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USD	EUR	GBP	JPY
83.31	91.99	106.06	0.58

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INTERNATIONAL NEWS

China’s annual cotton production declines by 6.1% in 2023: NBS

Unfavorable weather conditions in the major producing regions led to China's annual cotton production declining by 6.1 per cent to 5.618 million tonne in 2023, shows data from the National Bureau of Statistics (NBS).

China’s total area under cotton cultivation declined by 7.1 per cent during the year to 2.7881 million hectare. Meanwhile, the national average output per hectare increased by 1.1 percent.

Wang Guirong, Official, NBS, says, unsatisfactory weather conditions such as lower temperatures and more rainfall in spring alongwith long-lasting heatweaves were the main reasons behind the decline in per hectare cotton production in China.

However, production in the Yangtze River basin increased per hectare due to a low foundation caused by persistent high temperatures and droughts last year.

The total area under cotton cultivation along the Yellow River also increased per hectare output due to improved management, adds Wang.

Source: fashionatingworld.com– Dec 26, 2023

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Italy records 54% rise in silk yarn imports in September 2023

Italy’s silk yarn imports increased by 54 per cent to $16 million in September 2023, As per IndexBox estimates, the volume of these imports surged by 47 per cent to 192 tons million during the month. From September 2022-2023, Italy’s silk yarn imports rose by 1.8 per cent in value.

In September 2023, Italy’s silk yarn imports from Romania totaled 125 tons and constituted 65 per cent of its total imports. From September 2022 to September 2023, imports from Romania grew by 3.3 per cent on a monthly basis while imports from China reported a negative growth of -4.2 per cent and from Vietnam imports by -2.3 per cent M-o-M.

Italy’s silk yarn imports from Romania grew to $11 million in September 2023. It comprised 69 per cent of the country’s total imports. Imports from China totaled $3.3 million and constituted 21 per cent share of total imports.

From September 2022 to September 2023, the value of Italy’s silk yarn imports from Romania grew to 4.7 per cent on a monthly basis, Imports from China grew by -3.8 per cent M-o-M while that from Vietnam grew by -2.4 per cent M-o-M.

Source: fashionatingworld.com– Dec 26, 2023

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Germany sees a significant drop in import prices in Nov

Germany's import prices have markedly decreased by 9.0 per cent in November 2023 compared to the same month last year, continuing a downward trend observed in recent months, as per the Federal Statistical Office (Destatis). This decline is notably sharper than the 13.0 per cent and 14.3 per cent year-on-year decreases observed in October and September 2023, respectively.

Energy costs have significantly influenced this trend, with a substantial 31.7 per cent drop in energy imports in November 2023 compared to the previous year, driven mainly by a 47.0 per cent decrease in natural gas prices. Despite the year-on-year decline, some energy commodities like natural gas, electricity, and hard coal saw a slight increase in prices from October to November 2023.

Excluding energy, import prices were still 2.9 per cent lower than in November 2022, highlighting broader deflationary trends beyond just energy commodities, Destatis said in a press release.

Export prices have also fallen, with a 2.2 per cent decrease in November 2023 compared to the previous year. The decline was reflected across several categories, including energy, agricultural products, and intermediate goods, although there was a slight increase in prices for capital goods and consumer goods.

Source: fibre2fashion.com– Dec 26, 2023

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Turkiye's retail trade confidence rebounds in December

Turkiye's retail trade confidence index saw an upturn, growing by 4.5 per cent to 116.8 in December, counteracting the 1.9 per cent fall in November, as per the Turkish Statistical Institute Turkstat.

A notable increase was observed in business activity-sales in retail trade over the past three months, which jumped by 9.9 per cent to 127.9 in December, a rebound from the 3.3 per cent decline in November.

Current volume of stock marginally decreased by 0.9 per cent to 94.6 in December, after no change in November. The business activity-sales expectation over the next three months increased by 3.7 per cent to 127.9 in December, following a 2.1 per cent fall in November, according to Turkstat.

Moreover, seasonally adjusted confidence index of the services sector increased by 1.2 per cent that of the construction sector decreased by 3.3 per cent in December compared to the previous month.

Source: fibre2fashion.com– Dec 27, 2023

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German employment barometer climbs, manufacturing industry cautious

The ifo Employment Barometer for Germany has seen an uptick in December, reaching 96.5 points, a rise from the 95.9 points recorded in November. Contrastingly, the manufacturing sector experienced a decline in the barometer after only a short-lived increase, as companies plan to operate with a leaner workforce due to a shortfall in orders.

The ifo Employment Barometer, which has been tracking employment trends since January 2002, shows data for Germany with the index set at 100 in 2015, seasonally adjusted. Manufacturing hit -13.6 per cent on the barometer in December from -12.4 in November.

Despite a rise in the barometer for trade from -9.4 in November to -7.6 in December, the likelihood of new hires remained low, ifo said in a press release.

"At the moment, service providers in particular are looking for new staff," said Klaus Wohlrabe, head of surveys at ifo. "In manufacturing, however, a lack of orders is leading companies to be rather cautious."

Source: fibre2fashion.com– Dec 26, 2023

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Japan's nominal GDP per capita lowest among G7 countries

In 2022, nominal gross domestic product (GDP) per capita in Japan was at $34,064, which was the lowest among the Group of Seven (G7) advanced economies. The G7 consists of the UK, Canada, Germany, France, Italy, Japan, and the United States plus the European Union.

It was for the first time since 2008 that Japan's nominal GDP per capita was the lowest among G7, the Japanese government has said. This shows a relative decline in Japan's economic standing among the advanced economies.

This also points to the impact of weaker Japanese currency against the US dollar. In 2022, the Japanese yen experienced a significant decline against the US dollar, driven by an expanding interest rate disparity between the two countries. This led to multiple interventions by Japanese officials to halt the yen's sharp fall

The dollar's average trading value was notably higher at 131.4 yen in 2022, compared to 109.8 yen in the previous year, as per the Cabinet Office.

Among the 38 members that make up the Organization for Economic Cooperation and Development (OECD), Japan's nominal GDP per capita ranked 21, again a record-low for Japanese economy which continued to be the third largest in 2022.

In 2022, Japan contributed 4.2 per cent to global GDP, a huge decline from 5.1 per cent share in the previous year.

Source: fibre2fashion.com– Dec 26, 2023

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Vietnam aims to increase export turnover by 6% by 2024

The Ministry of Industry and Trade (MoIT) aims to increase total export turnover in 2024 by about 6 per cent compared to 2023 and maintain a trade surplus of about US$15 billion for the ninth consecutive year.

To reach this target next year, it is forecast to face many difficulties and challenges as the export value target in 2023 has not been completed. Specifically, the export value in 2023 is estimated to reach about $355 billion, down 4.5 per cent over the same period last year. It does not reach the planned growth target of 6 per cent.

According to the ministry, along with taking full advantage of existing free trade agreements (FTAs), FTAs with new markets such as Israel and the UAE will create more opportunities to promote trade and investment, especially exports, of Việt Nam in 2024.

Good political relations have been strengthened and upgraded with major partners such as China, the US and the EU, creating a premise for expanding economic, trade and investment cooperation.

Now, a number of Việt Nam's key export industries have set growth targets for 2024.

Trương Văn Cẩm, vice chairman and general secretary of the Vietnam Textile and Apparel Association (VITAS), said that with 2023 export turnover reaching $40.3 billion, the industry sets an export target of 2024 to reach $44 billion, an increase of 9.2 per cent.

The seafood industry sets an export target of $9.5 billion despite predicting that this industry will continue to face many difficulties in 2024, especially the European Commission (EC) maintaining a yellow card warning for exploited seafood products in Việt Nam.

The Ministry of Industry and Trade believes that by 2024, the world and domestic economic situation will have more positive factors for import and export activities. Of which, the US Federal Reserve (FED) has issued a message to stop raising interest rates and consider reducing interest rates in 2024.

However, the ministry has also noted the trend of having more and more trade protection. Some countries bring investment back home, and erect trade barriers to protect and promote their country's production.

Therefore, Nguyễn Cẩm Trang, deputy director of the MoIT's Import-Export Department, emphasised that to achieve the export growth target of 6 per cent next year, the ministry will promote negotiations and signing of new agreements, commitments, and trade links, sign FTAs and trade agreements with other potential partners, such as the UAE and South America, to diversify markets, products and supply chains.

The Import-Export Department will continue to support the businesses to take advantage of commitments in the FTA to boost exports, and shift to official exports associated with brand building.

Trade promotion is one of the important activities to promote export growth.

Therefore, the Department of Trade Promotion in 2024 will exchange and coordinate with localities, industry associations and businesses to evaluate the export situation and support them to develop markets and promote the consumption of goods.

In addition, the Department of Trade Promotion will regularly update policies and changes in standards and conditions of export markets so that businesses and industry associations can understand and have suitable plans and strategies for production and business.

For the textile and garment industry, to achieve the export target of $44 billion, Trương Văn Cẩm said VITAS will promote solutions on market, human resources, science - technology and raise capital, and investment in sustainable development.

The textile and garment industry will continue to diversify its supply of raw materials and accessories as well as expand export markets, by improving marketing capacity and seeking for direct customers, Cẩm said.

Currently, requirements on green and sustainable economic development are gradually forming new rules in the trade. Many economies around the world have set stricter environmental regulations for imported goods. Green export is an inevitable trend, so Việt Nam is not out of this game.

The VITAS representative also hopes support in interest rate will be implemented faster to create favourable conditions for the businesses in expanding production and having more resources for green transformation according to new regulations of the world market.

Meanwhile, Trang proposed the MoIT to have supports for the businesses to overcome new trade barriers in import markets.

The ministry will support for them in the development and implementation of large-scale trade promotion activities for key products and industries in target markets, she said.

Minister of Industry and Trade Nguyễn Hong Diên said that Vietnam trade offices abroad need to provide information about the market and new regulations and policies of the host country. Thereby, they have early warning of new barriers from partners, help State management agencies and the businesses to have appropriate policy responses, and improve efficiency in export activities.

Economic expert Dr Cấn Văn Lực said that in addition to reduced export orders, many businesses face difficulties because the supply chain is still risky and input costs are high. In particular, the trend of greening and circular business is a big challenge for the enterprises.

Therefore, the enterprises need to diversify capital sources, markets, partners, and supply sources. They also need to proactively apply green production, green consumption, and circular business models to improve efficiency in production and export.

Source: vietnamnews.vn– Dec 27, 2023

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Cambodia's trade with RCEP nations surges to over $26.5 bn in Jan-Nov

Cambodia's trade engagements with member nations of the Regional Comprehensive Economic Partnership (RCEP) have seen a significant increase, according to a recent report from the ministry of commerce. In the period from January to November this year, the total trade value with RCEP countries reached over $26.5 billion, marking a substantial portion of Cambodia's overall international trade.

The trade volume accounts for 61 per cent of Cambodia's total international trade, which stands at $43 billion for the same period.

Furthermore, Cambodia's exports to these countries have shown significant growth. Cambodia exported goods worth $7.21 billion to RCEP countries during the January-November period, representing a year-on-year increase of 27.29 per cent compared to last year, according to Cambodian media reports.

Source: fibre2fashion.com– Dec 26, 2023

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Bangladesh’s RMG exports to traditional markets on a decline: EPB

Bangladesh’s RMG exports to traditional markets such as the US, EU and Germany declined in the first five months of FY’23.

Data from the Export Promotion Bureau's (EPB) compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) indicates, Bangladesh’s apparel exports to traditional markets from July-November’24 increased marginally by 2.75 per cent to $18.83 billion from $18.33 billion in the same period of FY23.

Bangladesh RMG exports to the United States during his period declined by 5.76 per cent to $3.27 billion, compared to $3.47 billion of the same period in FY23. Exports to Germany declined by 15.10 per cent to $2.30 billion from $2.71 billion recorded in July-November period of FY23.

In the July-October period of FY24, Bangladesh’s apparel exports to the UK recorded a moderate Y-o-Y growth of 14.61 per cent or $2.25 billion from last year’s $1.96 billion. EPB data stated. Apparel exports to the overall EU market, during the July-November period of FY24, declined by 0.18 per cent to $9.05 billion, down from $9.07 billion in the same period of last fiscal.

Japan, Australia, Russia, India, China, South Korea, UAE, Malaysia, Brazil, Mexico and some other countries are non-traditional export markets for Bangladesh.

Bangladesh’s apparel exports to these non-traditional markets grew by 14.12 per cent Y-o-Y to $3.64 billion from $3.19 billion in the last FY.

Mohiuddin Rubel, Director, BGMEA, says, Bangladesh’s exports to non-traditional markets, especially Australia and Japan, are growing and providing support given the current situation.

Manufacturers are focusing on these markets to offer diversified products that help maintain consistency despite the current global situation.

Source: fashionatingworld.com– Dec 25, 2023

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NATIONAL NEWS

Is our export growth broadbased?

India's GDP is significantly influenced by international trade, with exports and imports combined accounting for over 43.1 per cent of the GDP in 2023. Remarkably, exports account for 20.5 per cent, indicating that one-fifth of the Indian economy is globally competitive and Indian exporters have outperformed global competitors to secure export orders. Can trade, the tail, wag the dog of the Indian economy?

India's trade ecosystem provides signals that can be leveraged to enhance economic growth. Here are the signals from 2023.

Syncing with global factors

The Department of Commerce released November 2023's trade statistics on December 15, 2023.

Using historical data and research, we estimate India's trade for 2023 to dip slightly to approximately $1,609 billion, marking a 2.6 per cent decrease from the previous year. This shift is characterised by a marginal 1 per cent growth in exports, buoyed primarily by a 10.5 per cent surge in services, contrasting with a 5.3 per cent decline in merchandise exports.

India's trade performance mirrors the global trend of a 5 per cent decline (as per Unctad's Global Trade Update). According to China Customs data, it aligns with China's 5.2 per cent drop in merchandise exports during January-November 2023.

Labour-intensive sectors hit

At the product level, the variance was stark. Products that constituted the majority (78 per cent) of India's merchandise exports faced negative growth. Essential products in this category include Engineering Goods, Chemicals, Gems and Jewellery, Readymade Garments, Plastic, Marine Products, Leather, and Tea.

The main reason for the decline is competition from low-cost countries like Bangladesh and Vietnam. The decline happened despite the Rupee depreciating by 6 per cent against the US Dollar between June 2022 and June 2023.

The performers

Products that form 22 per cent of exports — Electronic Goods, Drugs and Pharmaceuticals, Rice, Ceramic Products and Glassware, Meat, Dairy and Poultry Products, Spices, Iron Ore, Fruits and Vegetables, Tobacco, and Coffee — grew.

A major success story was the export of smartphones, where export is expected to double to $14 billion in 2023 over 2022. However, imports of electronic goods continued to grow, including a substantial increase in the import of electronic components.

Services exports shine

Services masked the decline in merchandise exports. In 2023, services exports are set to grow by 10.5 per cent. This growth is led primarily by software and IT services, about 40 per cent, and business services, about 25 per cent of India's service exports.

Business services have benefited from establishing over 1,500 Global Capability Centres (GCCs) by large global firms, employing around 1.3 million people.

However, the key to sustained growth in the services sector lies in diversification, focusing on non-IT sectors such as tourism, healthcare, education, and audio-visual services.

Additionally, there's a pressing need to establish robust systems for accurately capturing service data. This is crucial as discrepancies between Indian data and data from other countries indicate significant variances in many sectors.

FTA factor

India is in the advanced stages of negotiating FTAs with the UK, Oman, and the Indo-Pacific Economic Framework (IPEF). Ongoing negotiations also include the European Free Trade Association (EFTA), European

Union (EU), Eurasian Economic Union (EAEU), Israel, Sri Lanka, and Peru.

The new FTAs include Sustainable Development and Digital Economy, Intellectual Property Rights, Labour, Gender, Micro, Small and Medium Enterprises (MSMEs), Government Procurement, and Competition, which may restrict policy space for domestic regulations.

Trade deficits from most FTA partner countries have increased more than India's global trade deficit in the past decade. Negotiators must focus on obtaining real market access on the ground. A study on gains from the Indian FTAs, implemented so far would be a useful guide for everyone.

WTO ministerial

Not much is expected from MC13, but India must keep guard.

The upcoming 13th Ministerial Conference of the WTO in February 2024 in Abu Dhabi presents India with an opportunity to address critical issues like public stockholding for food security.

The current WTO Agreement on Agriculture (AoA) places restrictions on India's ability to maintain and purchase foodgrains at administered prices, a crucial aspect of ensuring food security for its population. India advocates for a permanent exemption, akin to the "peace clause" temporarily agreed upon at the Bali Ministerial Meeting in 2013.

Other issues of India's concern relate to the pursuit of a Special Safeguard Mechanism (SSM) to protect its farmers from abrupt increases in agricultural imports, the e-commerce moratorium, equitable outcomes in fisheries negotiations, and the reform of the WTO's Dispute Settlement System. The WTO includes newer areas outside of trade and does nothing in any area.

US, EU pressure

In 2023, the US and the EU proposed charging countervailing tariffs on several Indian products on allegations that these products benefited unfairly from Indian government schemes, thereby harming industries in the importing countries.

With increasing trade protections in the EU and the US, such cases are likely to grow, especially with policies like the EU's Carbon Border Adjustment Mechanism (CBAM) potentially imposing additional 20-35 per cent additional tariffs. India must take countermeasures. The US and EU implement many WTO non-compatible subsidies to their industries and agriculture sectors.

Set up exchanges for exports in local currencies. The local currency trading could reduce trade transaction costs by 2-3 per cent. Government fixed rates in the long past have resulted in manipulation.

E-commerce exports will increase with simplified procedures. Without significant simplification, most e-commerce trade is likely to be import-driven.

2024 may be tough on trade but there is silver lining. The WTO projects a 3.3 per cent increase in global trade in goods but UNCTAD, IMF, and the World Bank do not agree.

Given India's relatively small share in world trade (around 2 per cent), focusing on labour-intensive sectors, diversifying services and not losing policy space through FTAs could significantly increase trade performance. The action plan should consider predictions that by 2030, India's GDP will exceed Japan's, opening up many local and international growth opportunities.

Source: thehindubusinessline.com – Dec 26, 2023

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India, Russia discuss ₹-Ruble trade

New Delhi: External Affairs Minister S Jaishankar and Russian Deputy Prime Minister, who is also the Minister of Industry and Trade, Denis Manturov, met in Moscow on Tuesday to discuss expanding economic partnership, including smoothening mechanism for trade in national currencies and increasing Indian exports and investments in Russia.

On the occasion, New Delhi and Moscow signed a pact for additional units at the Kudankulam Nuclear Power Project besides pacts for and in areas of medicines, pharmaceutical substances and medical devices.

Jaishankar met Manturov on day two of his five-day visit to Russia on the eve of his meeting with his Russian counterpart Sergey Lavrov. Considerable focus was given to connectivity initiatives and India's presence in the Russian Far East at the Manturov-Jaishankar meet.

The two ministers held wide-ranging discussions on measures to boost business and trade partnership including increasing Indian investments in Russia to meet growing demands across sectors in the backdrop of sanctions, it has been learnt. This was the second meeting between Manturov and Jaishankar this year. The Russian DPM had travelled to India earlier this year.

On Tuesday, the two ministers also explored the early conclusion of FTA between India and Eurasian Economic Union (EAEU). Iran recently concluded a full FTA with the EAEU.

Taking to X Jaishankar wrote, "A comprehensive and productive meeting with Deputy Prime Minister Denis Manturov of Russia on our bilateral economic cooperation. Noted the significant progress in trade, finance, connectivity, energy, civil aviation and nuclear domains."

"Appreciated the greater focus on exploring new opportunities. Discussed making our cooperation more balanced and sustainable in different dimensions. Finalized the program of cooperation on the Russian Far East. Expect to hold an early meeting of EaEU-India FTA negotiators. Will jointly organize connectivity events across land and maritime corridors," Jaishankar wrote on X announcing outcomes of the meeting.

India and Russia trade has reached unprecedented levels over the past two years. Since the start of the Ukraine conflict, Rupee-Ruble trade has faced obstacles due to accumulation of Indian currency by the Russian side in India. While Russia has started investing in India from the accumulated rupee, it is seeking an increase in Indian investments across sectors.

However, the process has smoothened to an extent over the last few months. Attempts are also being made to smoothen the payment transfer mechanism which was impacted by sanctions after the Russian invasion of Ukraine in 2022. Russia is seeking India's green signal in implementing the Rupay-Mir card and a link between Russian online financial transfer system and India's system.

Russian President Vladimir Putin recently pitched for use of more national currencies in India-Russia bilateral trade and called for ensuring smoother financial transactions between the two countries without any obstacles.

Putin had also called for increasing mutual investments in pharmacy, manufacturing and industry, and referred to the sharp increase in India-Russia bilateral trade since 2022 and hailed India's energy purchases from Russia despite external pressure.

Meanwhile, announcing Jaishankar-Lavrov meeting in Moscow on Wednesday, the Russian foreign ministry stated that the foreign ministers of Russia and India will focus on current and prospective areas of bilateral cooperation, as well as discuss the schedule of upcoming contacts.

The main emphasis will be on assisting in the further development of sustainable transport and logistics, and banking and financial chains, as well as expanding the use of national currencies in mutual settlements. Issues related to cooperation in high-tech areas, including space and nuclear, and joint projects for the development of hydrocarbons in the Arctic shelf and the Russian Far East, are also planned to be addressed.

They will discuss the priorities of Russia's chairmanship in BRICS in the coming year. An in-depth exchange of views is expected on the formation of a just security architecture in the Asia-Pacific region, the situations in Ukraine and Afghanistan, as well as the Palestinian-Israeli confrontation, according to the Russian foreign ministry statement.

Moscow and New Delhi are committed to multipolarity as an essential factor in maintaining balance in the world order that has emerged over the past decades. Russia supports Global South countries in defending political and economic sovereignty, the statement affirmed.

Source: economictimes.com – Dec 26, 2023

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India, Oman free trade agreement likely to be inked next month: Official

New Delhi, The negotiations for the proposed free trade agreement (FTA) between India and Oman are moving at a fast pace and the pact is likely to be signed next month, a senior government official said. Officials of the two countries concluded the second round of talks for the pact, officially dubbed as Comprehensive Economic Partnership Agreement (CEPA) earlier this month in Muscat.

"With Oman, there is a very good progress and both sides are very eager to conclude this deal. It may be signed in January 2024," the official said.

The negotiations on the text of most of the chapters have been concluded by both sides.

Oman is India's third-largest export destination among the Gulf Cooperation Council (GCC) countries. The pact would help increase exports from India post the free trade agreement, as currently over 80 per cent of its goods enter Oman at an average 5 per cent import duties, and there are not many trade barriers.

According to think tank GTRI's (Global Trade Research Initiative) report, Indian goods worth USD 3.7 billion such as gasoline, iron and steel, electronics, and machinery will get a significant boost in Oman, once both sides reach a comprehensive free trade agreement.

Export sectors which could get a boost in Oman include motor gasoline (exports worth USD 1.7 billion), iron and steel products (exports worth USD 235 million), electronics (USD 135 million), machinery (USD 125 million), textiles (USD 110 million), plastics (USD 64 million), boneless meat (USD 50 million), essential oils (USD 47 million), and motor cars (USD 28 million), will benefit from duty elimination, the report has stated. India has implemented a trade agreement with the UAE also in May 2022. Both Oman and UAE are members of the Gulf Cooperation Council (GCC). "Oman's GDP is about USD 115 billion and its population is 5 million.

Oman's higher per capita income (USD 25,060) compared to India's (USD 2,370) could mean a demand for more diversified and possibly higher-value goods and services in Oman, which India could aim to supply," GTRI Co-Founder Ajay Srivastava has said.

The bilateral trade stood at USD 12.39 billion in 2022-23. India's exports have increased from USD 2.25 billion in 2018-19 to USD 4.48 billion in 2022-23. Imports from the Gulf nation were USD 8 billion in the last fiscal.

Source: economictimes.com – Dec 26, 2023

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2023 Year End Review for Department for Promotion of Industry and Internal Trade

Production Linked Incentive (PLI) Scheme

Keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) Schemes for 14 key sectors were announced with an outlay of Rs. 1.97 lakh crore to enhance India's Manufacturing capabilities and Exports. PLI Scheme across these key specific sectors is poised to make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology; ensure efficiencies; create economies of scale; enhance exports and make India an integral part of the global value chain.

Key Achievements:

746 applications have been approved till November 2023. PLI units established in more than 150 districts (24 States). Over Rs. 95,000 crore of investment reported till September 2023, which has led to production/sales of Rs. 7.80 lakh crore and employment generation (direct & indirect) of over 6.4 lakh. Export have been boosted by Rs. 3.20 lakh crore. Incentives worth around Rs. 2,900 crores have been disbursed in FY 2022-23. There has been a value addition of 20% in mobile manufacturing within a period of 3 years. Of the USD 101 billion total electronics production in FY 2022-23, smartphones constitute USD 44 billion, including USD 11.1 billion as exports.

Import substitution of 60% has been achieved in the Telecom sector and India has become almost self–reliant in Antennae, GPON (Gigabit Passive Optical Network) & CPE (Customer Premises Equipment). There has been a significant reduction in imports of raw materials in the Pharma sector. Unique intermediate materials and bulk drugs are being manufactured in India including Penicillin-G, and transfer of technology has happened in manufacturing of Medical Devices such as CT scan, MRI etc.

Drones sector has seen 7 times jump in turnover, which consists of all MSME Startups. Under the PLI Scheme for Food Processing, sourcing of raw materials from India has seen significant increase which has positively impacted income of Indian farmers and MSMEs.

Production Linked Incentive (PLI) Scheme for White Goods (ACs and LED Lights)

It was approved by the Union Cabinet on 7 April 2021, with total outlay of Rs.6,238 crore. 64 Companies have been selected under the Scheme. 34 Companies to invest Rs.5,429 crore for Air Conditioner Components and 30 Companies to invest Rs.1,337 crore for LED Component Manufacturing. Further investments of ₹ Rs.6,766 crore is envisaged creating additional direct employment of about 48 thousand persons.

The net incremental production is expected to be more than Rs.1 lakh 23 thousand crore during the scheme period. 13 Foreign Companies are investing Rs. 2,090 crore under the scheme. 23 MSME applicants have committed investment of Rs.1,042 crore under the Scheme. 100% Applicants, who opted for gestation period upto March, 2022 have commenced production. As against the threshold investment of Rs. 1,266 crore, actual investment of Rs.2,002 crore have been done by the beneficiaries upto March, 2023. Investment of Rs.2,084 crore have been done by the beneficiaries upto September, 2023.

Startup India initiative

Startup India initiative launched by the Prime Minister, Shri Narendra Modi on 16th January 2016, has evolved into the launchpad for ideas to innovation in the country. Several programs have been implemented over the years under the Startup India initiative to support entrepreneurs, build a robust startup ecosystem, and transform India into a country of job creators rather than job seekers.

It is a remarkable achievement that more than 1,14,000 startups have been recognized by the Government which have reported creation of more than 12 lakh jobs with an average of 11 jobs created by each recognised startup. The DPIIT recognized startups are spread across all 36 States and UTs of the country.

Under the Fund of Funds for Startups (FFS) Scheme, the Government has committed about Rs. 10,229 crore to 129 Alternative Investment Funds (AIFs). A total of Rs. 17,272 crore has been invested by the AIFs in 915 startups. Under the Startup India Seed Fund Scheme (SISFS), a total sum of Rs. 747 crore has been approved to 192 incubators. Also, the selected incubators have approved a total of Rs. 291 crore to 1,579 startups.

The Government has also notified the establishment of the Credit Guarantee Scheme for Startups (CGSS) for providing credit guarantees to loans extended by Scheduled Commercial Banks, Non-Banking Financial Companies and AIFs. The Scheme has been operationalized on 1st April 2023.

More than 21,800 DPIIT recognised startups have been on-boarded on Government e-Marketplace (GeM) which have received over 2,43,000 orders from public entities, totalling Rs. 18,540 crores. GeM Startup Runway is a fast-track process for onboarding of startups on the GeM platform.

Under India's G20 Presidency in 2023, a Startup20 Engagement Group was institutionalised to create a global narrative for supporting startups and enabling synergies among startups, corporates, investors, innovation agencies and other key ecosystem stakeholders. The Startup20 Engagement Group in India's G20 Presidency held four meetings in different regions of India.

In 2023, Startup India organised 3 regional and 2 international capacity building and exposure visits for officials from States/ UTs to interact with and learn from policy makers, incubators, and other ecosystem enablers in national and international startup ecosystems.

Open Network for Digital Commerce (ONDC)

Open Network for Digital Commerce (ONDC) is an initiative by DPIIT aiming at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks.

ONDC recorded more than 6.3 million transactions in the month of November'23 across 600+ cities. 2.3 Lakh+ sellers and service providers are active on the ONDC network spread across 500+ cities and towns across India. 59 Network Participants are live on the Network. The sellers and service providers are spread across 500+ cities expanding the geographical coverage of the ONDC network. Presently, over 3000 Farmer Producer Organisations (FPOs) have registered to be a part of the ONDC network through various Seller Network Participants. Around 400 Self-Help Groups (SHGs), micro-entrepreneurs and social sector enterprises have been onboarded on the network.

Mobility through the ONDC network is live in Bengaluru, Mysuru, Kochi and Kolkata with taxi and auto drivers on boarded. ONDC team has successfully conducted a pilot for exports, with Singapore being the first market to buy products from Indian sellers through the ONDC Network.

Nodal officer for each State/UT has been appointed to accelerate state level engagement plans and awareness campaigns and workshops have been organized across the country. The ONDC Network started with two categories (F&B and Grocery) and has expanded the categories to Mobility, Fashion, Beauty and Personal Care, Home & Kitchen, Electronics and Appliances, Health & Wellness and B2B.

ONDC is actively working with the Ministry of MSME to onboard MSMEs to the network through existing seller applications and also working to integrate MSME-Mart which has over 2 lakh MSMEs, with ONDC.

Click here for more details

Source: pib.gov.in– Dec 26, 2023

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Govt to finalise national retail trade policy soon

The Centre's National Trade Retail Policy, which has been in the works for some time, is learnt to be in advanced stages of finalisation. It is expected to serve as a model policy providing a framework of guidelines for States.

Sources said it will focus on ease of doing business, simplifying licensing process, reducing compliance burden as well as enabling women workforce to work for longer hours among others. A national portal is also being envisaged that will allow all licensing related processes to be accessible from one platform to make it less cumbersome and allow retailers to be able to track the licensing process.

A senior industry executive said the policy has been finalised and it remains to be seen when the government decides to notify the same. He added that it will lay down broad contours of a prescriptive framework and States will play a key role in implementation of the policy.

Industry sources added that the guidelines will focus on various aspects including removing impediments for women to work till store-closure time and also giving them flexibility to be able to work part-time.

Licensing process

The retail sector expects the guidelines will streamline the licensing process. Currently, retail stores are required to obtain 25-50 different licenses, many of which must be renewed annually. These licenses are acquired from the Central government, State governments, and local authorities.

Another senior industry executive said that a single view of the licenses is required and that a national portal is being proposed which will allow retailers to access and track licensing and clearance process through one website.

Retail sector is one of the major contributors to India's GDP and employment generation. Many laws that govern the retail sector in India includes Shops and Establishment Act, Consumer Protection Act, Legal Metrology Act , Food Safety Act and Essential Commodities Act among others. Variations in licensing and clearance processes across States creates immense complexity for retailers especially those that have pan-India or multi-State presence.

Earlier this year, retailers had got some relief with the enactment of the Jan Vishwas (Amendment of Provisions) Act, 2023, which decriminalised certain offences and streamlined minor offences in various Acts including Legal Metrology Act.

Source: thehindubusinessline.com – Dec 26, 2023

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India's apparel exports amount to US $ 12.19 billion in January-October '23 period

Indian apparel exports have encountered a contraction of 13.29 per cent in the first 10-month period of 2023.

Official data highlights that Indian apparel exports declined to US $ 12.19 billion during January to October '23, marking a substantial downturn from the US $ 14.05 billion recorded in the same period of 2022.

India has experienced a drop in its apparel exports in major destinations including the USA, UAE and UK.

In the US market, the apparel shipment saw a decline of 20.58 per cent to US $ 3.90 billion in the mentioned period, whereas the exports to the UAE fell 6.25 per cent to US $ 1.18 billion in the January-October '23 period.

UK – the third top destination for the Indian apparel export industry – saw a 12.12 per cent drop in its apparel imports from India which amounted to US $ 945.21 million in the January-October '23 period.

The sluggish exports can be attributed to the fluctuation in the global economic scenario and inflationary pressures in the key economies worldwide.

Source: apparelresources.com– Dec 26, 2023

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Challenges hamper Indian textile exports during western holiday season

India's textile exports face hurdles despite the bustling Western holiday season, attributed to disruptions in global supply chains, surging raw material expenses, and intense competition from other manufacturing hubs. These factors have adversely affected the performance for this year. Despite expectations of heightened demand during the festive period in Western markets, Indian textile exports have grappled with unforeseen challenges, failing to capitalise on the anticipated surge.

Industry players are observing international market dynamics, hopeful for a positive shift in the coming months. Simultaneously, stakeholders are devising strategies to navigate prevailing obstacles and improve the competitiveness of Indian textiles on a global scale. The sector's adaptability and resilience will be put to the test as it adjusts to the evolving market conditions and reinvigorates export momentum.

Although November 2023 witnessed an overall downturn, there were exceptions highlighting the industry's resilience and adaptability. Notably, cotton yarn and handloom products experienced a 6 per cent growth during this period.

Rahul Mehta, president of the Clothing Manufacturers Association of India (CMAI), attributed the decline in textile trade to various factors affecting major markets like the European Union (EU), the US, and the Middle East.

Ongoing conflicts such as the Ukraine-Russia war have impacted EU retail sales, while the Israel-Gaza conflict has contributed to reduced demand in the Middle East. However, Mehta expressed optimism regarding the US market's performance, expecting a correction in export figures in the upcoming months.

The recently released quick estimates by the commerce ministry underscore a 21 per cent month-on-month increase in the trade deficit, emphasising the necessity for an understanding of the dynamics in the international trade arena.

India stands among the leading garment-manufacturing nations globally and holds a prominent position as a consumer and producer of cotton, commanding the highest acreage globally, covering 38 per cent of the global area under cotton cultivation, according to the Indian Brand Equity Foundation (IBEF), an entity established by the ministry of commerce and industry.

Source: apparelresources.com– Dec 26, 2023

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Lower demand results in fall in cotton prices in Madhya Pradesh

A surge in cotton supplies within spot markets, coupled with dwindling purchases from textile mills, has led to a decrease in prices for the latest cotton season, as reported by TOI. The Cotton Corporation of India (CCI) has witnessed a slight increase in procurement as a result.

Cotton traders have reported a daily arrival of around 40,000 quintals in the spot markets of Madhya Pradesh, with CCI securing over 60 per cent of this quantity.

While CCI initiated procurement a month ago, the pace accelerated notably in the past week due to an increased influx of cotton from farmers. Traders emphasised that CCI predominantly acquires quality produce from farmers at the minimum support price.

The diminishing demand for cotton has raised alarm among farmers and ginners. In the Madhya Pradesh spot markets, cotton is currently trading at Rs. 54,000 per candy, contrasting sharply with the Rs. 62,000-Rs. 63,000 per candy observed in October.

Source: apparelresources.com– Dec 26, 2023

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Rajasthan garment makers seek ODOP recognition

Rajasthan's garment manufacturers are urging the industries department to recognize their sector under the one-district-one-product (ODOP) initiative, seeking benefits similar to those provided by Uttar Pradesh (UP) and other states.

Currently, the department has included the gem and jewelry sector in ODOP, though the benefits are pending announcement. The ODOP's goal is to boost district-wise exports of at least one product.

Highlighting the upcoming global textile expo organized by the Union textile ministry in Delhi, the Garment Exporters Association of Rajasthan (GEAR) has emphasized the advantages UP offers its manufacturers.

Under the ODOP scheme, UP refunds up to 75% or Rs 50,000 (whichever is higher) for state exhibitors' stall charges at fairs and exhibitions within the state. Additionally, it provides Rs 1.5-2 lakh for participation in national and international events, along with reimbursing 75% of transport and travel expenses for exhibitors.

Fair Association, highlighted the significance of the global textile expo, offering Rajasthan's textile and garment industry a platform to showcase products and learn about industry trends. Despite multiple discussions with the industries department, concrete actions have yet to be taken.

Source: fashionatingworld.com– Dec 26, 2023

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