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IBTEX No. 141 of 2023 **August 05, 2023**

Currency Watch			
USD	EUR	GBP	JPY
82.68	91.17	105.41	0.58

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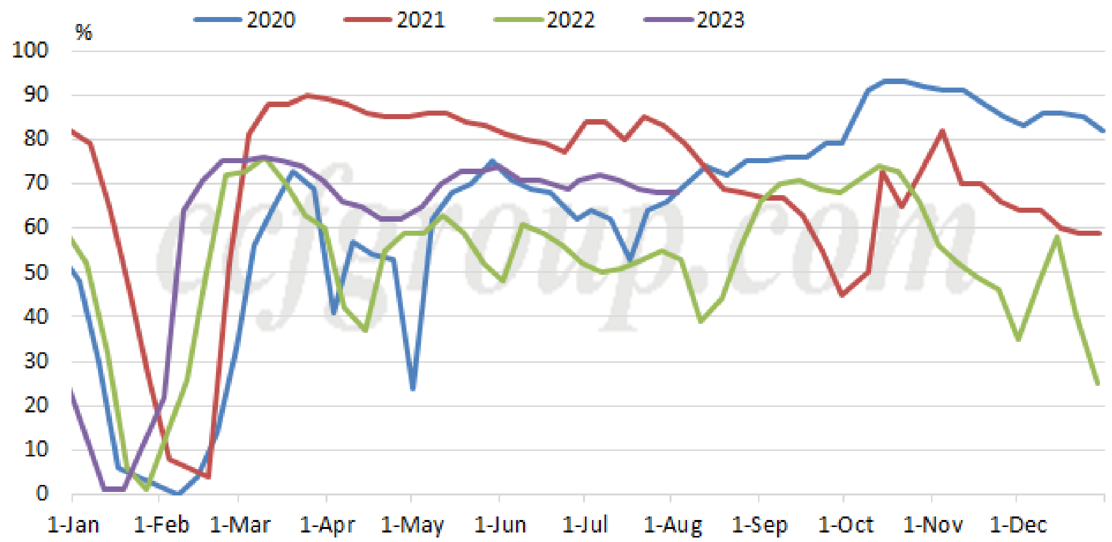
INTERNATIONAL NEWS

China: Players waiting for the start of domestic demand peak season in August

By convention, domestic demand is expected to start seeing peak season in the second half of year from late-Aug. According to the survey made by CCFGroup, the production of summer wear has been almost finished in some large apparel companies, and some have started preparing the production of autumn and winter clothes. A large OEM clothing company in Shanghai has provided feedback that the autumn/winter orders for upstream branded clothing are expected to be placed at the end of Aug, after which they will begin mass production. A small clothing company in Shaoxing has also mentioned that they have concluded the production of summer short sleeves and are gradually preparing to manufacture autumn sweaters. Additionally, some fabric traders have expressed certain expectations for the peak season in the second half of the year, believing that domestic demand will gradually pick up around late-Aug, leading to gradually better sales. Overall, as it enters Aug, the market's anticipation for the arrival of the peak season has become even stronger.

Grey fabric and fabric companies have restocked for the peak season. Sales of warp knitted fabrics are moderate in Haining and some orders for autumn and winter circular knitted fabrics are placed. The operating rate of DTY plants, fabric mills and printing an dyeing plants remain stable recently, which was at 77%, 68% and 72% respectively by Aug 3.

Operating rate of major polyester fabric production bases in Zhejiang and Jiangsu



Impacted by rising feedstock cost, price of grey fabrics also moves up. The underselling apparently reduces on grey fabric market.

Price of major polyester grey fabrics

	2023-7-20	2023-7-27	2023-8-3	Chag from Jul 20
Taffeta (yuan/meter)	0.98	0.99	1	0.02
Flannel (yuan/kg)	10	10.1	10.2	0.2
Spandex super-soft in Haining (yuan/kg)	11.5	11.7	11.8	0.3
Imitation super soft fabric in Shaoxing (yuan/kg)	9.1	9.3	9.5	0.4

After end-Aug, there is a high probability of domestic demand picking up and a release of orders. However, the extent of the domestic demand release needs to be closely monitored. Based on the current market situation, there is still significant pressure on exports of textile and apparel, and it is difficult for orders to meet expectations.

The market focus has mainly shifted to domestic sales, and there is also a phenomenon of many foreign trade enterprises transitioning to domestic sales this year. In terms of the domestic market, it is expected that the intensity of clothing orders will be similar to or slightly higher than that of the first half of the year, while orders for home textiles may not reach the levels of the first half of the year as the peak demand from hotels subsides.

As for the polyester polymerization rate, it was at 92.4% by Aug 3, mainly because some polyester companies cut the production of PET fiber chip. In addition, the capacity of new units in Jul is calculated into the total polyester capacity in Aug. As new units did not run at full capacity, the polyester polymerization rate was dragged down.

Polyester companies may see eased cost pressure in short run after feedstock price dived, and the pressure of falling run rate will be mitigated. The polyester polymerization rate is expected to sustain above 92% in short run, which may be around 92% in Aug. In Sep, it is suggested to pay attention to the improvement of demand in peak season, the production limit on the Asian Games and the influence of run rate change in PET bottle chip plants on the whole polyester polymerization rate.

Source: ccfgroup.com – Aug 04, 2023

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H2 2023 signals slowdown across ASEAN manufacturing sector: S&P Global

The start of the second half (H2) of the year signalled a slowdown across the manufacturing sector in the Association of Southeast Asian Nations (ASEAN) region and the loss of business confidence as sentiment regarding the outlook slipped to a three-year low, according to S&P Global.

Demand conditions cooled, leading to softer expansions in factory orders and production.

The headline S&P Global ASEAN manufacturing purchasing managers' index posted above the neutral 50 threshold for the twenty-second successive month in July.

However, at 50.8, the headline index edged down from 51 in June and for the third consecutive month, signalling the weakest improvement in the health of the ASEAN manufacturing sector since last December.

Weighing further on the sector's performance was the fifth consecutive month of payroll reduction, albeit with the rate of job shedding remaining marginal overall.

Delivery times for purchased inputs shortened again during July. Though only slight, the rate at which lead times improved remained among the strongest recorded in the survey history.

July data pointed to a mixed picture across the ASEAN region, with only four of the seven constituents registering an improvement in operating conditions.

Displacing Thailand, Indonesia led the PMI rankings for the first time in 20 months.

Source: fibre2fashion.com – Aug 05, 2023

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Global textile industry reshaped by FTAs, tariffs: Dr. Amit Lath

The global textile industry has been significantly reshaped by international trade agreements and tariffs, according to Dr. Amit Lath, CEO and managing partner of Polish textile company Sharda Group. In a recent interview with Fibre2Fashion, Dr. Lath elaborated on how trade agreements, such as free trade agreements (FTAs) and regional pacts, have eased the cross-border movement of textiles by lowering tariffs and trade barriers. This has led to the creation of complex global supply chains, with companies sourcing materials from various countries to cut costs and capitalise on comparative advantages.

“This fragmentation of production processes has accelerated production and enabled cost efficiencies. Furthermore, trade agreements have enhanced the competitiveness of textiles by creating more equitable conditions for manufacturers across countries. Lower tariffs and improved market access allow exporters to compete more effectively in international markets and expand their customer bases,” Dr. Lath told F2F.

However, the global landscape is not without its challenges. Dr. Lath warned that geopolitical dynamics and changes in trade policies might disrupt supply chains, and companies must stay adaptable and responsive to mitigate such risks. “Compliance with rules of origin and trade regulations is also critical for accessing preferential treatment, impacting supply chain decisions and competitiveness,” he added.

Dr. Lath also stressed on the importance of innovation and product differentiation as crucial strategies to maintain a competitive edge and global brand recognition in the face of these challenges and opportunities.

Click here to read the full interview.

Source: fibre2fashion.com – Aug 04, 2023

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Pacific economies set to grow 2.8% in 2024: ADB

Economies in the Pacific are projected to grow collectively by 3.3 per cent in 2023 and 2.8 per cent in 2024 as the subregion continues to recover from the COVID-19 pandemic, as per the Asian Development Bank (ADB).

In Papua New Guinea (PNG), the subregion's largest economy, increased output outside the resource sector will underpin economic activity. Some tourism-driven economies, such as the Cook Islands and Samoa, will benefit from the lifting of pandemic travel restrictions along with increased public investment spending. Fiji is also expected to grow, albeit at a more modest pace, due to increasing tourism competition from other destinations, according to the latest issue of the ADB's Pacific Economic Monitor (PEM).

“The lifting of the last pandemic mobility restrictions has enabled economic activity, such as tourism and implementation of public infrastructure projects, to resume in earnest,” said ADB director general for the Pacific Leah Gutierrez. “The outlook for the Pacific is subject to downside risks, such as sensitivity to international commodity prices and longstanding vulnerability to disasters, but ADB continues to work closely with government counterparts across the Pacific to help mitigate these risks, restore development gains, and support inclusive, sustainable growth in the subregion.”

Other short-term downside risks to the Pacific's outlook include uncertainties around the resumption of stalled public investment projects and the uneven recovery of the crucial tourism sector, exacerbated by possible economic scarring from the pandemic.

Source: fibre2fashion.com – Aug 05, 2023

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China-Vietnam launch first multimodal international freight train

The first international multimodal freight train has been launched from Shijiazhuang, Hebei province, to Yen Vien in Hanoi, marking a significant step in the Belt and Road Initiative between China and Vietnam. Covering a distance of approximately 2,700 kms in 4-5 days, the train consists of 23 carriages and carries nearly 800 tons of goods.

Previously, transporting goods by sea to Association of South-East Asian Nations (ASEAN) member states, including Vietnam, would take 15 days. However, the launching of this new freight train has managed to halve the transport time, enhancing the efficiency of trade between the two nations, according to local media reports.

Vietnam remains one of Hebei province's key trade partners in ASEAN. In 2022, the total import-export turnover between Vietnam and China reached an impressive $175.57 billion. Moreover, mainland China ranked as the fourth-biggest foreign investor in Vietnam the same year, with a total investment of $2.52 billion.

Chinese Ambassador to Vietnam, Xiong Bo, highlighted the significance of the new transport connection, noting that it would facilitate the more convenient entry of quality products into each other's markets. This development reflects the growing economic collaboration between China and Vietnam and underlines the potential benefits of expanding transport and trade infrastructure.

Source: fibre2fashion.com – Aug 05, 2023

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Intex seeking to increase local apparel sector's brand visibility and market presence

Intex, the International Textile Sourcing Show, is back in Sri Lanka and scheduled to take place from August 9-11 at the BMICH, Colombo. With Sri Lankan garment exports touching US$ 5.93 billion in 2022, Intex looks to strongly support Sri Lanka's apparel sector across multiple levels by increasing industry and brand visibility, helping to expand market presence internationally and creating opportunities to strengthen its position in regional and global supply chains, an Intex press release said.

The release adds: 'Since 2015, Intex has been facilitating business collaborations, fostering innovation, and promoting trade opportunities. This year, Intex Sri Lanka will present a range of exhibitors spanning the entire textile value chain including yarns, fabrics, accessories, denims, dyes and ancillary support systems comprising certifications & designing solutions and more.

'Yohan Lawrence, Secretary General of the Joint Apparel Association Forum (JAAF) stated, "The Joint Apparel Association Forum is very proud to once again partner with Intex in Colombo and are really excited in having a physical show in August this year. Intex is being organised at the right time as post-Covid, the Sri Lankan apparel industry has seen an incredible recovery with the industry operating at full capacity."

'In 2022, Sri Lanka imported US$ 146.47 million in yarn, US$ 311.78 million in knitted fabrics, and US$ 278.38 million in woven fabrics from India. The India Pavilion at Intex Sri Lanka which brings over 70 companies from India including members of the Cotton Textiles Export Promotion Council (TEXPROCIL), looks to fulfil these and other demands for raw material by the Sri Lankan apparel industry.

'Ms. Arti Bhagat, Executive Director of Worldex India, the organisers of Intex Sri Lanka since 2015 said, "Sri Lanka's textile & apparel sector has a strong international reputation for quality, craftsmanship and ethical manufacturing practices. Intex Sri Lanka aims to help the industry sharpen its competitive edge through value additions in order to further enhance product quality, diversity and availability."

'In addition to the exhibition, Intex Sri Lanka will showcase the flagship market intelligence event – the Interactive Business Forum (IBF) Seminar Series featuring WGSN, Cotton USA and industry stalwarts to name a few. Topics including market trends, sustainability, digital transformation, supply chain management, traceability and more would provide valuable insights and knowledge to navigate the evolving textile landscape.

'Over the years, INTEX in Sri Lanka is endorsed and supported by Sri Lanka Export Development Board (EDB), Joint Apparel Association Forum (JAAF), Sri Lanka Apparel Exporters Association (SLAEA), Sri Lanka Apparel Sourcing Association (SLASA), Sri Lanka Apparel Brands Association (SLABA), Sri Lanka Chamber of Garment Exporters (SLCGE), Fabric & Apparel Accessory Manufacturers Association (FAAMA), Free Trade Zone Manufacturers Association (FTZMA), The Cotton Textiles Export Promotion Council (TEXPROCIL), High Commission of India, Colombo, KOTRA Colombo, Embassy of Indonesia in Colombo, Sri Lanka and others.

'Be sure to mark your calendar for this must-attend event that promises to shape the future of the textile and apparel industry in Sri Lanka and beyond.'

Source: island.lk – Aug 04, 2023

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Philippines loses apparel exports due to high wages

A major European apparel brand has pulled out all of its garment orders from the Philippines as it moved to more cost-competitive ASEAN countries, according to the Confederation of Wearable Exporters of the Philippines (CONWEP).

In an interview with reporters, Confederation of Wearable Exporters of the Philippines (CONWEP) executive director Maritess Jocson-Agoncillo said the relaunch of the scoping studies for a Philippines-European Union (EU) free trade agreement (FTA) is very timely for country's wearables industry as it just lost orders from a major European brand.

'It's a European brand that pulled out from the Philippines. This brand totally diverted the Philippine orders to Vietnam and Cambodia,' Jocson-Agoncillo said.

She said the pullout of the European brand is affecting around 4,800 to 6,000 workers in the industry.

'Because this brand, even if it's a European brand, we ship it all over the world. It's not just for the European market,' she said.

Jocson-Agoncillo explained that Vietnam currently has an FTA with the EU, allowing it to enjoy zero tariffs for its exports to the European market.

The CONWEP official also highlighted the country's higher minimum wages compared to Vietnam and Cambodia.

'Compared to Cambodia, Vietnam, we're reaching $8 minimum wage already. My competitors are at $6 and $7 a day. We're getting uncompetitive,' she said.

In a press briefing yesterday, Trade Undersecretary and Board of Investments (BOI) managing head Ceferino Rodolfo said that a PHL-EU FTA with more liberalized rules of origin will benefit wearables exports.

'The average tariff for wearables is 12 percent, so it's a bit high. That's why we foresee that under an FTA with a more liberalized rules of origin, one of the sectors that will surge would be garments and wearables,' Rodolfo said.

Jocson-Agoncillo shared the same sentiment, noting that the wearable sector which covers apparel, shoes, bags and textiles, currently experiences limited market access under the EU generalized scheme of preferences (GSP) due to rules of origins issues.

'So, if an FTA happens, and that the market issue for some restrictive manufacturing sectors like ours, which is still under a GSP Rules of Origin coverage, that would free it up,' Jocson-Agoncillo said.

On the sidelines of the briefing, Jocson-Agoncillo said the industry's export value to the European market is currently around $200 million and could grow further amid the FTA negotiations and when the agreement is implemented.

'We're doing $200 million now for the European market. So easily, we can push it up to $600 million in the first two years, three years of negotiation,' she said.

She said this export value could be pushed up to $800 million to $1 billion in the first two years of actual implementation.

In terms of jobs, Jocson-Agoncillo said that an additional 120,000 to 250,000 new jobs could be created in the first two years of the FTA by the industry.

Jocson-Agoncillo said Europe is currently the wearables industry's third largest market for exports following the US and Japan.

Source: zawya.com – Aug 04, 2023

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China top apparel exporter globally in 2022, Bangladesh 2nd: WTO

China maintained its top position among apparel exporting countries globally last year with a 31.7 per cent market share, according to data released by the World Trade Organisation (WTO) recently. It exported apparel worth $182 billion last year.

Bangladesh retained its second position among apparel-exporting nations last year. The country's share in garment trade rose to 7.9 per cent in 2022 from 6.4 per cent in 2021.

Bangladesh exported garment items worth $45 billion in 2022, the WTO said in its World Trade Statistical Review 2023.

Vietnam ranked third, grabbing 6.1 per cent market share. It shipped products amounting to $35 billion in 2022.

Source: fibre2fashion.com– Aug 04, 2023

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Bangladesh: BGMEA for nurturing the young in tune with industry's vision, say reports

During a recent event, Faruque Hassan, the President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), emphasised the necessity of aligning the course curriculum of universities in Bangladesh with the present and future needs of the industries.

According to the BGMEA President, there is a significant gap between the skills provided by educational institutes and the demands of the industries even as he held bridging the gap between academia and industry is crucial for Bangladesh's growth, particularly in the shift towards diversified products that require complex skill sets.

The event was graced by the presence of Vice-Chancellor (VC) of Bangladesh University of Textiles Professor Dr. Shah Alimuzzaman, President of Bangladesh Textile Mills Association (BTMA) Mohammad Ali Khokon, and President of Institution of Textile Engineers and Technologists Eng. Md. Shafiqur Rahman.

Faruque Hassan stressed that transforming the conventional education system is essential to establish a stronger connection between academia and industry. He emphasised the importance of integrating more practical education to better prepare students for the challenges of the textile and garment industry.

Faruque highlighted that the fashion industry is currently undergoing a significant shift driven by technology and digitization even if innovations and technologies are reshaping the industry's landscape, introducing new processes to enhance sustainability in fashion.

To keep up with global trends, the garment industry in Bangladesh must adopt sustainable and innovative business models, for which a skilled and capable workforce is essential. With the ambitious goal of achieving a US $ 100 billion export target by 2030, nurturing young, creative, and experienced talents becomes even more critical to ensure effective leadership in the industry.

Source: apparelresources.com– Aug 04, 2023

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NATIONAL NEWS

Sh. Goyal invites LAC nations to join development journey of India to work together as trusted partners

Union Minister for Commerce and Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal emphasized upon the need for enhanced collaboration and trust-building between India and the Latin American & Caribbean (LAC) region. While addressing the Special Ministerial Session at the '9th CII India-LAC Conclave' held yesterday in New Delhi, the Minister said that India and LAC region share cultural ties and have emerged out of the shadows of colonial past.

Shri Goyal said that India is keen for faster economic growth through enhanced trade and investment, integration of businesses through collaborations and Free Trade Agreements (FTA). He presented a comprehensive four-point agenda aimed at fostering deeper cooperation between India and LAC region: (i) Boosting Trade Flows, (ii) Leveraging Bilateral Partnership, (iii) Healthcare and Pharmaceuticals Cooperation and (iv) Addressing Global Issues.

For boosting trade flows, Shri Goyal advocated for the formulation of a well-structured roadmap that capitalizes on the comparative and competitive strengths of each country. He said that this strategic approach would facilitate the augmentation of trade flows between India and the LAC nations. He said that India and the LAC region must work towards larger Global South cooperation in various multilateral forums.

To leverage bilateral partnership, the Minister highlighted the potential for bilateral collaboration to stimulate greater investment inflows. He emphasized upon the importance of integrating supply chains, particularly in sectors such as tourism, hospitality, and healthcare. Shri Goyal said that by pooling resources, India and the LAC region can develop cost-effective solutions with global implications.

For healthcare and pharmaceuticals cooperation, the Minister underlined the significance of mutual recognition agreements in the pharmaceutical sector, coupled with the adoption of smarter regulatory practices. Shri Goyal said that this approach aims to prevent reliance on high-cost medicines and paves the way for collaborative solutions to complex challenges.

To address global issues, the Minister conveyed his belief that collective efforts between India and the LAC region could lead to innovative solutions for even the most intricate global problems. Shri Goyal said that contemporary global challenges call for all of us to work together by forging partnerships, integrating supply chains and utilising our mineral resources, technology, skills, labour force, etc. in a collaborative manner. The Minister said that this would help address challenges of poverty, climate change, inequality, etc.

Shri Piyush Goyal highlighted India's aspiration to achieve a USD 35 trillion economy by 2047 under the leadership of the Prime Minister, Shri Narendra Modi. He expressed his confidence that this ambitious goal would open up numerous avenues for robust India-LAC partnerships, which could serve as a catalyst for positive global impact. The Minister invited the LAC nations to join the development journey of India to work together as trusted partners and expand shared interests.

Shri Goyal said that India and the LAC region must work together towards making the world a better place for the future generations. The Minister said that efforts must be made to build an atmosphere of trust and work towards exponential growth of trade between India and the LAC region. He highlighted that infrastructural development, digital connectivity, strong macroeconomic fundamentals, etc. along with demographic dividend presents India as a leading partner for economic growth.

The session featured insights from various dignitaries from the LAC region: H.E. Johann Álvarez, Vice Minister of Foreign Trade and Investment Promotion, Ministry of Popular Power of Economy and Finance and Foreign Trade, Venezuela; H.E. Mr. Alexandre Corona Quintero, Governor of the People's Power of the Cienfuegos Province, Republic of Cuba; H.E. Mr. Samuel Alejandro García Sepúlveda, Governor of Nuevo Leon State, Government of Mexico; H.E. Mr. Rodolfo Pastor de Maria y Campos, Secretary of State in the office of the Presidency, Republic of Honduras; H.E. Mr. Henry Charles Fernandez, Minister of Tourism, Civil Aviation, Transportation and Investment, the Government of Antigua & Barbuda; H.E. Mr. Sergio Armando Cusicanqui Loayza, Minister of Development Planning, Plurinational State of Bolivia; and H.E. Mr. Andy Joseph Williams, Minister for Mobilisation, Implementation and Transformation, Government of Grenada.

Overall, the session underscored the shared vision of India and the LAC region to forge closer ties, capitalize on each other's strengths, and collectively contribute to global welfare and progress. The '9th CII India-LAC Conclave' encompassed discussions across 12 distinct sectors, embodying the overarching theme of 'Furthering Economic Partnerships for Shared & Sustainable Growth.' This theme underscores the collective goal of nurturing strong and lasting economic ties for mutual prosperity.

Under the trade and investment outreach strategy of the Department of Commerce, the CII India-LAC Conclave is scaled up with the collaboration of Invest India, Export Promotion Councils such as EEPC, Pharmexcil, Chemexcil, ESC, ACMA and SIAM. On the sidelines of the Conclave, the Department of Commerce hosted bilateral meetings with the Latin American and Caribbean countries.

Source: pib.gov.in– Aug 04, 2023

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Commerce Secretary advocates innovative approach to diversify exports, calls for greater collaboration between India and Latin American & Caribbean countries

During the closing ceremony of the '9th CII India-LAC Conclave', focused on enhancing South-South Cooperation, Shri Sunil Barthwal, Secretary, Department of Commerce, Ministry of Commerce & Industry, highlighted the immense potential for expanding bilateral trade between India and Latin American & Caribbean (LAC) countries.

He emphasized upon the need for innovative approaches to diversify trade exchanges, especially in the context of a re-globalized world and changing energy landscapes. He highlighted the role of the G20, particularly under India's presidency, in addressing the concerns of the Global South and deeper engagements with the LAC region during the G20 Presidency of Brazil in 2024.

Shri Barthwal underscored the significance of India-LAC collaboration in achieving energy transition goals. He called for fresh perspectives in renewable energy, battery manufacturing, energy storage technology, and the chemical industry to align with the Net Zero objective.

Proposing a collaborative framework, Shri Barthwal suggested a Joint Economic & Trade Cooperation model and emphasized the importance of unified efforts in addressing issues at the international forums. He reiterated the remarks of the Union Minister of Commerce and Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal that “Trust is the bedrock of cooperation and collaboration between Indian and the Latin American and the Caribbean countries”.

The closing ceremony of the '9th CII India-LAC Conclave' was graced by the Union Minister of State for External Affairs, Ms. Meenakshi Lekhi and H.E. Ms. Delcy Eloína Rodríguez Gómez, Executive Vice President and Minister of People’s Power for Economy, Finance & Foreign Trade of the Bolivarian Republic of Venezuela.

Source: pib.gov.in– Aug 04, 2023

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DPIIT holds review meeting on adoption of PM GatiShakti by social sector Ministries in project planning and implementation

Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry held a review meeting on adoption of PM GatiShakti (PMGS) by social sector Ministries in project planning and implementation on 1st August 2023 in New Delhi. After achieving momentum in adoption of PMGS principles in trunk and utility infrastructure planning, the focus is now on expanding outreach of usage of PMGS-National Master Plan (PMGS-NMP) in social sector planning. More than 50 Officers from 22 social sector Ministries/ Departments participated in the meeting.

Secretary, DPIIT, Shri Rajesh Kumar Singh, highlighted the immense utility of PMGS-National Master Plan (PMGS-NMP) in social sector planning and the need for efforts to be made at district level for the benefits to percolate at grassroot level and promote ease of living, and ease of doing business.

Special Secretary (Logistics), DPIIT, Smt. Sumita Dawra emphasized on the importance of PMGS-NMP in Social Sector planning for ease of project planning, improved last mile and first-mile delivery and better access to services.

She reiterated that the focus of the meeting is to assess the status of readiness and adoption of PMGS-NMP in social sector planning. This inter alia covered development of portals; uploading of authenticated data along with attributes; data standardization and quality as part of the Quality Improvement Plan (QIP); adoption of comprehensive area development approach to planning.

In the meeting, presentations by 22 Social sector Ministries/Departments were made on the status of the progress in adoption of NMP, measures being taken for data management, i.e., improving the data quality, data uploading, & validation of data, and challenges and issues towards adoption of PM GatiShakti.

Ministry of Skill Development and Entrepreneurship (MSDE) through gap analyser tool identified availability and non-availability of training centers within 10 KM radius of industrial clusters helped in planning under various schemes of MSME with a data-driven decision-making approach.

Ministry of Women and Child Development (MoWCD) is using PMGS for effective planning of locations of Anganwadi Centres (AWCs); a mobile application viz., Poshan Tracker has been developed for the collection of data regarding AWC under the Mission Poshan 2.0. PM GatiShakti is helping focus on AWCs with greater nutritional requirements.

Department of School Education and Literacy (DoSEL) is using the NMP platform for deciding site suitability of new schools. Department of Rural Development has integrated four of its schemes namely Amrit Sarovar Scheme, Pradhan Mantri Gram Sadak Yojana (PMGSY), Pradhan Mantri Awaas Yojana – Gramin (PMAY-G) and Shyama Prasad Mukherji Rurban Mission (SPMRM), with PMGS-NMP, for better implementation through visibility of GIS layers.

For promoting ease of living in urban areas, Ministry of Housing and Urban Affairs (MoHUA) has identified and integrated 14 Data Layers with NMP, pertaining to projects and schemes like Urban Transport, Smart Cities Mission, AMRUT city master plans and Central Public Works Department. MoHUA is under process of integrating 230 City Master Plan with PMGS.

As a way ahead, action points were emphasized for necessary action by Social sector Ministries for wider adoption of the National Master Plan (NMP) in social sector planning.

First, integration of essential data layers with the National Master Plan (NMP), to be completed in mission mode with Standard Operating Procedures (SOPs) for the Quality Improvement Plan (QIP) and data management to be developed and implemented by each Social Sector Ministry.

Second, list of Schemes/ programs to be identified that can be integrated with PMGS for effective implementation. Third, promote wider adoption of PMGS in social sector planning for last and first mile delivery and improved access to services, duly involving field level functionaries.

As of date, sixteen Social Sector Ministries/ Departments have been fully onboarded onto PMGS-NMP, with individual portals developed and integrated with the NMP. These include M/o Rural Development, D/o Health and Family Welfare, D/o Health Research, M/o Panchayati Raj, D/o Post, D/o School Education and Literacy, D/o Higher Education, M/o Culture, M/o Housing and Urban Affairs, M/o Women and Child Development, M/o Tribal Affairs, D/o Youth Affairs, D/o Sports, M/o Skill Development and Entrepreneurship, M/o Tourism, M/o AYUSH. On boarding of six more Ministries/Departments including D/o Social Justice & Empowerment, D/o Empowerment of Person with Disabilities, M/o Minority Affairs, D/o Drinking Water & Sanitation, D/o Water Resources, River Development & Ganga Rejuvenation, and M/o Labour & Employment, is under progress.

So far 87 data layers related to infrastructure assets, such as primary health centres, dump sites, primary and secondary schools, colleges, district hospitals, health sub-centres, public toilets, Anganwadi centres, fair price shops, Amrit sarovars, and dairy locations, etc., of these twenty-two Ministries, have been mapped on NMP.

Source: pib.gov.in– Aug 04, 2023

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Bangladesh explores to join RCEP eyeing trade in Indo-Pacific region

India's eastern neighbour Bangladesh is exploring to join Regional Comprehensive Economic Partnership (RCEP) , eyeing to be part of the trade bloc in the Indo-Pacific region.

The Bangladesh Ministry of Commerce (MoC) is expected to send by September a formal proposal to the depository and temporary secretariat of the world's largest trade bloc at the ASEAN headquarters for the country's membership, Financial Express of Bangladesh reported quoting local sources.

The decision to join the forum emerged from a workshop on the issue in Dhaka this Tuesday. Participants in the workshop expressed their opinion in favour of signing a free-trade agreement (FTA) with the RCEP members with an eye to facing post-graduation challenges.

They viewed that the commercial and strategic importance of Bangladesh will get a boost in regional and international environment if Bangladesh joins the bloc.

A study conducted last year by Bangladesh Trade and Tariff Commission (BTTC) showed Bangladesh's trade with RCEP- member countries mostly concentrated on trade in goods.
Bangladesh's export may grow 17 per cent and gross domestic product (GDP) 0.26 per cent if a free-trade agreement is signed with the bloc members, it mentioned.

Bangladesh enjoys preferential market access to many of the RCEP countries, either through preferential trade agreement (PTA) or through GSP facilities.

Source: economictimes.com– Aug 04, 2023

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Review exporter caution-listing: RBI Panel

The age-old mechanism of placing exporters who fail to bring in foreign exchange in time on the 'caution list' may be examined.

An internal working group of the Reserve Bank of India (RBI) has recommended rationalisation of the caution-listing process, two persons told ET.

The going gets tougher for exporters who find themselves on such a list as local banks, processing the trade documents, typically insisting on either arranging advance payment from overseas buyers or an irrevocable letter of credit from the latter's bank.

If the RBI accepts the recommendations, industry circles are hoping that there may be a carve-out for cases up to a certain threshold level of exports, or where exporters are faced with genuine hurdles in obtaining payment - for instance, an overseas buyer facing liquidation or bankruptcy.

"A shipping bill may remain open on account of a variety of genuine reasons. For instance, there may be short remittances due to the deduction of bank charges or post-shipment discounts offered by the exporter, or reconciliation errors in exports made under long-term contracts. Besides, there could be automatic deductions by foreign online marketplaces towards warehousing charges, service fees, commissions, ad fees, etc. After recommendation by the authorised dealer bank for caution-listing, RBI should grant an opportunity of hearing to the exporter before inclusion in the caution-list," said Harshal Bhuta, Partner, PR Bhuta & Co, a CA firm.

For such mismatches, exporters end up receiving notices from the Enforcement Directorate. A rationalisation of caution-listing would exclude some of these cases and save exporters from dealing with the ED.

Last year, there were cases where the Directorate had asked companies to submit a string of information on businesses and key persons as well as old data - including local and offshore bank accounts, identities of directors, and former directors as well as their nature of association with the company along with residential addresses.

Exporters have to realise earnings within nine months from the date of export. After this, they may get extensions from the bank for up to three years with each extension not exceeding six months.

An exporter is caution-listed by RBI based on the recommendations of the bank which looks into the exporter's track record and possible run-ins with investigative agencies. The system of automatic caution listing based on the information in the export data processing and monitoring system (EDPMS) was discontinued by RBI in October 2020 to give relief to exporters hit by the pandemic. Earlier exporters were automatically caution-listed if any shipping bill against them remained outstanding for more than two years in the EDPMS platform and no extension was granted.

"The ED has been verifying many pending cases of parties which have received (or remitted) part of the money for export (or import) of goods but did not complete the actual shipments. These exporters and importers follow up with the respective authorised dealer to knock off the bill of lading with advance funds received and bill entry with advance money remitted. Many times a single transaction is outstanding on both sides. The department checks whether all documents have been properly submitted," said Rajesh Shah, partner, Jatyantilal Thakkar and Company.

ED springs into action as pending receivables or payables create a suspicion of possible money laundering. Some of the companies, which received the recent notices, face the hardship of compiling details of all exports and imports since their inception: date of remittance (from the overseas buyer), name of the remitter (or the identity of the overseas buyer), currency of payment, amount in foreign currency, the equivalent in rupees, date of export, shipping bill number, whether export-related documents were submitted to the bank, and the balance amount in case of partial shipment of export.

Source: economictimes.com– Aug 04, 2023

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MSMEs hit as exports slump but no job losses yet

Vatsal Naik (55) runs a chemical factory in Sachin, on the outskirts of Surat in Gujarat. Only two years ago, his factory posted a turnover of Rs 100 crore but has been in a steep decline since. Now, he says he would be happy even if turnover hits a turnover of 50 crore this year.

"I have been in business for 30 years but have never seen such a bad time. Demand had risen for a while after Covid but the slowdown in the west is impacting us deeply," he told Moneycontrol.

His company manufactures intermediate and specialty chemicals used in export-oriented sectors including textiles, carpets as well as pharma and drugs.

Naik is representative of millions of Indians in export-oriented sectors across manufacturing, gems and jewellery, auto components, chemicals and many others.

As of June, the value of India's goods exports was down to a three-year low of $32.97 billion, falling sharply by 22 percent on-year. However, the decline was not a one-off event. The tapering off in June was the seventh monthly fall in nine months on an annualised basis.

Indian goods exports have fallen continuously for the financial year of 2023, and were down 12 percent from a total merchandise export value of $116.77 billion recorded in April-June 2022 to stand at $102.68 billion in the same quarter this year, commerce ministry data shows.

The micro, small and medium enterprise (MSME) sector makes up for almost 50 percent of the country's exports, as per the ministry of MSMEs, and slowing global demand weighing on India's exports has had a disproportionate effect on MSMEs, experts in the sector say.

"MSMEs have obviously been facing a greater impact due to a slowdown in the country's exports. The bottom line (profits) has been impacted much more compared to the top line (revenue)," said Anil Bhardwaj, general secretary, Federation of Indian Micro and Small and Medium Enterprises (FISME).

Profits low but no job losses yet

While profits have fallen in the sector anywhere between 40 percent and 50 percent, there have been no layoffs as yet, said Prashant Patel, the president of FISME. “Profits have fallen and there is definitely a slackening of income but the situation of job losses has not yet arrived,” Patel said.

According to him, while order books are looking down by anywhere between 50 percent and 60 percent with less work and growing inventories leading to stock losses, “job losses are only imminent if the situation persists for more than a year”.

Steep decline in steel exports pushing down engineering trade

Engineering goods constitute the biggest chunk of Indian exports, amounting to over 26 percent in the first quarter of FY24. The sector saw a decline of 8.55 percent in shipments, falling from an export amount of $28.54 billion in the first quarter of last year to $26.1 billion in the first quarter of FY24.

“The biggest fall has come in the metals sector with steel exports leading the charge, followed closely by iron. Other exports that have seen a fall include aluminium, zinc and copper, and auto parts, etcetera,” Arun Kumar Garodia, chairman, Engineering Export Promotion Council, told Moneycontrol.

A global economic slowdown along with central bank tightening amid high inflation are the reasons for this fall, he noted. The leading markets of North America, the European Union (EU), Latin America, and China are the ones worst affected.

On a cumulative basis, the decline in the US was steep, with total shipment value coming in at $4.30 billion during the April-June period of 2023-24 against $5.32 billion in the same period of the previous fiscal. Exports to the EU fell as much as 10 percent to $5.35 billion in the April-June period of FY24 over the same quarter a year earlier.

However, newer markets including Russia as well as CIS countries or the former Soviet states are showing growth.

“Engineering exports to Russia almost trebled in June 2023 and stood at $116.9 million. In cumulative terms, it jumped fourfold during the April-June period of the current fiscal to $337.4 million compared to $89.7 million in the same period of FY23,” Garodia pointed out.

The silver lining has been the country’s exports to new free trade agreement (FTA) partners such as the United Arab Emirates and Australia, which have increased since the signing of the trade pacts, says Garodia.

Gems and jewellery exports hit hardest, see 25 percent decline

India’s gems and jewellery exports stand at the second position in non-oil goods trade and have been hit the hardest with a steep 25 percent fall in outbound shipments in the first quarter of the current fiscal, compared to the same quarter in the previous year. Total exports are down from $10 billion in April-June last year to $7.5 billion this year.

The reason has been a slowdown in discretionary spending in the countries that imported heavily from India including the US, European Union, and Chinese markets.

“Demand from the US has fallen throughout 2022 and continued to decline in 2023. This trend seems to be continuing in the following months and hence the April-June quarter has shown a significant downfall,” Gems and Jewellery Export Promotion Council (GJEPC) executive director Sabyasachi Ray told Moneycontrol.

The downfall has been taxing on workers in the industry, as factories saw a plunge in businesses.

“The work our industry provided to freelancers has completely stopped due to stagnant exports. We are keeping factories busy by processing lab-grown diamonds. There is a slowdown but trade has not completely stopped and the sector is managing,” a diamond merchant who has factories in Surat told Moneycontrol on the condition of anonymity.

He added that regular employees continue to get their pay as before.

The outlook for the sector is grim, with the GJEPC predicting a decline of about 10-15 percent in exports for the current fiscal.

For textiles, concentrated markets leading to losses

Textile exports have fallen by over 13 percent in the April-June quarter year-on-year, driven a focus on limited markets, secretary general of the Apparel Export Promotion Council Mithileshwar Thakur pointed out.

“Markets including North America and Europe continue to be our biggest export markets with very limited exports to any other countries. With significant slowdown in their economies, our exports have drastically fallen,” he said.

However, the industry believes the India-UK FTA, once signed, will bring relief.

“The FTA could be a game changer and will provide immediate relief to the sector. The current 11 percent duty being charged by the UK will drop and with India getting duty-free access, there will be steep jump in orders for garments,” Thakur added.

India also needs to look at other markets including South Korea, Japan, and Russia which could provide a cushion to this fall in exports, he said.
The sector is also pinning its hopes on a revival in demand in the third quarter owing to a string of festivals in India and abroad.

“Diwali festivities in India and Christmas in other countries could bring some respite. But if people do not spend even then, we may be looking at a bigger problem with extended trouble, especially for MSMEs,” Thakur said.

Pallavi Singhal is a Correspondent at Moneycontrol.com covering commerce, agriculture and education. With a total experience of four years, she has reported on varied subjects covering crime, courts, civic affairs, health & politics. Human interest and feature stories have always piqued her interest.

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RSWM to invest ₹315 cr to expand cotton yarn capacity

Noida-based textile firm RSWM Ltd will invest ₹315 crore for the expansion of its compact cotton yarn capacity at its Lodha Unit in Banswara, Rajasthan.

Currently, the Banswara unit's total spindle capacity is 95,376, and with the new investment, the spindle capacity is expected to increase by 51,072. The capacity will be added during the current fiscal, a company statement said.

RSWM Ltd exports yarns to over 90 countries and the decision to expand its capacity is in view of growing demand for cotton and the industry.

'Opportunity to tap'

Riju Jhunjhunwala, Chairman and Managing Director, RSWM Ltd, said, "We hope that this decision will help fuel the next stage of growth for the cotton industry in India. We also seek to strengthen the economic ecosystem of the local region to provide jobs for the regional communities. This investment is also in line with the Indian Government's vision of Atmanirbhar Bharat."

He said there is an extensive market abroad for 100 per cent combed compact cotton yarn. "And this is an opportunity for us to tap,' Jhunjhunwala said.

Source: thehindubusinessline.com– Aug 04, 2023

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