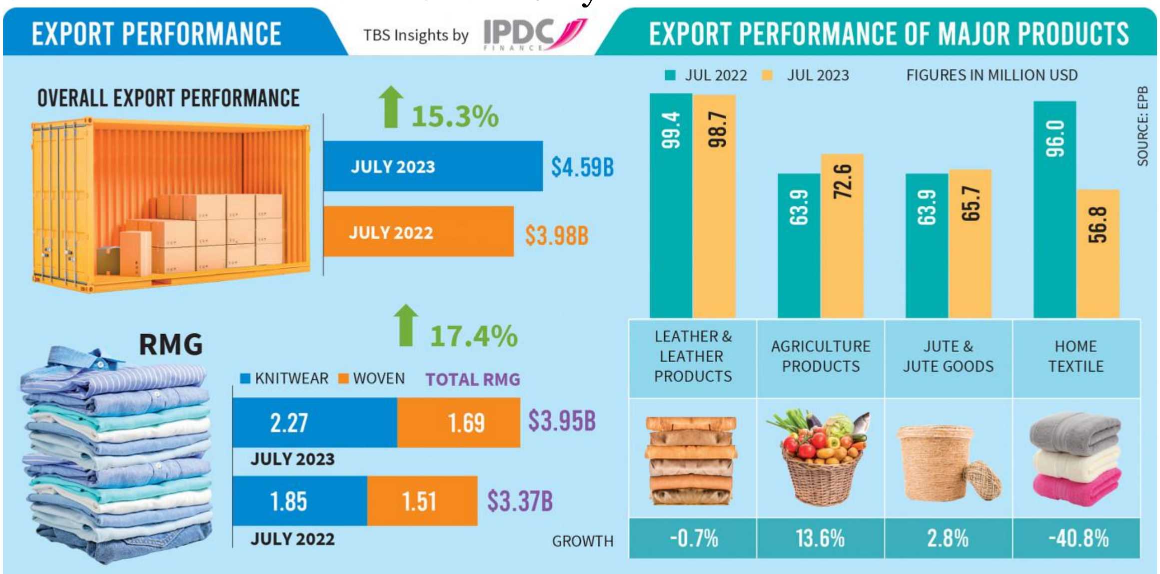
Bangladesh's exports soar by 15.26% in July

Bangladesh's merchandise exports grew by an impressive 15.26% year-on-year to $4.59 billion in July, the first month of the new fiscal year, as per government data.

This robust growth was driven by an acceleration in the shipment of apparel items, which will help the country minimise its ongoing foreign exchange crisis. A day earlier, the Bangladesh Bank reported nearly a 6% decline in remittance inflows in July.



The data released on Wednesday by the Export Promotion Bureau (EPB) showed that the garment sector contributed over 86% to the overall export earnings.

The other sectors – primary commodities, jute and jute goods, frozen and live fish, agricultural products, manufactured commodities, plastic products, leather products, and non-leather footwear – also experienced positive growth year-on-year.

The growth came as a surprise to apparel exporters, while economists observe a big gap between the experiences of industry people and the data provided by the government.

Economists have suggested that government agencies and exporters' associations work together to verify the export data.

Seeking anonymity, a leading apparel exporter told The Business Standard that his group exported 3.62 million pieces of readymade garments worth $285.7 million in the first six months of this year. This figure was lower compared to the export of 4.91 million pieces worth $373.38 million during the same period in 2022.

The entrepreneur also mentioned that in terms of value, his exports decreased by 23.60% during this period, while in terms of quantity, they saw 26.38% negative growth.

The exporter said all his factories are running at 20% below capacity due to order shortages. This situation is expected to continue until December this year.

According to the EPB, the garments sector, covering both knitwear and woven items, proved to be a major driving force, accounting for over $3.95 billion in exports. Knitwear exports exhibited remarkable growth, surging by more than 22%, while woven exports saw a commendable increase of 11.54% in July 2023.

"We are very surprised to see the growth in apparel export; as an association, we observed that there was a 20% negative growth in utilisation declaration issues," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

He also mentioned that due to order shortages, most of the factories are running at less capacity, which is reflected in banks' foreign currency inflow through exports.

Echoing Hatem, Nipa Group Chairman Md Khosru Chowdhury said every factory is running at about 30% less than its installed capacity. On the other hand, buyers have squeezed prices by 12% to 20% year-on-year, he said, adding that factories have to export a greater quantity of apparel to cover that reduced value.

"Apparel exporters have been struggling since July last year because of global inflation driven by the Russia-Ukraine war," said Khosru Chowdhury, who is also a director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He hoped that the business might come into a positive trend by November onward, but prices may remain a challenge for exporters.

Mohammad Abdur Razzaque, director of research at the Policy Research Institute of Bangladesh, said, "We observed that exports to the US market are declining, and EU markets are also becoming weak due to global inflation.

"Considering the situation, we request the Bangladesh Bank, the National Board of Revenue, the EPB, and exporters' associations to sit immediately to verify the export data."

How other sectors performed

Among other sectors, leather, home textiles, and engineering products registered negative growth in the first month of the new fiscal year.

The shipments of agriculture products grew by 14.53% year-on-year to $72.58 million. The sector's earnings are 7.46% higher than the monthly target of $67.54 million.

Kamruzzaman Kamal, director (marketing) at Pran-RFL Group, told TBS that, in general, the sector saw a downtrend in the final quarter of the last fiscal year.

"We are hopeful this situation will improve in this fiscal year as some of the major challenges have already been addressed," he added.

Home textile exports faced challenges during this period. Insiders attributed the decline in home textile exports to reduced demand for the products in the post-Covid era.

Home textile exports experienced over 40% negative growth to stand at $56.83 billion in July, which is 36.33% lower than the $89.26 million target.

Talking to TBS, Rashed Mosharraf, executive director of Zaber & Zubair Fabrics, said this sector has not been faring well for long, adding, "It may bounce back after February next year if there are no unforeseen circumstances again."

Mentioning that major markets such as the EU and the USA deferred their purchases, he added that the ongoing Russia-Ukraine war has increased energy and commodity prices, further impacting the home textile sector.

"Moreover, local home textile manufacturers are facing various challenges such as decreased production at factories due to energy shortages, surges in utility prices, and rising costs of raw materials," Rashed Mosharraf said, adding that manufacturers are now cutting costs to sustain the business.

He also mentioned that the increased gas price poses more challenges for having a competitive offer for customers.

After continuing three months of negative growth, the once billion-dollar-earner jute and jute goods sector, which used to be called "golden fibre", experienced 2.75% growth to stand at $65.67 million worth of exports.

Earlier, Akij Group Chairman Sheikh Mohammed Nasir Uddin said, "In the just concluded fiscal year, the jute sector went through a hardship, and it was expected as local jute trader-syndicates hiked raw jute prices irrationally over the past years. Some of our buyers have moved to alternative fibres, as a consequence."

"This year, Bangladesh jute farmers saw bumper yields in cultivation, which will naturally stabilise the market," he added.

Leather and leather products exports fell by 0.67% year-on-year to $98.74 million. However, the sector's earnings are 1.2% higher than the monthly target of $97.57 million.

Source: tbsnews.net– Aug 02, 2023

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India's overall export (merchandise plus services) at US$ 776.3 billion in 2022-23 is the highest in terms of overall exports until now

India's overall export (merchandise plus services) was US$ 776.3 billion in 2022-23 which is the highest in terms of overall exports until now.

The Government has taken the following measures to promote India's export and to develop its large domestic market to the optimum level and expand its reach across the world:

- New Foreign Trade Policy has been launched on 31st March, 2023 and came in to effect from 1st April, 2023.
- Districts as Export Hubs has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district and to develop its large domestic market to the optimum level and expand its reach across the world.

- (iii) Interest Equalization Scheme on pre and post shipment rupee export credit has also been extended upto 31-03-2024.

- Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.
- Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour oriented sector export has been implemented since 07.03.2019.
- Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since 01.01.2021. With effect from 15.12.2022, uncovered sectors like pharmaceuticals, organic and inorganic chemicals and article of iron and steel has been covered under RoDTEP. Similarly, anomalies in 432 tariff lines have been addressed and the corrected rates have been implemented with effect from 16.01.2023.

- Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- 12 Champion Services Sectors have been identified for promoting and diversifying services exports by pursuing specific action plans.
- Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- Regular monitoring of export performance with Commercial Missions abroad, Export Promotion Councils, Commodity Boards/ Authorities and Industry Associations and taking corrective measures from time to time.

This information has been provided by the Union Minister of State for Commerce and Industry, Smt. Anupriya Patel in a written reply in the Lok Sabha today.

Source: pib.gov.in– Aug 02, 2023

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Vietnamese Delegation visits India to enhance bilateral cooperation in infrastructure and logistics sector

Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry hosted a delegation from Vietnam to promote bilateral cooperation between India and Vietnam in the infrastructure and logistics sector. The five-day visit of the delegation from 31st July to 04th August 2023, is a follow-up to an Indian delegation's visit, headed by Special Secretary, DPIIT, Smt Sumita Dawra to Vietnam between 29th and 31st March, 2023.

Union Minister of State for Commerce and Industry, Sh. Som Parkash graced this event with his presence. In his address, he stated that these bilateral interactions will foster collaboration and foreign investments in the logistics sector in both countries and promote investments.

First two days of the programme included Government to Business (G2B) and Business to Business (B2B) meetings with stakeholders from private and public sectors from both countries. Followed by site visits planned to Integrated Industrial Township - Greater Noida, Aurangabad Industrial City (AURIC), Maharashtra and Airport Cargo Terminal and Custom Facility, Bangalore, Karnataka, to gain first-hand experience of the logistics ecosystem in the country.

Around 80 participants including Vietnamese delegates from various logistics and supply chain companies and associations such as Sotrans Group, InterLogistics, Vietnam Logistics Association, KNF Global Supply Chain Co., Ltd, etc.; Indian Officials from M/o Textiles, Council of Leather Exports, Central Warehousing Corporation, Invest India, National Industrial Corridor Development Corporation Limited (NICDC) and States (Gujarat, Haryana, Karnataka, Tamil Nadu and Uttar Pradesh), and Indian industry representatives from Activair Airfreight India Pvt Ltd, Transport Corporation of India Ltd., (TCIL), FIEO, Association of Multimodal Transport Operators of India (AMTOI), Federation of Freight Forwarders Associations in India (FFFAI), FICCI, Warehousing Association of India, among others, had fruitful discussions on both days.

On Day One, Government to Business (G2B) Sessions were held. Focus of G2B meetings was on showcasing investment opportunities across NICDC industrial parks; logistics parks across different States; textile PM MITRA parks, leather parks, etc.

Secretary, DPIIT, Sh. Rajesh Kumar Singh set the context, and emphasized on the importance of this visit in identifying areas of mutual interest, exploring investment opportunities and knowledge sharing between both the countries.

Key takeaways from Day one is summarised below:

- Direct shipping route between India and Vietnam, is a potential area of interest for both sides.

- Investment opportunities in industrial parks and greenfield industrial smart cities such as Dholera Special Investment Region, Shendra Bidkin Industrial Area etc. can be explored by Vietnamese businesses.

- M/o Textile highlighted that the growth in the sector with forward looking schemes such as production-linked incentive (PLI 2.0), Pradhan Mantri Mega Integrated Textile Region and Apparel Parks (PM MITRA) etc. will enhance investments.

- Council for Leather Exports showcased potential for setting-up production units in mega leather, footwear and accessories clusters, for attracting investments.

- Investment opportunities in modernization and monetization of infrastructure at 85 locations in Tier-I and Tier-II cities under public-private partnership mode, could be explored by the Vietnamese side.

- Presentations from officials from Gujarat, Haryana, Uttar Pradesh, Tamil Nadu, and Karnataka focused on highlighting the key developments and investment opportunities in respective states. For instance, Haryana's Integrated Multi Modal Logistic Hub that offers investors an opportunity to partner as project concessionaire for building and operating internal infrastructure. Similarly. collaboration can be sought in Multimodal logistic Hub (MMLH) Dadri, Mega Food Park, Bareill, etc. in Uttar Pradesh.

- On Day One, the session ended with the closing remarks from Special Secretary, DPIIT, Smt. Sumita Dawra who reemphasized on the potential areas of cooperation and how Vietnam should be part of Indian growth story

On Day Two, Business to Business Sessions were held. The B2B sessions covered the following deliberations:

- Vietnamese companies showcased development in their logistics and supply chain network, along with investment opportunities in various sectors including logistics facilities, air cargo, container shipping, maritime, etc.

- The Indian businesses presented development and opportunities in the warehousing sector, airfreight, supply chain management, EXIM cargo handling, etc.

In his closing remarks, Consul General of India in Vietnam, Sh. Madan Mohan Sethi, reiterated the commitment of both nations to enhance bilateral trade and investment and expressed confidence in the positive outcomes of the delegation's visit. He invited Indian entrepreneurs to explore trade and investment opportunities in Vietnam.

Source: pib.gov.in– Aug 02, 2023

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Scheme for Integrated Textile Park to provide state of the art infrastructure facilities for industries to set up textile units

The Government is implementing Scheme for Integrated Textile Park (SITP) to provide the industry with state of the art infrastructure facilities for setting up their textile units. The scheme aims to create new parks of international standards as potential growth centres. Under the scheme 54 textile parks were sanctioned, a list of which is given in Annexure. The scheme has so far attracted an investment of Rs. 14,243.69 crore and generated direct/indirect employment of 1,05,709 persons.

Revenues earned from exports in Textile & Apparel including handicraft during the last five years are as follows:

(Value in USD Mn)

	2017-18	2018-19	2019-20	2020-21	2021-22
Total Textiles & Apparel (T&A)	35,723	36,559	33,379	29,877	42,347
Handicraft	1,823	1,838	1,798	1,708	2,088
Total T&A including Handicrafts	37,546	38,397	35,177	31,585	44,435

Source: DGCI&S

Government is implementing various other schemes to strengthen the Textile Value Chain across the country including in the State of Bihar viz, SAMARTH (Scheme for Capacity Building in Textile Sector), Silk Samagra, National Handloom Development Programme, National Handicraft Development Programme, Integrated Wool Development Programme, National Technical Textile Mission, Scheme for Integrated Textile Parks etc. The Production Linked Incentive scheme particularly focuses on enhancing India's manufacturing capabilities.

Click here for more details

Source: pib.gov.in– Aug 02, 2023

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Commerce dept seeks Centre's nod for US-led IPEF 'supply-chain' agreement

The commerce department has sought the Union Cabinet's nod for approval of United States-led Indo Pacific Economic Framework's (IPEF's) 'supply-chain' agreement, people aware of the matter said.

"The process of legal vetting of the supply chain pillar's text has been completed. The text will be made public in November, along with the text of all the four pillars under IPEF," one of the persons cited above told Business Standard.

There are four pillars — trade, supply chain resilience, clean economy, and fair economy (tax and anti corruption) — under the economic initiative. As of now, the supply chain is the first pillar to be finalised by the 14 IPEF member nations.

In May, an official statement had mentioned the substantial conclusion of the negotiations of a 'first-of-its-kind international IPEF Supply Chain Agreement' at the IPEF Ministerial Meeting in the US.

During the subsequent ministerial meeting earlier this month in South Korea, officials also advanced the legal review of the proposed agreement.

The idea behind the agreement is to increase the 'resilience, efficiency, productivity, sustainability, transparency, diversification, security, fairness, and inclusivity' of supply chains. This can be done through both collaborative activities and individual actions taken by each IPEF member nation.

It is aimed at making supply chains more robust and well-integrated.

It also aims to improve crisis coordination and response to supply-chain disruptions and working together to support the timely delivery of affected goods to member countries during a crisis. It is also eyeing capacity building to increase investment in critical sectors.

The commerce department has also begun an outreach programme to apprise the industry about the proposed supply chain deal so that it can prepare for implementation.

Apart from the US, 13 other members of the IPEF include Australia, Brunei, Fiji, Indonesia, India, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam.

Source: business-standard.com– Aug 02, 2023

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RBI nod to 34 applications from Russian banks to open accounts: Govt to Parl

The government told Parliament that India's trade with Russia has been affected due to the difficulties in payment because of sanctions on major Russian banks including their disconnection from SWIFT, problems in insurance and re insurance coverage; and logistics, as the major shipping and logistics companies do not serve Russia bound cargo.

"Government of India has taken several steps to not andy sustain but to increase our exports to Russia, including payments in national currencies, smooth operacionalization of the International North South Transport Corridor and the Eastern Maritime (Chennai-Vladivostok) Corridor," minister of state for commerce and industry Anupriya Patel in a written reply in the Lok Sabha.

As of July 2, 2023, the Reserve Bank of India has approved 34 applications from different Russian banks for opening Special Rupee Vostro Accounts in 14 Indian commercial banks. Additionally, multiple meetings have been held with traders, banks and other stakeholders to resolve trade related issues.

MSMEs in PLI

The government told Parliament on Wednesday said that out of the 733 applications selected under various PLI schemes, 176 MSMEs are among the beneficiaries in sectors such as Bulk Drugs, Medical Devices, Pharma, Telecom, White Goods, Food Processing, Textiles & Drones. As on date, the Union Cabinet has not approved any proposal to add any new sectors under PLI Schemes, minister of state for commerce and industry Som Parkash in a written reply in the Lok Sabha.

Startups

Since the launch of the Startup India initiative in 2016, DPIIT has recognised 98,119 entities as startups as on April 20, 2023. The direct jobs created (self-reported) by the recognised startups over the last three years- 2020, 2021 and 2022 were 2.7 lakh, 2.01 lakh and 1.59 lakh, respectively. As on April 30, Rs 611.36 crore were approved for 160 incubators under experts advisory committee under Startup India Seed Fund Scheme.

Source: economictimes.com– Aug 02, 2023

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India, UK free trade agreement: 12th round of talks from Aug 7

As India and the UK are close to concluding negotiations for a proposed free trade agreement (FTA), chief negotiators of both countries will hold the 12th round of talks from August 7 here, an official said. Both sides are looking at concluding the talks before the end of the year.

The main issues which could come up for discussions in this round include investment treaty, reduction of duties on auto and whiskey and matters pertaining to services, the official said.

The 11th round of talks was concluded last month. For that round, Commerce and Industry Minister Piyush Goyal and Commerce Secretary Sunil Barthwal visited London and took stock of the negotiations.

Out of the total 26 chapters in the FTA, 19 have been closed. Investment is being negotiated as a separate agreement (bilateral investment treaty) between India and the UK and it would be concluded simultaneously with the free trade agreement.

In the rules of origin chapters, product specific rules are being negotiated which include value-addition norms for each product category, change in chapter heading, and certification.

The 'rules of origin' provision prescribes minimal processing that should happen in an FTA country so that the final manufactured product may be called originating goods in that country.

Under this provision, a country that has inked an FTA with India cannot dump goods from some third country in the Indian market by just putting a label on it. It has to undertake a prescribed value addition in that product to export to India. Rules of origin norms help contain dumping of goods.
The Indian industry is demanding greater access for its skilled professionals from sectors like IT, and healthcare in the UK market, besides market access for several goods at nil customs duties.

On the other hand, the UK is seeking a significant cut in import duties on goods such as scotch whiskey, automobiles, lamb meat, and certain confectionary items.

Britain is also looking for more opportunities for UK services into Indian markets in segments such as telecommunications, legal and financial services like banking.

The bilateral trade between the countries increased to USD 20.36 billion in 2022-23 from USD 17.5 billion in 2021-22.

India's main exports to the UK are ready-made garments and textiles, gems and jewellery, engineering goods, petroleum and petrochemical products, transport equipment, spices, machinery and instruments, pharmaceuticals and marine products.

Main imports include precious and semi-precious stones, ores and metal scraps, engineering goods, professional instruments other than electronics, chemicals and machinery.

In the services sector, the UK is the largest market in Europe for Indian IT services. In the field of investment, the UK is one of the top investors in India. In 2022-23, India received USD 1.74 billion in foreign direct investment from the UK as against USD 1 billion in 2021-22.

During April 2000 and March 2023, investments stood at USD 33.9 billion. Under such pacts, two trading partners significantly reduce or eliminate customs duties on the maximum number of goods traded between them, besides easing norms to promote trade in services and investments.

Source: economictimes.com– Aug 02, 2023

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E-commerce policy to be aligned with consumer protection rules, draft likely soon

Commerce & Industry Minister Piyush Goyal and senior officials from Department for Promotion of Industry and Internal Trade (DPIIT) and Consumer Affairs Ministry held consultations with representatives of top e-commerce companies and consumer rights bodies on Wednesday. The meeting focused on aligning the proposed e-commerce policy with e-commerce rules for consumer protection, sources said.

"The government is likely to put up a draft of the new e-commerce policy that will be aligned with consumer protection rules in about two weeks time," a senior industry representative, who attended the meeting told businessline.

Companies that attend the meeting included Meesho, Flipkart, Reliance, Amazon, Tata, Snapdeal, Shiprocket and Zomato. Representatives from traders body CAIT also attended the consultations. The Secretaries from DPIIT and Consumer Affairs were both present.

Discussions took place on issues such as clear distinction between the marketplace and inventory model of e-commerce, ensuring compliance with regulatory measures, achieving inclusive growth by encouraging SMEs to adopt digital technology and enhancing exports through e-commerce, sources added.

No discussions around FDI in the e-commerce sector took place in the meeting which could indicate that the basic rules around foreign investments would be unchanged, the source added.

"It is remarkable that under the guidance of the Minister and deep efforts made by Consumer Affairs Ministry and DPIIT, a unanimity is arrived between all stakeholders about basic pillars of e-commerce policy and rules. Bringing divergent opinion on same page was a gigantic task which has been done by both Ministries," said CAIT Secretary General Praveen Khandelwal.

One of the main points of discussion was the need to ensure that the e-commerce policy clearly distinguishes between the marketplace and inventory model so that there is no room for confusion, sources said. While FDI is allowed in e-commerce only for the marketplace model where owners cannot sell their own products, there are instances where some companies in the marketplace model have allegedly flouted existing rules to sell their own products on the platform.

"Consumer interest should be first and foremost and no back door loopholes should be allowed. Policy and rules must be followed by one and all. All e-commerce companies must obtain mandatory registration with DPIIT. Marketplace should act like a marketplace both in letter and spirit," said Khandelwal.

Source: thehindubusinessline.com– Aug 02, 2023

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Government e-Marketplace registers highest ever Gross Merchandise Value of more than ₹ 2 lakh crore in FY 2022-23

In Financial Year 2022-23, Government e-marketplace (GeM) registered its highest ever Gross Merchandise Value of ₹ 2,01,113 crore.

Time and again, multiple studies have pointed out the impact created by GeM in terms of procurement savings to government buyers, including those by the World Bank and the National Economic Survey. A World Bank study in 2020 estimated an average of 9.75% cost savings via GeM and noted a significant increase in participation of sellers.

The Economic Survey 2021-22 included a cost comparison of offer prices for 22 common use goods listed on GeM versus listings on popular online platforms like Amazon and Flipkart. Prices on GeM were observed to be 9.5% lower in comparison with other online platforms for 10 out of 22 commodities.

Gross Merchandise Value (GMV) of GeM in ₹ crore in the last 3 completed financial years	
2020-21	38,573
2021-22	106,547
2022-23	201,113

GeM has achieved a cumulative GMV of more than 4.5 lakh crore until 23rd July 2023 (since inception). Hence, considering the saving estimates as reported above, GeM has facilitated savings worth more than ₹ 40,000 crore since its inception.

Major Features enabling savings: Higher seller participation, real-time price comparison, bulk discounts, better price discovery functionalities such as competitive bidding, reverse auction and demand aggregation.

GeM aims to bring transparency, efficiency, and fairness to the Government procurement process. It benefits stakeholders in several ways, allowing them to participate in a fair and equitable manner.

GeM encourages fair and equitable participation from all stakeholders in the Government procurement process, fostering a competitive and efficient marketplace.

It enhances transparency, promotes inclusivity, and ensures that the best products and services are procured at the most competitive prices for the Government.

This information has been provided by the Union Minister of State for Commerce and Industry, Smt. Anupriya Patel in a written reply in the Lok Sabha today.

Source: pib.gov.in– Aug 02, 2023

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Listed: 14 key sectors for which PLI schemes have been announced

Keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) Schemes for 14 key sectors have been announced with an outlay of Rs 1.97 lakh crore (over $26 billion) to enhance India's manufacturing capabilities and exports. The purpose of the PLI schemes is to attract investments in key sectors and cutting-edge technology; ensure efficiency and bring economies of size and scale in the manufacturing sector and make Indian companies and manufacturers globally competitive. These schemes are said to have the potential of significantly boosting production, employment and economic growth over the next five years or so.

The PLI scheme is expected to have a cascading effect on the country's MSME ecosystem. The anchor units that will be built in every sector are likely to set a new supplier/vendor base in the entire value chain. Most of these ancillary units are expected to be built in the MSME sector. Out of the 733 applications selected under various PLI Schemes, 176 MSMEs are among the PLI beneficiaries in sectors such as Bulk Drugs, Medical Devices, Pharma, Telecom, White Goods, Food Processing, Textiles & Drones.

14 sectors for which PLI schemes have been approved are:

- Mobile Manufacturing and Specified Electronic Components
- Critical Key Starting Materials/Drug Intermediaries & Active Pharmaceutical Ingredients
- Manufacturing of Medical Devices
- Automobiles and Auto Components
- Pharmaceuticals Drugs
- Specialty Steel
- Telecom & Networking Products
- Electronic/Technology Products
- White Goods (ACs and LEDs)
- Food Products
- Textile Products: MMF segment and technical textiles
- High efficiency solar PV modules
- Advanced Chemistry Cell (ACC) Battery
- Drones and Drone Components.

PLI Schemes for all the above 14 sectors have been notified by the concerned Ministries/Departments after due approval. These schemes are in various stages of implementation by the implementing Ministries/ Departments.

All the approved sectors identified under PLI Schemes follow the broad criteria of focusing on key technologies where India can leapfrog and multiply employment, exports and overall economic benefits for the economy. These sectors were approved after vetting by NITI Aayog and after detailed deliberations with concerned Ministries/ Departments. As on date, the Union Cabinet has not approved any proposal to add any new sectors under PLI Schemes.

Source: timesofindia.indiatimes.com– Aug 03, 2023

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QCO may derail new cotton arrival in India, ginners seeking deferment

The arrival of new cotton crop, set to enter the market in September, is progressing well in northern India. However, the proposed Quality Control Order (QCO) for cotton bales may disrupt the arrival as the ginning industry remains unprepared to adhere to the IS 1217:2019 standard prescribed under the QCO. Industry bodies, including the Cotton Association of India (CAI), are objecting to the order and asking for delaying its implementation.

Ginners from various states convened in a virtual meeting on Tuesday. They have decided to form a national body to strongly represent their interests. They expressed a unified resistance to the QCO, citing a lack of readiness to comply. They threatened to halt production for the new season and boycott the tender process of the Cotton Corporation of India (CCI) if the QCO is enforced without their consent.

Despite a notification issued five months ago, stating that the orders would take effect after 180 days, the ginning industry still remains unprepared for compliance by the deadline of August 31. There is ambiguity regarding the status of the current season's stocks, leading to questions about what will happen to the existing stock that has not been certified as per the new standard.

Meanwhile, in a letter addressed to Piyush Goyal, Minister of Textiles, CAI has said, "In the initial months of arrival season September, October and November, kapas (unginned cotton) contains moisture between 15-25 per cent. It gets reduced to 10-12 per cent in cotton. But, as per the standard required under QCO, it is very difficult to bring down the moisture level at 8 per cent.

Similarly, it is also difficult to maintain trash as low as 3 per cent as per the standard. North India cotton contains over 4 per cent trash, while 797 variety has 12-15 per cent trash. Such diverse cotton varieties cannot be brought in uniformity. Under the new provisions, 5 per cent testing of cotton bales is mandated. But it is very difficult to meet the same due to constraints of testing infrastructure." CAI has demanded that the implementation of QCO should be postponed for one or two years.

Arun Sekhsaria from the CAI told Fibre2Fashion, "The motive of government is not bad, but the manner of implementation is not correct. The QCO cannot be implemented without extensive awareness and educational campaigns. Small sized ginners are totally in dark with the order.

The government should postpone it at least for one year." According to him, the order cannot be implemented overnight, as India is a vast country where various types of cotton is grown. "Trash and moisture limits cannot be fixed at same level for large number of varieties."

A meeting involving all stakeholders is expected to be called by the government next week to discuss the issue.

Source: fibre2fashion.com– Aug 02, 2023

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