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Currency Watch			
USD	EUR	GBP	JPY
83.07	89.18	104.48	0.56

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INTERNATIONAL NEWS

China's exports, imports likely contracted more slowly in August - Reuters poll

BEIJING, Sept 5 (Reuters) - China's exports likely contracted at a slower pace in August, a Reuters poll showed on Tuesday, highlighting that manufacturers remain under pressure after outbound shipments recorded their worst performance since February 2020 last month. Data for August are expected to show a 9.2% fall in exports from a year earlier, following a drop of 14.5% in July, according to the median forecast of 33 economists in the poll.

Barclays and Nomura were the most bearish, forecasting that overseas demand for Chinese goods worsened last month and are predicting a 15% drop in exports, while Standard Chartered forecast exports fell by just 4%. Chinese factory activity shrank for a fifth straight month in August, weighed down by a lack of new export orders and imported parts, although factory owners indicated producer prices had improved for the first time in seven months, in a nod to improving domestic demand.

Policymakers have introduced a series of measures in recent months to shore up growth, with the central bank and top financial regulator last week easing some borrowing rules to aid homebuyers. But analysts warn these measures may struggle to move the needle amid a slowing labour market recovery and uncertain household income expectations.

Imports are expected to have shrunk by 9.0%, after dropping 12.4% in July, reflecting slightly improved domestic demand.South Korean shipments to China, a leading indicator of China's imports, dropped by just 20% last month, softening from a 25.1% fall in July.

The median estimate in the poll indicated that China's trade surplus would shrink, with analysts predicting it will come in at $73.80 billion, compared with $80.6 billion in July.

China's trade data will be released on Thursday.

Source: reuters.com– Sep 06, 2023

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Keeping forced-labor cotton out of the US is proving nearly impossible

At the onset of the decade, the widespread repression of the predominantly Muslim Uyghur community in the northwestern Chinese region of Xinjiang prompted action. Much of the world decided to stop doing business with the region guilty of a plethora of human rights violations. In December 2021, US president Joe Biden even signed legislation barring goods made with forced labor in the Xinjiang Uyghur Autonomous Region of the People's Republic of China from entering the US market.

The on-paper ban hasn't been so straightforward to implement on the ground, though. Finding partners that can provide equally abundant and similarly cheap cotton has been a task, and keeping the supply chain clean is onerous.

In Germany, researchers found traces of Xinjiang cotton in Adidas, Puma, and Hugo Boss in mid-2022. French prosecutors went after Zara, Uniqlo, and Sketchers. Basically, staying has its costs—reputational damage, legal repercussions, and boycotts in China—but leaving isn't easy either.

Now, US authorities have more evidence that Xinjiang cotton is perhaps too deeply embedded in the global supply chain, and continues to make its way into the US. Roughly 27% of tests—10 out of 37—performed on apparel and shoes collected by US Customs and Border Protection in May showed links to cotton from China's Xinjiang region, Reuters reported for the first time on Sept. 1, citing documents obtained under the Freedom of Information Act (FOIA).

This testing in double-digits barely scratches the surface, considering the US imports millions of dollars worth of apparel and shoes each day. And Chinese cotton doesn't only come from China. Cotton and yarn produced in China is used extensively in other countries like Vietnam, Cambodia, and Bangladesh—the world's largest producers of cotton clothing and consumer goods.

"The numbers are completely underwhelming. It's a few dozen shipments stopped. We're talking about thousands and millions of packages coming in that contain apparel items."

—Kim Glas, National Council of Textile Organizations, to Wall Street Journal in August 2023

Xinjiang cotton by Uyghur laborers, by the digits

15%: Tests deemed to be consistent with Xinjiang, including seizures in May, April, and December of last year

87%: Share of China's production that Xinjiang cotton accounts for

23%: Xinjiang cotton in the global supply in 2020 and 2021

100,000: Uyghurs and other ethnic minority ex-detainees that may be working in forced labor conditions in China, according to Department of Labor estimates

53: Intermediary manufacturers—from Indonesia, Sri Lanka, Bangladesh, Vietnam, India, Pakistan, Kenya, Ethiopia, China, and Mexico—that purchase unfinished cotton goods from five leading Chinese manufacturers (Huafu Fashion, Lianfa Textiles, Luthai Textiles, Texhong Textiles, and Weiqiao Textiles) that have sourced Xinjiang cotton, as per an October 2022 study by Britain's Sheffield Hallam University analyzing state and corporate records

103: Well-known international brands that are supplied by those 53 intermediaries and are therefore at high risk of having Xinjiang cotton in their supply chains

Company of interest: Oritain

Customs officials and companies identify specific geographic origins of cotton using isotope analysis—a sort of DNA test for cotton. Verification companies measure stable carbon, nitrogen, and other elements found in tested samples, and then compare those figures against a library of geographically distinct "fingerprints" to determine the origin of a particular sample.

New Zealand-headquartered Oritain is one of the prominent players in this industry.

The US Customs and Border Protection has made payments worth $1.3 million to Oritain since 2020 for cotton goods analysis, according to records from the agency obtained by Reuters under FOIA. (It's not clear if Oritain conducted the December 2022 or April and May 2023 tests.)

Companies also work with Oritain directly to keep their production practices traceable and transparent. For instance, lingerie brand Victoria's Secret, which requires that suppliers "retain all documentation for the origin of raw material, processing and manufacturing," says Oritain testing may be conducted on the cotton used at any stage of the garment-making process—on fiber, yarn, fabric, or finished goods.

Of course, good intentions don't always translate to fair practices. Shein, the Chinese fast fashion into which the US launched a probe for sourcing cotton from the controversial Xinjiang region in May, contracts with Oritain, an isotopic testing company headquartered in New Zealand, to verify the origin of cotton in their supply chains. Ralph Lauren, which has been working with Oritain for years, is being investigated by Canada's corporate watchdog for allegedly benefiting from forced labor in the Xinjiang region of China as of this month.

Source: qz.com– Sep 05, 2023

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China maintains banking liquidity with $1.95 bn reverse repos

China's central bank, the People's Bank of China, has conducted seven-day reverse repos worth 14 billion yuan (approximately $1.95 billion) at an interest rate of 1.8 per cent.

The move is designed to maintain 'reasonable and ample' liquidity within the nation's banking system, the central bank said in a statement.

A reverse repo is an operation in which the central bank buys securities from commercial banks through bidding, agreeing to sell them back at a later date. This measure is part of China's ongoing efforts to stabilise its financial markets.

Source: fibre2fashion.com– Sep 05, 2023

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Cargo route opens from southern Chinese port Guangzhou to S America

A cargo vessel recently left Nansha Port in Guangzhou in Guangdong province for Brazil, marking the first regular direct shipping route from the southern Chinese port to South America's eastern coast.

The Tian Le V.42, operated by Cosco Shipping Specialized Carriers Co, a subsidiary of Shanghai-based China Cosco Shipping Corp, was loaded with high value-added goods.

The vessel will dock in Victoria and Santos, Brazil, before heading to the port of Lazaro Cardenas in Mexico.

It is the fifth global marine route freshly designated for BRICS countries, helping to expand trade channels between enterprises in South American and the Guangdong-Hong Kong-Macao Greater Bay Area, port authorities were cited as saying by an official media outlet.

At least eight multipurpose vessels will operate in the route, providing two-way direct import and export services between China and South America, port authorities said.

Source: fibre2fashion.com– Sep 06, 2023

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Low liquidity in Brazil's cotton market as harvest nears completion

Despite nearing the end of cotton harvest, liquidity remained low in Brazil's national spot market in August, according to a report from the Center for Advanced Studies on Applied Economics (CEPEA). Around one-third of the cotton output has been processed, yet agents have been primarily concerned with fulfilling pre-existing contracts.

CEPEA's collaborators have indicated that there were disagreements between buyers and sellers regarding both the price and quality of cotton batches available. In the month spanning from July 31 to August 31, the CEPEA/ESALQ Index for cotton rose by 2.5 per cent, reaching BRL 4.0475 per pound as of August 31, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

According to ABRAPA, the Brazilian Association of Cotton Producers, 76 per cent of the Brazilian 2022-23 cotton crop had been harvested by August 25, and 31 per cent of the output had been processed.

Source: fibre2fashion.com– Sep 05, 2023

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Turkiye's exports rise, imports fall; trade deficit narrows

Turkiye's foreign trade gap fell by 21.2 per cent year on year (YoY) and by 27.4 per cent month on month (MoM) to $8.9 billion (TL 238.32 billion) in August this year, official data showed. Its exports rose by 1.6 per cent YoY to $21.6 billion in the month, while imports dropped by 6.3 per cent YoY to $30.5 billion.

Exports amounted to nearly $165 billion in the first eight months of the year, driving the 12.1 per cent YoY increase in trade deficit during the period to $82.4 billion.

Germany ($1.8 billion) continued to be the highest recipient of Turkish exports in August, followed by the United States ($1.3 billion), Iraq ($1.09 billion), the United Kingdom ($1.06 billion) and Italy ($877 million).

The country's maximum imports were from China ($3.8 billion) in the month, followed by Russia ($3.4 billion), Germany ($2.56 billion), the United Arab Emirates ($2.08 billion) and Switzerland ($1.49 billion), according to Turkish media reports.

Source: fibre2fashion.com– Sep 05, 2023

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Russia's role in EU trade drops sharply in 2022-2023

European Union's (EU) trade with Russia has been strongly affected by import and export restrictions imposed by the EU following Russia's invasion of Ukraine. Seasonally adjusted values show that Russia's share in extra-EU imports fell from 9.6 per cent in February 2022 to 1.7 per cent in June 2023, while the share of extra-EU exports fell from 3.8 per cent to 1.4 per cent in the same period.

In March 2022, the month following the invasion, the EU experienced a peak trade deficit with Russia caused by high prices of energy products. The deficit amounted to €18.5 billion. This deficit was brought down to €0.4 billion by June 2023, remaining under one billion four months in a row in 2023—€0.1 in March, €0.8 in April, and €0.4 in May. The change was heavily influenced by the €18.6 billion drop in the monthly value of imports from Russia between March 2022 at €21.9 billion and June 2023 at €3.3 billion. At the same time, the value of exports decreased from €3.4 billion in March 2022 to €2.9 billion in June 2023, Eurostat said in a press release.

Looking at the quarterly data, in the second quarter of 2023, the EU-Russia trade balance for goods registered a deficit of €1.6 billion, indicating a great improvement from the €45.0 billion deficit observed in the second quarter of 2022. This substantial deficit decrease can be largely attributed to the decline in energy imports from Russia. The trade deficit in energy has been reduced from €40.4 billion in the second quarter of 2022 to €5.7 billion in the second quarter of 2023.

Over the past two years, the EU's reliance on energy imports from Russia has seen a noticeable decline. Specifically, shares of fossil fuels such as coal, natural gas, and petroleum oil imported from Russia have substantially decreased. Comparing the second quarter of 2021 with the second quarter of 2023, petroleum dropped 27 percentage points (pp)—from 29.2 per cent in 2021 to 2.3 per cent in 2023, natural gas 26 pp—from 38.5 per cent to 12.9 per cent, and coal 45 pp—from 45.0 per cent to 0 per cent.

Source: fibre2fashion.com– Sep 05, 2023

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Bangladesh aspires to become textile waste recycling hub: BGMEA President

Bangladeshi ready-made garment makers plan to develop the country as a "global recycling hub" as it is the world's second largest apparel exporter and one of the biggest garment and textile waste producers.

"We aspire to establish ourselves as a global recycling hub and further contribute to our economy while positively impacting our climate," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at the inauguration of the "SWITCH to Circular Economy Value Chains (SWITCH2CE)" programme in Dhaka on Tuesday.

The event aimed to foster collaboration, highlight project strategies including the model of piloting circular strategies with the private sector, showcase circularity in the textile and garment industry, and explore policy and knowledge ecosystems.

The BGMEA president said, "I firmly believe that circularity is our future, and the companies that would take early steps and scale up circular business models will be the winners."

He also said, "Climate and environmental concerns have become central to discussions in the global fashion and apparel industry. Consumers worldwide are increasingly conscious of ethical products, transparency, and circularity.

"As industry leaders, our challenge is to integrate sustainability into our business operations."

Industry leaders, government representatives, academia, and international partners attended the programme organised by the United Nations Industrial Development Organisation (UNIDO) and the Bangladesh ministry of commerce. Textile and Jute minister Golam Dastagir Gazi was the chief guest at the event.

In order to achieve success in the circular economy, speakers emphasised collaboration with the international community, technology transfer, and conducive policy framework including a reformed tax system.

Dr Bernd Spanier, chargé d'affaires of the EU Delegation to Bangladesh, said, "We try to support the necessary economic transition in two ways. In terms of policies, we have been developing important regulations.

"By 2030 all textile products imported in the EU market have to be recycled, and made of second-hand fibres. For this purpose, private sector engagement is essential."

While moderating a panel discussion, Dr M Masrur Reaz, chairman of Policy Exchange Bangladesh, emphasised policy support, collaboration with national and international partners, technology transfer, proper management, and easy green financing facility for developing a circular economy in the country.

Tapan Kanti Ghosh, senior secretary of the ministry of commerce, emphasised technical support and foreign direct investment in this sector for a successful circular economy in Bangladesh.

Zaki Uz Zaman, representative of UNIDO in Bangladesh, Abdur Rahim Khan, additional secretary of the commerce ministry, Mark Draeck, chief technical advisor of SWITCH2CE project, also spoke at the programme.

Source: tbsnews.net– Sep 05, 2023

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Vietnam's manufacturing PMI in Aug 2023 recovers slightly at 50.5

Vietnam's manufacturing sector showed signs of revival in August, registering growth for the first time in six months. The country's manufacturing purchasing managers' index (PMI) moved up to 50.5, compared to 48.7 in July, indicating a marginal uptick in business conditions.

The growth was spurred by a modest increase in new orders and production, signalling a tentative recovery in demand. Export business also saw growth after a five-month decline. Despite the positive indicators, employment numbers continued to drop as companies remained cautious due to the volatility of demand. This marked the sixth consecutive month of a reduction in workforce numbers, although the pace of decline was marginal, S&P Global said in a press release.

August also saw the end of a three-month decline in input prices. As a result, firms slightly raised their selling prices for the first time since March. On the supply chain side, suppliers' delivery times have shortened for the eighth month in a row, demonstrating a resilient vendor performance despite increasing demand.

Moreover, companies expanded their purchasing activity at a robust pace, the first increase seen in this area in six months. This led to an increase in stocks of purchases for the second consecutive month.

Though optimism about the 12-month production outlook reached a five-month high, it still remains below the series average, reflecting ongoing concerns over demand strength. Overall, the data suggested that Vietnam's manufacturing sector is on a path to recovery, albeit cautiously amid lingering uncertainties.

Source: fibre2fashion.com– Sep 06, 2023

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Sino-US standoff is an advantage for Bangladeshi apparel exporters

Since 2020, Bangladesh, despite its tremendous effort at trying to maintain a steady supply of apparel exports to client markets, is experiencing numerous setbacks and headwinds that are stressing out manufacturers and exporters alike. However, the country has continued retaining its position as the world's second largest supplier of apparel, despite the devaluation of national currency that made raw materials and machinery imports expensive. And also the country has been facing energy crisis for sometime. Despite headwinds, it did get applauded by the World Trade Organisation for having earned $45 billion through apparel exports and more than tripled its market share in the global textile and apparel market – from 2.5 per cent in 2005 to 7.9 per cent 17 years later, despite the odds it battled on the way.

Good tidings for Bangladeshi exporters

A 15 per cent year-on-year growth compared to 2022 was reported at the beginning of the fiscal year in April 2023. Spearheading this growth was the US that has made a clear indication of dropping Chinese imports as much as possible and that Bangladesh was their preferred replacement. Bangladeshi exports give themselves a neat little pat on the back as they were absolutely right in investing in moving forward with not only portfolio diversification but also value-added items, which are performing well in Western markets. As Mohammed Khusro, Nipa Group stated in a recent interview with a Bangladesh-based textile trade journal these decisions saved the day as it helped the entire sector tide over decline in orders and being squeezed price-wise as much as 20 per cent.

The Sino-US standoff has made Bangladesh the biggest beneficiary – according to Mohammad Hatem, a knit garment exporter and executive president of Bangladesh Knitwear Manufacturers and Exporters Association, no other apparel exporting country is able to bridge the current gap of 3 per cent that the US has shed off China.

However, Bangladesh is also aware that it isn't the only flavor of the season amongst American importers who are also interested in sourcing from Mexico, Egypt, Cambodia and Indonesia. Into this mix are two other confident countries, India and Vietnam where 52 per cent of American buyers who like to increase their procurement quantities.

Bangladesh has remained dependable

When countries were shutting production lines due to pandemic-induced lockdown, Bangladesh took a brave decision and continued keeping its production line going, earning gratitude from worried importers who were then upping their e-commerce business. This was perhaps one of the best credibility-building steps undertaken by Bangladesh.

Additionally, the country has shown its capability to move away from basic to value-added garments as well as diversify its portfolio of products including premium clothing that was earlier not an ask from buyers and trying its best to respond to the sustainable standards being set up in the US and the EU.

Vice -President of BGMEA, Shahidullah Azim is optimistic Bangladesh's hard work to prove its expertise in the global apparel market will yield dividends. When Western importers are talking about China Plus One to slowly reduce Chinese dependency, the Plus One being considered is actually Bangladesh.

Year 2023 may not live up to expectations

The good news of the buoyant orders and projected growth in orders may all be very well but the President of BGMEA is not quite convinced about how well 2023 will end as he expressed his doubts in a private circular to members of the association. Figures collated show that garment import by the US and the EU from around the world has declined by 22.92 per cent and 8.84 per cent respectively during the January-May period of 2023.

Source: propakistani.pk– Sep 04, 2023

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Bangladesh urges Indonesia to ease market access for RMG items

Bangladesh foreign minister AK Abdul Momen recently requested his Indonesian counterpart Retno Marsudi in Jakarta to ease market access for the former's readymade garment (RMG) products in the latter.

Dissatisfied over bilateral trade volume surpassing $3 billion mark, Momen noted the stark imbalance between Bangladesh's import and export volumes.

He hoped that a bilateral preferential trade agreement would be finalised soon.

The two ministers signed a memorandum of understanding (MoU) on cooperation in the energy sector that aims at promoting long-term sale and delivery of conventional forms of energy to and developing new and renewable energy sources and power plants in Bangladesh.

Another MoU was also signed in agricultural cooperation that is intended to foster collaboration in producing, marketing and promoting technology transfer and exchanging best practices, Bangladesh media reported.

Source: fibre2fashion.com– Sep 05, 2023

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NATIONAL NEWS

Trade is at the heart of the India-UAE relations

The UAE and India have long-established strong and robust strategic relations, rooted in cultural and economic ties that have developed over many years. Following the official visit to the UAE in July by Narendra Modi, a new chapter in our relations is being written, with a deeper level of cooperation and strategic partnership, to unlock a future with unlimited potential for both our nations and peoples. Notably, the leaders agreed to enhance bilateral partnership in renewable energy—including green hydrogen, solar energy and grid connectivity—among other areas.

In 2017, the UAE-India relationship was formally elevated to a Comprehensive Strategic Partnership during the visit of UAE President Sheikh Mohamed bin Zayed Al Nahyan to New Delhi as chief guest at India's Republic Day ceremony.

Today, the UAE-India relationship is even stronger and broader, as evidenced by mutual tourist visitation numbers, the still-growing cross-cultural and economic ties, and the significant numbers of Indian and UAE companies that operate in both countries. Indeed, according to FDI Markets, the comprehensive online database of cross-border investments, since 2003 there have been 217 UAE firms investing in India and 698 Indian companies investing in the UAE.

Based on this foundation, the UAE's first ever comprehensive economic partnership agreement (CEPA) was signed with India in February last year, and came into force in May 2022. The two nations are launching a new era of economic and trade collaboration.

The Dirham-Rupee Trade Agreement showcases both nations' commitment to further enhancing ties and will encourage increased bilateral trade between the UAE and India, accelerating progress toward the target of USD 100 billion in non-oil trade by 2030.

Including oil, India-UAE trade was already at USD 85 billion in 2022, making the UAE India's third-largest trading partner and India's second-largest export destination.

Through the dirham-rupee trade agreement, the bilateral relationship will be taken to the next level, with tangible benefits including easier cross-border trade payments with lower transaction costs.

Under this agreement, a UAE importer will be able to make payments in dirhams at market exchange rates and vice versa for Indian companies, without having to go through currency exchanges, making it easier to trade. Ultimately, this agreement opens a broad range of opportunities that provides more choice to businesses.

Trade is central to the UAE's efforts to stimulate long-term, sustainable economic growth and cement the UAE's position as a global economic hub – with CEPAs now also in place with Indonesia, Israel, Türkiye and Cambodia, with more under discussion.

The CEPA helped UAE-India bilateral trade grow 16% and reach an all-time high in fiscal year 2022-23.

The UAE has been named the fourth-largest investor in India in 2022-23, a significant rise from the seventh position a year ago, further reflecting the increased commitment to encouraging mutual growth. The Abu Dhabi Investment Authority has announced plans to establish its presence in Gujarat International Finance Tec-City (GIFT City), India's first financial services special economic zone, to further facilitate investment opportunities for the UAE in India.

The UAE ranked tenth among 64 economies measured for their global competitiveness in the 2023 IMD World Competitiveness Ranking, published by the World Competitiveness Center for the 35th consecutive year. Indian corporations who do business in the UAE find investor-friendly legislation and a stable, secure, low-tax environment making it an ideal business destination.

In line with our nation's ambitious vision for sustainable growth, the UAE will continue to expand trade links with partners around the globe. At the heart of this growth strategy is foreign trade, which will play an integral role in the UAE's efforts to increase the size of our economy by 2030. The UAE's strategy is based on the belief that strengthening economic partnerships is a catalyst for new opportunities that support the ambitions of our people, enabling economic growth, development, and innovation that benefits all.

The UAE will continue to build bridges with all nations that share a common vision to build economic growth and a sustainable future. With India holding the presidency of the G20 forum this year, and the G20 summit set for this week with the 'One Earth, One Family, One Future' theme, the Global South and allies around the world must further enhance cooperation to address the challenges facing societies and to improve the lives of people.

The UAE-India relationship will be further enhanced by increasing people-to-people relations in areas such as education and culture. The Indian Institute of Technology Delhi's Abu Dhabi campus is set to open in 2024, underscoring the drive for bilateral cooperation and deepening inter-personal ties between our countries.

Moreover, with the UAE set to host the Conference of the Parties to the UN Framework Convention on Climate Change (COP28), the UN's key convention on climate change, in Expo City Dubai this November, key objectives include accelerating energy transition, reforming land use and food systems, and scaling up both mitigation and adaptation and operationalizing loss and damage. The conference will also focus on key pillars such as the implementation of climate commitments and pledges, working together to take concrete action, identifying solutions that contribute to overcoming challenges and seizing opportunities to ensure a sustainable future for present and future generations.

COP28, the most significant multilateral event the UAE will have ever hosted, aims to transform and accelerate climate action to meet the world's commitment to limiting global warming to below 1.5°C and lead the world's response to the Global Stocktake. Enhanced UAE-India collaboration will therefore support the advancement of key objectives across a broad range of areas. In addition, the UAE also remains focused on deepening collaboration with other partners around the globe to support a sustainable future for all, along with mutual continued growth.
Prime Minister Modi's July visit to the UAE marks only the first step in a reinforced commitment to deepening bilateral relations between the UAE and India. Together, we are committed to our role as global conveners as we advance and protect the environment and the economy on behalf of our peoples for today and the future.

Source: hindustantimes.com– Sep 05, 2023

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Will only agree India trade deal approach that works for UK, says Rishi Sunak

The free trade agreement (FTA) talks with India are "progressing" and Britain will only agree to a pact that works for the whole of the United Kingdom, British Prime Minister Rishi Sunak told his ministers at a Cabinet meeting in London on Tuesday. Ahead of his first visit to India as UK Prime Minister to attend the G20 World Leaders' Summit in New Delhi later this week, Sunak updated his top team on the ongoing trade talks which have completed 12 rounds of negotiations.

The British Indian leader described India as an "indispensable partner" of the UK across all spheres of bilateral cooperation, which he is keen to strengthen further. "He said negotiations around a free trade deal were progressing and that he would only agree an approach which worked for the whole of the UK," notes a Downing Street readout of the Cabinet meeting.

"The Prime Minister said India was an indispensable partner of the UK, both economically and in addressing the global challenges all democracies are facing. He said we must now strengthen the UK-India relationship," it said. UK Business and Trade Secretary Kemi Badenoch, who has returned from a visit to India after talks with Commerce and Industry Minister Piyush Goyal last month, also updated the UK Cabinet on the FTA negotiations, saying that "India is already one of the UK's largest trading partners, with a relationship worth GBP 36 billion a year".

"The Prime Minister concluded Cabinet by setting out his desire to use our growing relationship in trade, defence, and technology to build a lasting and deep partnership with India which benefits the people of the UK for decades to come," Downing Street said.

The 43-year-old leader is expected to receive a grand welcome when he arrives in New Delhi, with bilateral talks expected with Prime Minister Narendra Modi during the course of his stay. While the details of the visit are yet to be confirmed by Downing Street, some UK media reports have indicated that a sightseeing visit to Humayan's Tomb is expected to be on the agenda for Sunak and wife Akshata Murty.

Source: economictimes.com– Sep 05, 2023

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Not necessary to take a call on IPEF trade pillar by November

Ahead of a key round of talks on Indo-Pacific Economic Framework (IPEF) next week, officials have said it is not necessary for India to take a call on joining the trade pillar of the pact by the target conclusion date of November.

Negotiators said India can join the IPEF trade pillar later, but there is a need to build consensus.

While the supply chain agreement of the IPEF is awaiting comments from various ministries before it is sent for Cabinet approval, officials said negotiations on clean economy and fair economy are progressing well.

New Delhi has an observer status on the trade pillar negotiations which deal with commitments required on environment, labour, agriculture, digital trade and public procurement. It chose to stay out of active negotiations as it is unclear on the benefits from this pact.

"There is flux on the issue...there is a need to build consensus," an official told ET.

Source: economictimes.com– Sep 06, 2023

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Harnessing potential of districts as export hubs to boost country's overall exports

Introduction

Director General of Foreign Trade, Santosh Sarangi on September, 01, 2023 reportedly announced that the government intends to tap the districts for promoting exports of goods/services produced/manufactured in these to enhance overall exports of the country. Stating that districts have a huge potential for increasing the country's exports, he said, at present only 70 districts out of the 750 districts in the country account for 80 % of total exports of the country.

Sarangi said, India has a huge potential for export of electronic items, white goods, and processed foods, and with the kind of growth rates the country has been experiencing for the last 15 years, she can aspire to become a Middle-Income Economy in the near future. In addition, the series of Free Trade Agreements India has signed, or is in the process of signing, will give greater access to Indian goods to the export markets of these countries, helping raise India's exports to GDP ratio more than the present 22 %.

Genesis of the idea to set up district export hubs

Prime Minister Narendra Modi had given a call from the ramparts of the Red Fort in his Independence Day Speech in 2019 to convert each district into an export hub making Districts active stakeholders in the promotion of exports of goods/services produced/manufactured in these.

Following this, the Department of Commerce had launched the DEH initiative in 2019, under which the Government of India is collaborating with the State governments to harness the potential of districts to transform them into Export Hubs.

Approach to involve districts

Each district in India can be characterised as an exclusive source of distinct and distinguished products, that remains untapped. If the potential of each District is tapped fully, it can fuel economic growth, generate employment, boost rural entrepreneurship & enhance exports, helping the country to achieve the goal of Self-reliance, it is opined.

Earlier, Export Promotion as a subject was dealt by the Central Government only, without any active, credible mechanism, involving the State or the District level Stakeholders into the decision-making process to promote goods and services produced at the grassroots level.

To boost local production, and the need to make Districts active Stakeholders in driving export growth of local products/services therefore necessitated Decentralising the Export Promotion Activity to help fill the existing gaps and bottlenecks in exporting identified products/services from these.

Further, under the new Foreign Trade Policy which came into effect from April 01, 2023, government plans to aid homegrown businesses by taking forward the Districts as Export Hubs uplifting the export value of districts across the country.

The objectives the scheme wants to achieve:

1. Provide export opportunities to MSMEs, farmers and small industries in the overseas markets, with a focus on District led Export Growth for Self- reliance;

2. Attract investment in the district to boost manufacturing and exports and provide ecosystem for Innovation/ use of Technology at District level to make the exporters competitive;

3. Help reduce transaction cost for the exporters at various stages of export cycle and generate employment in the district;
4. Provide platforms for global reach to products and services from the district through E-commerce and Digital marketing.

Institutional mechanism in districts

1. District Export Promotion Committees are constituted in each District & all key officers related to agriculture, horticulture, livestock, fisheries, handicrafts, handlooms and industry in the district, and the Lead Bank Manager along with key Export Promotion Councils, Quality and Technical Standards Bodies, Government of India departments like MSME, Heavy Industry, Revenue and Textiles become a part of the DEPC;

2. The initial meetings in the identified Districts are conducted by the DGFT Regional Authorities in collaboration with the District and State Authorities;
DEPC will focus on the specific actions required to support local exporters / manufacturers in producing exportable products in adequate quantity and with the requisite quality, and reaching potential buyers outside India.

The primary function of the DEPC is to prepare and act on District Specific Export Action Plans in collaboration with all the relevant stakeholders from the Centre, State, and the Districts.

Decentralising export promotion

The Department of Commerce through Directorate General of Foreign Trade is working with the State / UT Governments in a phased manner to achieve the objective of increasing production, exports & generating economic activity to achieve the goal of Self-reliant India.

In this process:

1. In the initial phase, products/services with export potential in each District are identified and Institutional Mechanism in the form of State Export Promotion Committees at the state level and District Export Promotion Committees at the district level are created to provide support for export promotion to address the bottlenecks for export growth in the districts;

2. Specific action plans to increase exports are finalised by the DEPCs in each District through District Specific Export Action Plans while State Export strategy/policy and State Agricultural Plans are finalised by the States/UTs at their levels;

3. The District wise export data is now being generated by the ICEGATE (Indian Customs Electronic Gateway)/DGCIS (Directorate General of Commercial Intelligence & Statistics) to track the export performance from each District.

Progress made up to January, 2023

1. State Export Promotion Committees have been constituted in all the 36 States/UTs

2. District Export Promotion Committees have been constituted in all the 36 States/UTs.

3. Products/Services with export potential have been identified in all 733 Districts across the country, including Agricultural & Toy clusters and GI products in these Districts.

Epilogue

Coordinated and synergised effort towards trade and export promotion by the Central Government, State Governments and the District administration would enhance manufacturing activities, promote goods and services exports, support MSMEs and local artisans/craftsmen, broaden coverage of e-commerce linkages with Districts, promote GI products, improve logistics, agricultural sectors and increase employment opportunities in the districts. This is bound to lead to accrual of wide-ranging economic benefits, including investment, manufacturing & the overall export growth of the country.

Source: timesofindia.com– Sep 05, 2023

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Value of Indian online fashion, lifestyle market hits $11 billion, to touch $35 billion in 5 years: report

The online fashion and lifestyle industry in India is now worth $11 billion and is slated to grow at a 25% compound annual growth rate (CAGR) to $35 billion by 2028, according to a joint report by consultancy Bain & Company and Aditya Birla Group-owned house of brands firm TMRW.

Traditional brands that have largely operated offline, such as Louis Philippe and Puma, have seen their online businesses grow 34% between 2019 and 2023 to $2.5 billion. New-age online-first brands such as The Souled Store and Bewakoof have seen their online businesses expand 33% since 2019 to $2.4 billion; they are projected to grow at an annual rate of around 35% to hit $10 billion by FY28, the report said.

“Digital fashion brands have also started to focus on the specific needs that customers have. These brands can over-index on that to build stickiness in customers, and they’re already seeing traction. This approach is pretty different from what traditional brands would have done in the same space,” said Radhika Sridharan, partner, consumer products, retail, strategy and digital practices, Bain & Company.

The report analysed over 700 digital brands and over 1,000 consumers in the online space. Of the brands analysed, less than 10% have scaled up beyond Rs 50 crore, the report noted. However, the number of brands exceeding Rs 250 crore in revenue is projected to jump five times by FY28, led by categories such as expressivewear, ethnicwear, and jewellery.

“The number of breakout brands in fashion has not been that many, and it is not just that capital is a constraint, sometimes capability is a constraint too… This is one of the most complex categories, from the front end demand sensing to the back end supply chain, from design to sourcing to product innovation. So getting everything right is where the complexity kicks in,” said Prashanth Aluru, chief executive and cofounder of TMRW.

Between January 2018 and May 2023, about 100 Indian online beauty and personal care firms cumulatively raised about $950 million in funding, followed by online apparel firms, which raised $430 million, and jewellery and accessories companies, which garnered $150 million, according to the report.

“The category has been very fragmented... GenZ and millennial customers are going to contribute to 75% of sales for some of these digital-first brands and that share keeps growing. Brands across every category are interested in attracting that customer,” Sridharan added.

Source: economictimes.com– Sep 06, 2023

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India Post and Shiprocket partner to strengthen e-commerce export ecosystem

Department of Posts, as part of its ongoing initiatives to create an export ecosystem for e-commerce in the country, entered into an agreement with Bigfoot Retail Solution Pvt Ltd (Shiprocket), one of the leading e-commerce enablement platforms. The collaboration aims to enhance e-commerce exports by leveraging India Post's extensive presence and reliable shipping solutions.

The agreement was signed today in New Delhi in the presence of Shri Alok Sharma, Director General Postal Services, Chief Postmaster General Delhi Ms Manju Kumar and Shri Saahil Goel, CEO, Shiprocket, marking a significant milestone in India's cross border e-commerce landscape.

Speaking at the event, Shri Alok Sharma, Director General Postal Services shared, "India Post has taken a series of steps in the recent past like expansion of Foreign Post Offices, introduction of Postal Bill of Export to enable commercial exports through post offices, launch of a competitive International Tracked Packet Service and setting up of Dak Ghar Niryat Kendras (DNKs) across the country."

"The online order processing, export documentation, compliances and Customs clearance has been made easy through electronic Postal Bill of Export (PBE) which can be filed on DNK portal. Integration of DNK portal with different agencies and e-marketplace will benefit the artisans, craftsmen and SME sellers from the remotest areas of the country. As on date more than 600 DNKs have been made operational," Shri Sharma added.

This agreement will lead to technical integration between Dak Ghar Niryat Kendra and Shiprocket and enable India based sellers, using Shiprocket, to directly generate e-PBE and shipping labels from Shiprocket platform itself. The exporters can avail packaging, label printing, pickup facility and induct their shipments to the nearest DNK in any part of the country.

During the event, Ms Manju Kumar, CPMG Delhi, highlighted that "e-commerce has emerged as a powerful driver of economic growth and innovation and this collaboration aims to achieve the same by harnessing the extensive Post Office infrastructure and enable more small businesses on Shiprocket platform to participate as well."

Shri Saahil Goel, CEO Shiprocket, said, “We are thrilled to extend our strategic partnership with India Post, a collaboration that is set to reshape the landscape of e-commerce and global trade for MSMEs. Together with India Post, we are committed to provide faster, more secure, and more efficient global parcel services to over 200 destinations worldwide. We aim to not only expand our reach but also reduce first-mile costs and delivery time through Dak Ghar Niryat Kendras (DNKs).”

This partnership holds immense promise as we work together with logistics aggregators and e-market place leaders to promote e-commerce exports in a digital age. The agreement is the latest addition in India Post’s export-oriented initiatives after the MoU signed with Amazon last week.

Source: pib.gov.in– Sep 05, 2023

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Maharashtra Announces Incentives for Textile Units Setting up Solar Projects

The Government of Maharashtra has announced incentives in the form of capital subsidies for solar project installations by textile units in the state. The incentives are a part of the state government's Department of Textiles' Integrated and Sustainable Textile Policy, approved in June this year, and will stay effective through 2023-2028.

The policy provides electricity subsidies, support for effluent treatment plants, and zero liquid discharge facilities to help the industry transition to a more sustainable future.

In its policy, the state government stated that the textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production, and 12% to exports.

Maharashtra accounts for 10.4% of the country's total textile and apparel production. It also produces 272 million kgs of yarn, which is 12% of India's gross production.

Electricity subsidy rate for textile units under Maharashtra's Integrated and Sustainable Textile Policy

Supply	Sector	Category	(₹/kWh)	(~$/kWh)
LT	Powerlooms	0-20 kW	3.77	0.045
		Above 20 kW	3.4	0.041
	Knitting, Hosiery & Garments	0-20 kW	3.77	0.045
		Above 20 kW	3.4	0.041
	Co-Operative Spinning Mills	0-20 kW	3.00	0.036
		Above 20 kW	3.00	0.036
	Non Co-Operative Spinning Mills	0-20 kW	2.00	0.024
		Above 20 kW	2.00	0.024
	Process Industry & All Other Textile Units	Above 107 HP	2.00	0.024
HT	Co-Operative Soot Girni	11 kV, 22 kV, 33 kV and 66 KV & Above	3.00	0.036
	Powerlooms, Non Co-Operative Spinning Mills, Knitting, Hosiery & Garments, Process Industry & All Other Textile Units		2.00	0.024

Source: Government of Maharashtra | Mercom India Research

The new policy aims to strengthen the supply chain, focusing on how processes can be made more sustainable in the long term.

Electricity Subsidy

The government will provide electricity subsidies at a specified rate to existing textile units for two years. There will be a cap of ₹4 million (~$48,163) per textile unit per month on the disbursement of monthly electricity subsidy.

The sector-wise electricity subsidies are as follows:

Solar Power Subsidy

The capital subsidy for installing a solar power project will be calculated as 12/24 months of electricity subsidy or cost of installing a solar power project with a maximum 4 MW capacity or sector-wise capped amount, whichever is lower.

The policy has provided different capping limits for the capital subsidies to be disbursed to various sectors under the textile industry.

For Ginning and Processing; Private Spinning Mills; Private Power Looms; Knitting, Hosiery, Garmenting sector; Textile Parks; Sericulture; and Processing sector, the cap is set at ₹48 million (~$577,964).

For Co-operative Spinning Mills and Co-operative Powerlooms, it is set at ₹96 million (~$1.16 million).

The subsidies for solar projects will be disbursed only after the operationalization of the project in two equal installments with a gap of six months between them.

The new textile units or units undertaking expansion must include the solar project’s installation cost in their detailed project report. The capital subsidy will then be calculated on the fixed capital investment, including eligible plant, machinery, and solar projects up to a maximum of 4 MW capacity.

The detailed project report for the solar project will be analyzed and approved by the Maharashtra Energy Development Agency.

Textile units installing solar projects of more than 4 MW capacity will have to bear the cost of the exceeded capacity installation.

The total capacity of the solar power project is not allowed to exceed the approved load/contract demand of conventional energy by the unit.

The solar projects installed for textile units will not be bound by the 1 MW cap for net metering.

The textile units will be responsible for operating and maintaining the projects post-installation. If the projects were to become unserviceable, the tariff for electricity supplied by the Maharashtra State Electricity Distribution (MSEDCL) would be applicable without any subsidies.

According to the new policy, the state government's energy department will not levy any charges other than transmission charges on projects using non-conventional energy sources.
If any of the textile units simultaneously uses conventional and non-conventional power, both power sources will be considered to decide the load factor.

The Handloom sector is not included under the subsidy program; however, it will be provided free electricity for up to 200 units per month under the Supply of Free Electricity to Handloom Weavers Households program.

Other Sustainable Measures

For the Processing Sector, in particular, the government has proposed the implementation of green technologies in the form of Effluent Treatment Plants (ETP), Common Effluent Treatment Plants (CETP), and Zero Liquid Discharge (ZLD).

For establishing ETP and CETPs, the government will provide a 50% capital subsidy or ₹50 million (~$602,046), whichever is lower across all zones in the state.

For ZLD technology deployment, the government will provide 50% of the eligible civil infrastructure, project, and machinery cost up to ₹100 million (~$1.20 million).

The cost of land will not be considered in the total project cost when calculating the subsidies.

The government also plans to set up 12 recycling projects under the program. It will provide a subsidy at 50% or ₹20 million (~$240,829), whichever is less, for these 12 new projects set up exclusively for recycling old textile products.

In August, the Maharashtra Electricity Regulatory Commission proposed amendments to the Distributed Open Access Regulations, 2016, in line with the Ministry of Power's Green Energy Open Access Rules. According to the proposed amendments, consumers with a contract demand or sanctioned load of 100 kW or greater can obtain power from renewable sources via open access.

Mercom recently reported on how higher retail tariffs in Maharashtra have spurred commercial and industrial (C&I) consumers to opt for solar open access, helping them save up to 40% on electricity bills annually.

With more and more commercial and industrial entities adopting renewable energy for their electricity needs, Mercom India is hosting the 'C&I Clean Energy Meet 2023' in multiple cities across India, bringing together renewable energy industry stakeholders face-to-face with C&I businesses who wish to transition to renewables.

The next event will be held in Coimbatore on September 15, 2023, at the Welcomhotel by ITC Hotels, Race Course.

Source: mercomindia.com– Sep 05, 2023

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Punjab: Cotton plucking begins, experts predict four-fold jump in yield

State agriculture officials said the average yield of 2-4 quintals in the key four cotton-growing districts of Fazilka, Bathinda Mansa and Muktsar in the maiden harvesting cycle may give a push to the traditional crop of the region in the next kharif season.

Going with the initial trend, experts hope for impressive yield this time as the flowering is bumper.

In the 2022-23 kharif season, farmers had sown cotton over 2.48 lakh hectares and total production was less than 7 lakh quintal. Experts, however, predict that the yield may touch 29 lakh quintal this season.

As per the state agriculture data, cotton was grown over 1.75 lakh hectares, the lowest-ever acreage in the state, this year. It was attributed to attacks by deadly pests of pink bollworm and whitefly in 2021 and 2022 and apprehending losses, farmers opted to stay away from cultivating cotton.

However, favourable climatic conditions and the state agriculture department’s push to make farmers use only recommended varieties of the cash crop worked this season.

Principal entomologist of Punjab Agricultural University (PAU) Vijay Kumar said on Sunday that the threat of whitefly on the cotton plants is over and pink bollworm infestation is in the last stage. Farmers may have to use pesticides till September 20, he added.

“As the cotton plants are nearing 110 days, there are minimal chances of whitefly infestation as leaves are left with no or little juice for the pest survival. Field surveys suggest that the pink bollworm is under control but the next three weeks are important to contain attack by the deadly pest,” he said.

Bathinda chief agriculture officer Hassan Singh said prolonged dry season in the cotton belt during monsoon has proved a boon for the major kharif crop of the region.

“Last year, stunted growth of plants was witnessed across the cotton belt and it was mainly due to the use of unrecommended varieties and pest attacks that left the plant weak. But this time, plant health is good and they have attained a height of about 5 feet which indicates good yield. The state government provided recommended varieties with subsidies to ensure use of quality seeds," he said.

Muktsar chief agriculture officer Gurpreet Singh said the average yield of 2 quintals is good and if farmers follow advisories on pest control management, the per acre yield may touch 10 quintals in the next two harvesting cycles.

According to Punjabi Mandi Board's nodal officer for cotton Manish Kumar, farmers have started reaching mandis of all four main districts with cotton in small quantities.

"According to rough estimates, the cotton yield is likely to touch 29 lakh quintal which was recorded in the 2021-22 kharif season. It will be an achievement after a dismal season in 2022," he added.

The mandi board data says the private players are offering between ₹5,000 and ₹7,200 per quintal to cotton growers against the current kharif marketing season's minimum support price (MSP) of ₹6,620 per quintal for medium staple and ₹7,020 for long staple.

More than 5,000 quintals of raw cotton was purchased in different mandis till Sunday. "Cotton arrival in mandis will pick up by mid-September and it will reach the peak in October. Stakeholders are keeping their fingers crossed on the market rates in the coming weeks," said a market watcher.

Source: hindustantimes.com– Sep 04, 2023

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Welspun India's ambitious Rs. 300 crore investment vision unveiled

In a report, Dipali Goenka, the Managing Director and CEO of textile giant, Welspun India, has spoken about a substantial investment of Rs. 300 crore to advance the company's production efficiency. This capital infusion will be primarily focused on green energy initiatives and streamlining operational bottlenecks. Welspun India, with a market capitalisation of Rs. 12,174.6 crore, has 90 per cent of its business export-oriented. Despite a rise in debt from Rs. 1000 crore to Rs. 1800 crore, Goenka noted that these figures represent an improvement compared to the previous year.

Highlighting Welspun India's commitment to investments, the CEO also noted that during the last quarter, Welspun India has already allocated Rs. 51 crore towards green energy initiatives. Looking ahead, the company aims to invest Rs. 300 crore by the end of 2024, out of which Rs. 200 crore will be allocated for the green energy projects and an additional Rs. 100 crore for maintenance and de-bottlenecking.

Goenka emphasised the company's ambitious goal of achieving a debt-free status by the end of 2025 and the beginning of 2026, despite the gradual increase in debt figures. She attributed the current net debt of Rs. 1000 crore to the impact of the Biparjoy storm and the delayed share buyback originally scheduled for July 2023.

With Welspun's strong presence in home furnishings and terrycloth, Goenka aims to sustain strong trade with the US, the largest consumer of home textiles, globally. She expressed excitement about H1, driven by the holiday season with Christmas and Black Friday, while remaining cautiously optimistic for H2.

Source: apparelresources.com– Sep 05, 2023

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