An ISO 9001:2015 CERTIFIED COMPANY

TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 219 of 2023 December 14, 2023

Currency Watch			
USD	EUR	GBP	JPY
83.35	90.84	105.34	0.59

INTERNATIONAL NEWS

NATIONAL NEWS	
No	**Topics**
1	'India-UK FTA will give level playing field to exporters'
2	Union Minister Piyush Goyal discusses progress of FTA negotiations during meeting with EFTA delegation
3	Govt likely to come out with logistics cost estimate framework on Thursday
4	Manufacturing sector expected to reach $1 trn by 2025-26 led by Gujarat
5	RoDTEP: U.S., EU slap countervailing duties on four Indian goods
6	Centre revives plan to simplify GST rates
7	Maharashtra announces 'study group' on power looms, to make changes in new textile policy
8	Ten spinning mills register for Soucery's 'Direct-to-Grower' program

SAYING NO TO CHILD LABOUR

G20 भारत 2023 INDIA

INTERNATIONAL NEWS

Lawmakers Say America Must 'Reset' China Ties

A congressional committee aims to "fundamentally reset" the economic relationship between the U.S. and China. The House of Representatives' bipartisan select committee on China laid out nearly 150 policy recommendations in a report this week. These include raising tariffs on China-made goods and limiting the country's duty-free access to the American market under de minimis law.

Led by Chairman Mike Gallagher (R-Wisc.) and Ranking Member Raja Krishnamoorthi (D-Ill.), the report "embraces the clear reality that our current economic relationship with the People's Republic of China needs to be reset in order to serve the economic and national security interests of the United States," Krishnamoorthi said Tuesday.

He urged the government to recalibrate ties to China by stemming the flow of U.S. capital and technology, which he believes are funding its military advances and human rights abuses. The U.S. must also "build collective economic resilience in concert with our allies and partners while ensuring American leadership for decades to come," he said.

China has long failed to live up to its World Trade Organization (WTO) commitments, instead empowering state-owned entities, subsidizing domestic industry, and shutting out competitors, the report said. "U.S. companies doing business in the PRC must also navigate an increasingly complex network of laws, regulations, and protectionist policies. In sum, continued, unfettered economic ties with the PRC poses a direct threat to U.S. national and economic security, financial stability, and values," the report said.

As such, the committee recommended that Congress move China into a new tariff column that "restores U.S. economic leverage" and forces China to honor its trade commitments. It would also renew the China Safeguard mechanism (Section 421 of the Trade Act of 1974) which expired in 2013. The China-specific law allowed the U.S. to impose tariffs or other restrictions on China if the U.S. International Trade Commission determined that products entering the country were likely to disrupt markets.

The committee emphasized the need for strong rules-of-origin to be included in trade agreements with allied nations, like the U.S.-Mexico-Canada Agreement (USMCA), so that China doesn't use these countries for "backdoor" access to the U.S.. In the wake of Shein's reported IPO filing, lawmakers also recommended passing legislation to reduce the de minimis threshold that empowers many Chinese e-tailers. Legislators believe the current $800 cap is hampering Customs and Border Protection's (CBP) Uyghur Forced Labor Prevention Act (UFLPA) enforcement.

Industry voices have varied stances on the issue. "CBP has confirmed that de minimis shipments are processed the same way as higher value parcels and are subject to enforcement of U.S. laws," National Foreign Trade Council (NFTC) senior director of international supply chain policy John Pickel said. "This recommendation would not address challenges in the important work of stifling the flow of illicit drugs and products made using forced labor from entering our borders.

"De minimis is not a loophole, it is a staple of U.S. customs law that Congress designed to provide access to international markets for small businesses and lower costs for consumers," he added. Lowering it "would make everyday purchases more expensive for American consumers and small businesses without improving enforcement at our borders."

Meanwhile, National Council of Textile Organizations (NCTO) president and CEO Kim Glas praised the committee's de minimis suggestion, saying the provision "facilitates the importation of slave-labor made goods, counterfeits, counterfeits and illicit narcotics, and is undermining our industries."

"The U.S. textile and apparel manufacturing sector has been on the receiving end of some of the worst predatory trade practices by China," she said. "The Committee's critical blueprint released today provides key bipartisan policy guidance to immediately help manufacturing sectors like ours that are experiencing economic headwinds. Specifically, stepping up UFLPA and customs enforcement is a critical concern to ensure transparency of our supply chains."

The Coalition for a Prosperous America (CPA), which represents U.S. manufacturers and producers, law enforcement, national nonprofits and community organizations, issued a joint letter urging Congress to rethink de minimis. Beyond undermining U.S. producers, they said the trade provision threatens consumers' health. CBP has found "high-risk shipments that may contain narcotics, merchandise that pose a risk to public safety, counterfeits, or other contraband," they said.

CBP "continues to see bad actors seeking to exploit the increasing volumes of de minimis shipments to transit illicit goods, including fentanyl and the precursors and paraphernalia used to manufacture it."

"Along with the rise of e-commerce and mass distribution shippers, this provision has exploded in popularity creating a supercharged black-market for counterfeit products, goods produced with slave labor, hazardous materials, and illicit drugs," the CPA coalition wrote. "Closing the de minimis provision by decoupling all e-commerce transactions for qualifying for de minimis treatment is the only way to comprehensively address these issues."

CPA CEO Michael Stumo's recent House Homeland Security Subcommittee on Oversight, Investigations, and Accountability testimony addressed the de minimis loophole's role in the fentanyl crisis.

The issue will be debated Wednesday at a public Washington, D.C. roundtable hosted by House Ways and Means Trade Subcommittee Ranking Member Earl Blumenauer (D-Ore.). In June, Blumenauer introduced Import Security and Fairness Act, a bipartisan and bicameral bill aimed at stopping non-market economies from exploiting the de minimis threshold, and requiring CBP to collect more information on the small shipments.

He will be joined by Stumo, along with Andy Warlick, chairman and CEO of yarn manufacturer Parkdale Mills, Roy Houseman, legislative director at the United Steelworkers, National Association of Police Organizations director of governmental affairs Andy Edmiston and U.S. Commission on International Religious Freedom commissioner Nury Turkel.

Source: sourcingjournal.com– Dec 13, 2023

HOME

****

Turkish Oct textiles-apparel-footwear retail sales volume up 0.7% YoY

Turkish retail sales volume of textiles, apparel and footwear rose by 0.7 per cent year on year (YoY) and by 0.3 per cent month on month (MoM) in October this year. The retail sales turnover of this product category rose by 77.2 per cent YoY and by 5.5 per cent MoM in the month.

Retail sales volume in general with constant prices increased by 13.7 per cent YoY and by 2 per cent MoM during the month.

Non-food (except automotive fuel) sales increased by 18.9 per cent YoY and by 3 per cent MoM in the month.

Over retail turnover in the country with current prices increased by 83.6 per cent YoY and by 4.6 per cent MoM in October.

In the same month food, non-food (except automotive fuel) sales increased by 91.9 per cent YoY and by 6.7 per cent MoM.

Source: fibre2fashion.com– Dec 14, 2023

HOME

****

USA: Early December's Retail Lull Not so Bad

How deep is the lull?

It's the dog days of early December for retailers, when business typically nosedives following Cyber Week's surge in gift shopping and aggressive price promoting.

But business so far this month hasn't been as bad as expected, with reports on traffic and sales for early December hovering around flat, according to retail sources. That's furthering hopes for small sales gains this holiday season overall, seen around 2 to 4 percent industry-wide. The shopping will pick up significantly — along with steeper discounting — 10 to 14 days before Christmas as it does each year, as late holiday shoppers scramble for gifts.

Last year retail sales during the November to December holiday season grew 5.3 percent over 2021 to $936.3 billion, according to the National Retail Federation.

"After Cyber Monday, the rest of the week — Tuesday, Nov. 28 to Saturday, Dec. 2 — was about plus 0.7 percent," said Joe Shasteen, global analytics manager for RetailNext, which utilizes technology to track shopper traffic in stores and malls. Shasteen also said that traffic this year on Cyber Monday and the Sunday before was negative 0.5 percent compared to 2022.

"Business is a little better than what we thought," said one top executive of a major retail conglomerate, commenting on business for early December. "New York City is up 5 percent over last year for December, but overall it's a tough world out there."

New York and some other major cities such as Miami have seen a significant pickup in tourism in recent weeks. That combined with cooler temperatures has helped retailers see a pickup on cold-weather clothing and accessories. The weather is expected to be relatively mild through December, which would encourage more shopping at stores, which leads to greater impulse purchasing compared to online shopping.

"I think people are happy the way the season has been going with possibly 2 or 3 percent sales gains" tallied by the end of the holiday season, said Walter Loeb, the veteran retail analyst and consultant.

RetailNext reported Monday that for the first week of December, U.S. traffic trends were up 0.5 percent compared to 2022, with net sales down 1.5 percent. Conversion rates were down 0.6 percent compared to last year, while units per transaction (UPT) were down 1 percent and average transaction value (ATV) was up 1.8 percent to last year.

RetailNext broke down its findings by region, reporting that for the first week of December, retail traffic in the Midwest was up 1.9 percent; the Northeast was up 0.8 percent. However, the West was down 0.4 percent and the South was down 1.3 percent compared to last year.

Traffic in mall stores rose 1.5 percent and off-mall stores were up 0.6 percent in the first week of December. Traffic at stores in outdoor malls rose 1.6 percent, while stores inside indoor malls rose 1.4 percent, RetailNext reported.

By category for week one of December, health and beauty recorded a plus 3.1 percent rise in traffic compared to last year, followed by apparel at plus 0.9 percent, and footwear stores at plus 0.3 percent. But jewelry came in flat at zero percent, and home was down for the week at negative 4.4 percent compared to last year, RetailNext reported.

Overseas during the first week of December, Europe, Middle East and Africa traffic was down 2.5 percent, with traffic at European stores up 0.9 percent and Middle Eastern stores down 6.1 percent.

"For the first week of December we were doing OK but you really got to fight for it. We're trying to touch the customers in so many ways," said one chief executive officer of an omnichannel brand. "Remember, December was pretty good last year, and so far we are running neck-and-neck."

The CEO also said that the company's retail stores were on the plus side, while the online business was flat. "The hardest part is the wholesale," the CEO said. "You don't control much on the wholesale side. You've got to fight for attention. You rely on your own stores to do their part. But overall we are positive."

"Black Friday was very busy but traffic has fallen off since then," said one real estate executive. "In general traffic has been good at the mall, more so at upscale malls, and luxury has shown improvement lately and is not down as much as it was. It's still not in positive territory."

The home business continues to be weak, middle-market retailers are soft, and athleisure continues to grow, observed the real estate executive. "The season seems more promotional than a year ago. But so far, "it's all planned-for and on schedule. Sales are pretty much flat, which is the new good."

As the National Retail Federation sees it, retail sales in November showed strong gains, according to the CNBC/NRF Retail Monitor, powered by Affinity Solutions.

"November Retail Monitor data shows that consumers are embracing the holiday season and promotions being offered by retailers," NRF president and CEO Matthew Shay said in a statement. "Value-conscious shoppers are out looking for deals as they purchase gifts for family and friends, and this data indicates that they're finding them. Since November makes up half the holiday season, these numbers are a positive indication of what we can expect for the full holiday season." For purposes of tracking sales and making comparisons, the NRF characterizes the holiday season as Nov. 1 to Dec. 31.

Total retail sales, excluding automobiles and gasoline, were up 0.77 percent seasonally adjusted month-over-month and up 4.24 percent unadjusted year-over-year in November, according to the Retail Monitor. That compared with a month-over-month decrease of 0.08 percent and a year-over-year increase of 2.57 percent in October.

The Retail Monitor calculation of core retail sales — those excluding restaurants, autos and gas — showed increases of 0.73 percent month-over-month and 4.17 percent year-over-year in November. That compared with a month-over-month decrease of 0.03 percent and a year-over-year increase of 2.63 percent in October.

The NRF has predicted holiday sales, excluding autos, gas and restaurants, will increase between 3 and 4 percent over 2022, totaling between $957.3 billion and $966.6 billion.

The Census Bureau is scheduled to release its retail sales report for November on Thursday. Unlike survey-based numbers collected by the Census Bureau, the Retail Monitor uses credit and debit card purchase data compiled by Affinity.

According to the NRF, in November, clothing and accessories stores were up 0.87 percent month-over-month and up 5.81 percent year-over-year. General merchandise stores were up 1.03 percent month-over-month, and up 0.61 percent year-over-year. Online and other non-store sales were up 0.8 percent month-over-month seasonally adjusted and up 26.27 percent year-over-year.

Source: sourcingjournal.com– Dec 13, 2023

HOME

****

Australia's business confidence plummets in November 2023

Australia saw a notable softening in both the economic outlook and activity in November, according to the latest National Australia Bank (NAB) Monthly Business Survey. Business confidence has experienced a significant downturn, reaching its lowest level since 2012, excluding the COVID period. This decline marks the second consecutive month of falling confidence, particularly pronounced in consumer-focused sectors like retail, which saw further decline amid increasing interest rates.

Business conditions also witnessed a downturn, dropping to their lowest point since early 2022. Although these conditions remain above the long-term average, they have significantly receded from their mid-2022 peak. The current stability in business conditions is primarily supported by robust employment numbers, with trading and profitability hovering close to their long-term averages, as per the survey.

Business conditions fell by four points to 9 index points, still above the long-run average. Trading conditions dropped by six points to 13 index points, and profitability decreased by six points to 6 index points, while employment maintained its level at 8 index points.

Forward orders have also softened, aligning with the declining business confidence, suggesting an anticipation of further weakening conditions. However, capacity utilisation remains high, continuing to contribute to elevated price pressures. Both input cost and output price inflation remain high, reflecting ongoing economic challenges. A significant drop in business confidence was recorded, falling six points to minus 9 index points. Most industries witnessed declines, including a sharp 16-point fall in the retail sector.

The stability in conditions and confidence observed through mid-2023 has been disrupted, pointing to an unlikely improvement in growth for the fourth quarter from the weak results seen in the third quarter's national accounts. The survey concludes that while slower growth is expected to eventually lead to reduced inflation pressure, this easing will lag behind the overall economic activity.

Source: fibre2fashion.com– Dec 14, 2023

HOME

****

Vietnam: VIATT 2024 key to navigating Vietnam's rapidly growing textile sector

Vietnam is poised to showcase its burgeoning textile industry at the first-ever Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies (VIATT), scheduled for February 28 to March 1, 2024. The VIATT will be held at the Saigon Exhibition and Convention Center (SECC) and aims to offer a comprehensive platform covering three main product sectors: apparel fabrics, yarns and fibres, and garments; home textiles; as well as technical textiles and nonwovens, textile processing, and printing technology.

As the world's third largest textile exporter, Vietnam is broadening its horizons beyond apparel production, embracing advancements in other textile sub-sectors. This event marks a significant milestone for Vietnam, providing a unique opportunity for industry leaders to connect and explore the dynamic Vietnamese market, the fair's organisers Messe Frankfurt and the Vietnam Trade Promotion Agency (VIETRADE) said in a press release.

"Despite a tough business environment globally, many companies in our industry have recorded a healthy growth in sales. During productive conversations with exhibitors at recent fairs, I sensed a strong belief in the wider textile sector's prospects, especially in certain geographic hotspots. Multiple suppliers demonstrated concrete interest in showcasing at VIATT next year, and were eager for this unprecedented opportunity to grow their businesses in the Vietnamese market," said Wilmet Shea, general manager of Messe Frankfurt (HK) Ltd.

In line with the industry's anticipation, the country was identified as the ideal location for ASEAN's new comprehensive textile platform for several key reasons. Vietnam's pro-business policies, strategic geographical location, abundant labour force, and favourable trade agreements have contributed to its rise as a global textile manufacturing hub. Agreements such as the Regional Comprehensive Economic Partnership (RCEP); the Indo-Pacific Economic Framework for Prosperity (IPEF); and 15 free trade agreements (FTAs) covering over 60 countries and regions, will further enable participants from across the value chain to conduct cross-border business after connecting at next year's show.

In addition, several key travel initiatives that serve international players have been implemented, including the country's APEC Business Travel Card programme, availability of e-visas to all nationalities, and visa-free travel for select countries.

In Vietnam's home textile segment, rising urbanisation, emerging young consumers, and higher disposable incomes are interrelated factors driving growth. Globally, three of the top trends include recycling; utilising green fibres; and the increasing use of technical fabrics for enhanced comfort and health. At the fair, confirmed home textiles exhibitors include Hanyang Eco Tex, Hohmann GmbH, Phuong Nam Feather, and SIGMA, set to showcase their most up-to-date products, covering bedding, upholstery fabrics, curtain, and sun protection.

Utilised for automobiles, civil aviation, construction, health care, and more, Vietnam's exports of technical textiles reached $676.6 million for the first nine months of 2022, up 17.1 per cent compared to the same period in 2021. This in turn bodes well for the country's import prospects of quality machinery and equipment. Hoping to cater to domestic demand at VIATT 2024, international suppliers in this category include Julai, SIGMA, and Skwentex.

Meanwhile, apparel-related products make up the lion's share of the country's textile exports. According to Vietnam Textile & Apparel Association (VITAS), in 2022, these numbered $29.1 billion. From Ho Chi Minh to Hanoi, numerous international fashion brands have a manufacturing presence, including Adidas, H&M, Lacoste, Lululemon, Nike, The North Face, Uniqlo, and many more.

At next year's fair, exhibitors such as Avery Dennison, Lenzing, Stylem Takisada-Osaka, and Texwinca, will aim to draw the attention of apparel brands and a wide range of other domestic and international buyers.

Source: fibre2fashion.com– Dec 13, 2023

HOME

****

Bangladesh Apparel Exchange and Fashion for Good ignite circular fashion revolution

In a groundbreaking initiative, the Bangladesh Apparel Exchange, in collaboration with Fashion for Good, hosted the "Chemical Recycling Technologies: Manufacturing Markets Gateway" on December 7th and 8th. Positioned as one of the world's foremost garment manufacturing nations, Bangladesh served as the ideal backdrop for this transformative event.

Amsterdam-based Fashion for Good, in conjunction with pioneering technology start-ups Circ and Infinited Fiber Company, spearheaded the exploration of textile-to-textile chemical recycling.

The two-day event, held in the heart of Bangladesh's garment production hub, aimed to underscore the potential of chemical recycling technologies in bolstering environmental sustainability within the industry. By promoting the concept of circularity, the initiative sought to raise awareness about disruptive innovations capable of reshaping waste and resource management practices.

The focus extended to integrating these technologies into the local manufacturing landscape, fostering feedstock partnerships, and establishing a robust value chain for recycled apparel materials.

Key players, including Denim Asia Limited, Knit Asia Limited, Progress Apparels Limited, Ananta BD, Reverse Resources, and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), played pivotal roles. Notably, Knit Asia Ltd and Denim Asia showcased their commitment to sustainable practices, aligning with the ethos of the event. Progress Apparels Limited demonstrated advanced sustainable production facilities, further highlighting the industry's progressive strides.

The event featured a "Meet and Greet Networking Session" hosted by Reverse Resources and BGMEA, enhancing awareness about cutting-edge technologies in the sector. Mostafiz Uddin, Founder and CEO of Bangladesh Apparel Exchange, emphasized the event's significance for the nation's textile industry, positioning it as a crucial step toward a circular fashion ecosystem and a more sustainable future for the fashion industry in Bangladesh.

With interactive sessions, factory visits, and knowledge sharing, the initiative provided a dynamic platform for collaborations between manufacturers and technology innovators.

Bangladesh Apparel Exchange and Fashion for Good envision a future where Bangladesh emerges as a global leader in sustainable and circular apparel manufacturing.

Source: fashionatingworld.com– Dec 14, 2023

HOME

****

Bangladesh: BGMEA emphasises bright trade prospects in strengthened US-Bangla partnership

BGMEA President Faruque Hassan recently advocated for duty-free access for garments made from US-imported cotton, foreseeing a boost in trade relations and a win-win scenario benefiting Bangladeshi exporters and US cotton stakeholders.

Emphasising Bangladesh's significant role as the world's second-largest cotton-importing nation, Hassan highlighted the strategic importance of such collaborations for mutual economic growth.

Speaking at an event organized by Cotton USA in Dhaka, he expressed optimism about closer cooperation fostering increased trade benefits between Bangladesh and the United States, particularly in the promising cotton sector.

The event, held in observance of Cotton Day, featured addresses from various key figures, including Peter D. Haas, the US Ambassador to Bangladesh, and representatives from Cotton Council International and the Bangladesh Textile Mills Association.

Source: apparelresources.com– Dec 13, 2023

HOME

****

NATIONAL NEWS

'India-UK FTA will give level playing field to exporters'

India-UK free trade agreement (FTA) will give a level playing field to Indian textile exporters and boost exports as heavy duties levied by the UK is a challenge for Indian exporters, said Rajeev Saxena, joint secretary, ministry of textiles on Wednesday.

"Indian exporters are facing challenges specially from Europe because they have to pay heavy duties as compared to Bangladesh and Vietnam.

These competing countries have an advantage over India. The India-UK FTA will give a level playing field to Indian exporters and will help exports grow significantly from India," said Saxena on the sidelines of an event in Indore.

The negotiations over the FTA between India and the UK are still ongoing with the trade segment hoping for a quick signing off on the agreement that will give an easy and greater access to players to each other's markets. Saxena was in the city to participate in roadshow for Bharat Tex 2024, the first edition of the global textile expo to be held in New Delhi from February 26-29, 2024 and organised by a consortium of 11 textile export promotion councils and supported by the ministry of textiles with an aim to promote Indian textile industry and showcase the entire value chain of the sector to the world.

"India will aim to achieve $100 billion exports in textiles by 2030 and the growth is expected to come from the sunrise and traditional segment. The traditional India textile sector like handloom and handicraft are very much admired outside India," said Saxena.

He said, the technical textile is a sunrise sector and a special scheme has been launched by the National Technical Textile Mission to support startups where grants of up to Rs 50 lakh is given to young entrepreneurs. "Technical textiles are high value items and have a lot of potential in India as it covers everything right from infra to health. Much research work is done and prototypes are developed but they are not commercialised. Young entrepreneurs can seek help from the government of India and can develop products and markets in the world," said Saxena.

He said, Madhya Pradesh is an important destination for textile and considering its importance, the government of India has sanctioned the PM Mitra Park in Dhar.

“PM Mitra Park in Madhya Pradesh will scale up the economy and the entire value chain can be consolidated and logistics cost could be reduced. MP has strength in spinning, manufacturing sector, handlooms, handicraft and has good availability of skilled labourer in textile,” said Saxena.

Source: timesofindia.com – Dec 14, 2023

HOME

****

Union Minister Piyush Goyal discusses progress of FTA negotiations during meeting with EFTA delegation

Union Commerce and Industry Minister Piyush Goyal held a meeting with the European Free Trade Association (EFTA) delegation led by Swiss State Secretary for Economic Affairs, Helene Budliger Artieda, and Norwegian Minister of Trade and Industry, Jan Christian Vestre, on Wednesday.

"Held a meeting with the European Free Trade Association (EFTA) delegation, led by Ms. Helene Budliger Artieda, Swiss State Secretary for Economic Affairs and Mr. Jan Christian Vestre, Norwegian Minister of Trade and Industry," the union minister said in a post on 'X'.

During the meeting, Goyal discussed the progress of Free Trade Agreement (FTA) negotiations with EFTA nations and explored avenues to further strengthen partnerships across key sectors.

Recently, Piyush Goyal concluded a "highly successful" meeting with a delegation from the EFTA, led by the Swiss State Secretary for Economic Affairs, Helene Budliger Artieda.

The meeting took place in London from July 11 to July 12. Helene Budliger Artieda was also accompanied by industry stakeholders from the pharmaceutical, machinery and electronics industries of the EFTA states. The deliberations between Minister Piyush Goyal and State Secretary Helene Budliger Artieda "were fruitful and detailed discussions on crucial issues, with the shared goal of swiftly concluding" the Trade and Economic Partnership Agreement (TEPA) negotiations, the commerce ministry said in a release.

The primary objective of these negotiations is to establish a "fair, mutually beneficial, and comprehensive" trade deal between India and EFTA.

Over the past few months, India and EFTA have significantly intensified their engagement, highlighting the commitment of both parties to achieving an early conclusion to the TEPA negotiations.

The commerce ministry's release added that the meeting in London further bolstered this commitment, with both sides demonstrating a strong willingness to progress towards a final agreement.

Minister Piyush Goyal expressed his satisfaction with the progress made during the meeting, highlighting the constructive and collaborative nature of the discussions. He emphasised the importance of a comprehensive trade deal that addresses the needs and aspirations of both India and EFTA.

Source: economictimes.com – Dec 13, 2023

HOME

****

Govt likely to come out with logistics cost estimate framework on Thursday

The government is expected to release a framework to assess the logistics cost in the country to get a realistic estimate tomorrow, an official has said. At present, the government is going by certain estimates, suggesting India's logistics cost stands at about 13-14 per cent of the country's GDP (gross domestic product).

Sumita Dawra, Special Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT), had earlier stated that the government is coming out with its logistics cost framework.

The framework would include elements of this cost and how to measure that.

Acknowledging the necessity for targeted policy interventions, a report containing baseline aggregated logistics cost estimates; and a framework for long-term logistics cost calculation is now ready and has been reviewed by external experts from the World Bank, the official said.

"This comprehensive report is scheduled for the launch on December 14," the official added.

The objective of this endeavour extends beyond global benchmarking, aiming for policy-making, identifying challenges in the logistics ecosystem, devising targeted interventions, optimising costs, enhancing sector efficiency, and ultimately boosting India's global competitiveness. The official said that the report titled "Logistics Costs in India: Assessment and Long-Term Framework" will be released on December 14.

This was one of the targets under the National Logistics Policy, released in September last year.

Globally, there are different methodologies to calculate logistics costs at a macroeconomy level.

Capturing origin-destination (O-D) pair-wise, commodity-wise, geography geography-wise data is critical for accurate estimations.

However, the current available non-official estimates of logistics costs (8 to 13 per cent of the GDP) lack a conclusive and scientific calculation framework.

To align India's logistics costs with global benchmarks by 2030, a need was felt to develop a scientific logistics cost calculation framework, which is inclusive and stands the test of various statistical and data-based methods and then collect the data (primary and secondary) for analysis.

For this purpose, the secondary data sources published by the Ministry of Statistics and Programme Implementation (MoSPI), such as Supply Use Tables, and National Accounts Statistics, were used.

The Logistics Division of the Commerce and Industry Ministry has been actively engaging with national and international stakeholders, including academia and experts, to arrive at a robust and comprehensive framework.

In view of this, a Logistics Cost workshop was organised by DPIIT in collaboration with ADB on March 20 this year. The emphasis was on convening leading experts worldwide with expertise in relevant areas to learn from international best practices for estimating logistics costs and charting out the way ahead.

As a way ahead, a task force was constituted. This task force is dedicated to developing a comprehensive framework for estimating logistics costs, including parameters/variables, data sources, approach, model for logistics cost calculation, and agencies to be onboarded.

The task force convened multiple meetings from March to September 2023, during which they identified the essential components of logistics cost estimation, along with secondary data sources, including transportation cost; warehousing and storage cost; auxiliary support services cost; packaging cost, insurance cost; and other administrative / operations cost.

Logistics cost plays a key role in facilitating trade and enhancing the competitiveness of traders.

Source: economictimes.com– Dec 13, 2023

HOME

****

Manufacturing sector expected to reach $1 trn by 2025-26 led by Gujarat

The Indian manufacturing sector is experiencing a surge in investments, marking a significant milestone in the nation's economic landscape. According to a report by Colliers, this has poised India's manufacturing market to reach $1 trillion by 2025-26, with Gujarat becoming India's manufacturing powerhouse, followed by Maharashtra, then Tamil Nadu.

FDI boom and 'Make in India' initiative driving growth

India's manufacturing sector has experienced remarkable growth with Foreign Direct Investment (FDI) hitting $17.51 billion in the financial year 2020-21 alone. This showcases the heightened global investor confidence. This success can be attributed to the government's "Make in India" initiative to foster domestic manufacturing, as well as policies such as the production-linked incentive (PLI) scheme. PLI schemes have helped incentivise various manufacturing industries, including automobiles, electronics, and textiles.

Initiatives like the Bharatmala Pariyojana Project, the proposed DESH Bill, and the National Logistics Policy, have also helped enhance opportunities in the industrial market.

Contributing around 17 per cent to the GDP, the manufacturing sector is poised to grow to 21 per cent in the next 6-7 years, showcasing India's potential to strengthen its position in global supply chains.

Explaining the impact of government policies on FDI, Swapnil Anil, the executive director & head, advisory services at Colliers India says, "Indian states offer a myriad of advantages to industrial players, including incentives, subsidies, robust infrastructure, and essential utilities.

These companies also assess critical factors such as Ease of Doing Business, government policies, economic conditions, pricing, labor availability, regulatory environment, supply chain efficiency, proximity to transport nodes, and raw material accessibility when considering entry into the Indian market."

Automobile, electronics and textiles leading in manufacturing

India's manufacturing sector is witnessing an influx of capital investment and increased merger and acquisition activity. The manufacturing Gross Value Added (GVA) at current prices reached an estimated $ 110.48 billion in the first quarter of FY24. High investment has been witnessed in the automobile, electronics, and textile sectors, which show promising growth.

India's automotive sector has attracted interest from global players like Tesla and Ford, reflecting India's growing prominence in the global supply chain. Additionally, investments in electronics manufacturing witnessed a surge, especially in smartphones, with major players like Apple's contract manufacturers establishing local assembly units, aligning with India's competitive advantages.

Textiles and garment manufacturing sectors experience increased investment, with global brands reconsidering sourcing strategies and investing in Indian units.

Gujarat: Top regions for industrial investment

A detailed study by Colliers ranks Gujarat as the top state for industrial investment, followed by Maharashtra and Tamil Nadu. Factors include labour availability, government support, infrastructure, and financial offerings.

Toyota is set to invest around Rs 3,300 crore for a new plant, which may be operational by 2026. The Gujarat government has also granted a sizable 160,000 sq mtrs of prime land in Sanand, near Ahmedabad, for the establishment of an innovative concentrate manufacturing facility by the Coca-Cola company. Moreover, Gujarat signed three MoUs worth Rs 3,000 crore in October for textile, industrial park, engineering, including auto sector.

Due to the robust policies, subsidies, and incentives offered by the state government, Maharashtra ranks second after Gujarat. The state has the highest FDI inflow, industry GDP share, lower unemployment rate, and all major businesses have a presence in Maharashtra. Maharashtra has 21 MoUs worth Rs 88,420 crore in manufacturing, making it the state with the highest number of MoUs in the sector.

Tamil Nadu ranks third due to its combination of favourable labour policies and affordable labour. Tamil Nadu also has the right policies, subsidies, and incentives for the industries. Tamil Nadu has signed a total 79 MoUs in FY23 worth Rs 1,65,748 crore, which will generate 9,000 jobs.

Emerging sectors in Indian manufacturing

The Colliers report notes that among emerging sectors, semiconductors, agri tech, and waste management show promise. Within waste management, e-waste is particularly garnering attention.

Advanced technologies, sustainable practices, Industry 4.0, local manufacturing focus, AI integration, 3D printing adoption, and IoT-driven processes are among emerging themes in India's manufacturing sector.

Source: business-standard.com– Dec 13, 2023

HOME

****

RoDTEP: U.S., EU slap countervailing duties on four Indian goods

The U.S. and the European Union have now imposed countervailing duties (CVD) on four Indian products, as a retaliation against the Remission of Duties and Taxes on Export Products (RoDTEP) scheme introduced for outbound shipments in January 2021.

The products for which countervailing investigations have been conducted and a final determination of CVD has been made include paper file folders, common alloy aluminum sheet and forged steel fluid end blocks by the U.S. and certain graphite electrode systems by the European Commission (EC), Minister of State for Commerce and Industry Anupriya Patel said on Wednesday.

“The Indian government and the affected exporters have strongly defended the subsidy allegation against various programs & schemes of the government, both at Central & State level, in their written and oral responses during the conduct of investigations,” she noted.

Source: thehindu.com– Dec 13, 2023

HOME

****

Centre revives plan to simplify GST rates

In a clear signal that the GST rate rationalisation exercise is back on the Centre's agenda after being in deep freeze, the government has reconstituted the ministerial group of the GST Council that was tasked with recommending the simplification of the complex tax structure and a rejig of its multiple rates.

The group of ministers (GoM) on GST rate rationalisation, which was headed by former Karnataka CM Basavaraj Bommai since its formation in 2021, had been in suspended animation since the BJP's loss in the State's assembly elections this May.

Top revenue officials had indicated in early 2023 that the GST rates' rejig and simplification, long-awaited by the industry, was off the table for a while. Karnataka's revenue minister Krishna Byre Gowda has been included in the reconstituted ministerial group, but the convenor's role for the seven-member GoM has now been assigned to Uttar Pradesh Finance Minister Suresh Kumar Khanna.

While there are four main GST rate slabs of 5%, 12%, 18% and 28%, there are about a dozen different rates in practice, while some goods attract a zero rate. This is further complicated as some items whose tax rates depend on their packaging, like specified food products, or selling prices, for instance, in the case of footwear and hotel rooms.

Long pending demand

Tax experts and industry captains have been urging the government to restart the stalled rate rationalisation plan, especially as GST revenues have stabilised at a healthy ₹1.6 lakh crore-plus level in recent months.

"I think the ministerial group's reconstitution indicates that the GST rate restructuring and simplification agenda are back on policy makers' radar," said Sacchidananda Mukherjee, professor at the National Institute of

Public Finance and Policy. “Too many tax rates lead to tremendous compliance-related problems,” he further added.

“The government also understands the need to simplify the rate structure so that price-based tax setting goes away and the multiple rates are reduced for ease of tax compliance for industry as well as the Revenue Department, while giving investors more certainty,” he averred.

The GoM, whose terms of reference remain unchanged, may also make recommendations on the future of the GST Compensation Cess.

At its last meeting in October, the GST Council initiated parleys on a “perspective plan” to impose a cess or surcharge on top of GST levies after March 2026, when the GST Compensation Cess is due to expire.

Last week, Confederation of Indian Industry president R. Dinesh told The Hindu that it was time to simplify the GST rates to a three-slab structure to make it easier to do business and reduce litigations arising from classification disputes. He also called for a review of the GST Compensation Cess.

Source: thehindu.com– Dec 13, 2023

HOME

****

Maharashtra announces 'study group' on power looms, to make changes in new textile policy

NAGPUR: The Maharashtra government on Wednesday announced to set up a study group dedicated to addressing issues within the power loom industry in the state.

The group's primary objective is to propose modifications to the recently launched textile policy, specifically tailored to benefit the power loom sector.

Textile minister Chandrakant Patil unveiled this initiative in response to an attention motion presented by Samajwadi Party MLA Rais Shaikh from Bhiwandi (East).

Patil affirmed that the study group would include Shaikh and emphasized its commitment to understanding and addressing the concerns of power loom operators.

Acknowledging the substantial employment contribution of power looms in Maharashtra, particularly in centers like Ichalkaranji, Malegaon, and Bhiwandi, Patil emphasized the need for enhanced support for the industry. He highlighted the collaborative process involved in drafting the textile policy, incorporating input from various stakeholders.

However, in response to Shaikh's concerns that power loom operators were not adequately considered, the government opted to establish a study group. Patil underlined the involvement of key stakeholders and elected representatives from power loom hubs in this initiative.

Patil further outlined the study group's mandate, indicating that resources would be allocated for visits to power loom centers, allowing the group to compile a comprehensive proposal.

In addition, he announced the distribution of 24 lakh sarees exclusively produced in Maharashtra's power looms to women below the poverty line. Patil addressed Shaikh's concerns about power subsidies, assuring that the issue would be raised with the Energy Minister and Finance Minister.

In response, Shaikh expressed gratitude for the government's recognition of power looms in the textile policy and the establishment of the study group. He welcomed the inclusion of power loom cloth products in the saree distribution scheme and urged for reservations akin to those for handlooms. Additionally, Shaikh highlighted Patil's assurance regarding pending subsidy-related files for power loom operators.

Patil's written response provided a comprehensive overview of the power loom landscape in Maharashtra, citing approximately 12,70,000 looms in the state. He emphasized the sector's significance in terms of employment, revenue generation, and its role as the second-largest employment generator after agriculture in the country. Patil also referenced the Integrated and Sustainable Textile Policy 2023-28, aiming to attract investment and create employment opportunities over the next five years, with specific incentives outlined for the handloom sector.

Source: timesofindia.com– Dec 13, 2023

HOME

****

Ten spinning mills register for Soucery's 'Direct-to-Grower' program

Ten prominent spinning mills and vertically integrated manufacturers in the apparel, denim, and home textiles sectors have enlisted as Provisional Partners for Sourcery's innovative Direct-to-Grower program. Boasting a collective capacity exceeding 400,000 spindles, these mills were chosen from a pool of 100 applicants based on their unwavering commitment to quality, transparency, and trade efficiency.

Sourcery's Direct-to-Grower™ Program offers mills a platform to stimulate demand for yarns and fabrics, all without imposing any commissions. Furthermore, it facilitates a streamlined and transparent process for acquiring fibers from Grower Partners.

Prior to full integration into the Direct-to-Grower™ Program, these companies will undergo a comprehensive year-long training program. Once they achieve full manufacturing partner status, they will progress to the program's second phase known as the 'Impact and Assurance Program.' In this phase, the utilization of primary data from individual growers will be a pivotal step, aiming to make the cotton trade entirely transparent and authentic.

Source: fashionatingworld.com– Dec 14, 2023

HOME

****