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INTERNATIONAL NEWS

US Extends China Tariff Exclusions for Five Months

The office of the U.S. Trade Representative, Katherine Tai, announced Tuesday an extension of China 301 tariff exclusions on 352 Chinese imports and 77 Covid-related categories until May 31, 2024.

The tariffs were enacted in 2018 and 2019 by then-President Donald Trump under the aegis of the Trade Act of 1974 and were expected to be repealed when he left office by President Biden. The Trade Act of 1974 was aimed at combating trade partners' unfair practices. China continues to call the U.S. tariffs on Chinese goods "discriminatory."

Included in the tariff exclusions are industrial components like pumps and electric motors, car parts and chemicals, bicycles and vacuum cleaners. Covid-related extensions include medical products like face masks, examination gloves and hand sanitizing wipes. Trump imposed tariffs on goods from China totaling some $370 billion and, citing security concerns, Biden added new restrictions, specifically on the export of advanced semiconductors and the equipment to make them.

Last week China extended some tariffs exemptions on imports from the U.S. until July 31, 2024, according to the Chinese finance ministry.

The points of contention in the relationship between the U.S. and China go well beyond trade and tariff issues. Taiwan is at the top of a long list, as are the origins of the Covid-19 pandemic, and human rights violations like that stamped with the Uyghur forced labor from China imprint.

In a report issued two weeks ago, a U.S. congressional committee said it aims to reset and recalibrate the relationship with China, essentially laying out 150 policy recommendations that included raising tariffs on China-made goods and limiting the country's duty-free access to the American market under the de minimis law.

Two members, chairman Mike Gallagher (R-Wisc.), and Ranking Member Raja Krishnamoorthi, (D-Il) said jointly that the relationship between the two "has to be reset in order to serve the economic and national security interests of the United States."

Krishnamoorthi specified that the U.S. needs to stem the flow of U.S. technology and capital which he believes are funding China's increasing military advances and egregious human rights abuses.

Source: sourcingjournal.com– Dec 28, 2023

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Myanmar's foreign trade exceeds USD21B in over eight months

Myanmar's foreign trade totalled over USD21 billion in the over eight months so far this fiscal year, according to figures released by the Ministry of Commerce yesterday.

The figure was down from over USD24 billion registered in the same period a year ago, the ministry's data showed.

From April 1 to December 15 this year, the country earned over USD10 billion from exports, while its imports were valued at over USD11 billion, the ministry's figures showed.

The country's maritime trade stood at about USD15.67 billion, while its border trade amounted to USD5.97 billion in over eight months of the 2023-24 fiscal year, the ministry's figures showed.

Myanmar usually does most of its foreign trade through sea routes as it has a long coastline. Its trade partners include China, Thailand, Bangladesh and India.

The Southeast Asian country exports agricultural and animal products, fisheries, minerals and forest products, manufactured goods and others, while it imports capital goods, intermediate goods and consumer goods.

Source: borneobulletin.com.bn– Dec 29, 2023

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FTAs lead to loss of customs, excise revenue in Cambodia

Cambodia has witnessed reduced customs and excise revenue collection due to a fall in tariffs for partner nations with which it has bilateral and multilateral free trade agreements.

The general department of customs and excise (GDCE) collected $2.8 billion in the first 11 months this year, representing a loss of $400 million compared to the corresponding period last year.

GDCE director general Kun Nhem attributed the decline in customs revenue collection primarily to the implementation of the FTAs.

Development in the country's manufacturing sector have also led to reduced imports as domestic products replace imported ones, he was quoted as saying by a Cambodian newspaper.

The Cambodia-China FTA, implemented from January 1 last year, made nearly 98 per cent of the country's exports to China and 90 per cent of imports from China exempt from tariffs.

The Regional Comprehensive Economic Partnership also boosting exports, but reduced some import tax revenue.

The country will soon implement the Cambodia-South Korea FTA.

Source: fibre2fashion.com– Dec 29, 2023

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Economic confidence rises in Turkiye amid mixed sectoral performance

Turkiye's economic confidence index saw a slight uplift in December 2023, inching up from 95.3 in November to 96.4, marking a 1.1 per cent increase, as per the Turkish Statistical Institute Turkstat.

The consumer confidence index rose by 2.6 per cent to 77.4, indicating an improvement in consumer sentiment.

However, the real sector (manufacturing industry) confidence index experienced a slight decrease of 0.5 per cent, settling at 103.4. Retail trade, another critical indicator of economic health, showed a notable increase in confidence, with its index surging by 4.5 per cent to 116.8, Turkstat said in a press release.

Economic confidence index is a composite index that encapsulates consumers' and producers' evaluations, expectations, and tendencies about general economic situation.

Source: fibre2fashion.com– Dec 29, 2023

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Promoting Cotton Research, Outreach and Entrepreneurship

Interest is building among students to find advanced applications for cotton.

During the holiday break for school and college students, it was a delight to welcome several students to our Nonwovens & Advanced Materials Laboratory at Texas Tech University on Dec. 28. Two Lubbock-area school students and one college freshman visited the laboratory for a firsthand look at cotton's ability to absorb oil.

Nandanaa Anand from Lubbock High School, Aditya R. from Hutchinson Middle School in Lubbock, and Kumaren Anand, freshman from Rice University, arrived in the lab to learn about the advanced applications of textiles such as oil absorbent and filters.

The students did hands-on experiments with cotton as an oil absorbent. Discussions during the experiments revolved around the sustainability of cotton and its application in environmental protection. The students' enthusiasm about commercializing research and creating start-ups is encouraging for the future of research.

Nandanaa Anand, who wants to be an entrepreneur, stated, "It is important for aspirants who want to build businesses to engage with laboratories that commercialize research."

The students appreciated the fact that laboratories like Nonwovens & Advanced Materials welcome high school students to be part of short-term research projects. Kumaren Anand said he had to go to Houston to spend two months of his summer holiday after 10th grade to be involved with research in MD Anderson Cancer Center.

Mirza Khyum and Faizur Rahman, Ph.D. research students in the laboratory, participated in the research outreach efforts during the holiday break.

Source: cottongrower.com– Dec 28, 2023

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Philippines' budget deficit declines 24.75% in November 2023

The Philippines' reported a budget deficit of P93.3 billion in November 2023, marking a 24.75 per cent decline from the previous year. This decrease, amounting to Philippine peso (P) 30.7 billion, is attributed to a 2.82 per cent growth in revenue collection coupled with a 4.69 per cent contraction in public spending, according to the Bureau of the Treasury.

The year-to-date (YTD) budget deficit now stands at P1.111 trillion, which is P124.6 billion or 10.09 per cent lower compared to the same period in 2022. Notably, this figure represents 74.10 per cent of the P1.499 trillion full-year 2023 (FY23) programme.

Government receipts for November saw an increase to P340.4 billion, 2.82 per cent higher than last year's P331.1 billion. This boost was driven primarily by a sharp increase in non-tax collection. Consequently, the cumulative collection for the 11-month period rose by 8.75 per cent or P286.7 billion year-on-year (YoY), reaching P3.564 trillion and accounting for 95.58 per cent of the P3.729 trillion full-year target. Tax-generated revenue constituted 89.28 per cent of the YTD collection (P3.182 trillion), with the remaining 10.72 per cent coming from non-tax sources, as per the bureau.

The Bureau of Internal Revenue (BIR) experienced a decrease in its November collection to P210.2 billion (net of P1.2 billion tax refund) from P237.1 billion raised in the same month last year, due to the shift in VAT remittance deadline.

However, the BIR's YTD collection reached P2.343 trillion, surpassing the previous year's performance by 8.64 per cent or P186.3 billion and achieving 88.77 per cent of its P2.639 trillion FY23 programme.

In contrast, the Bureau of Customs (BOC) saw its collections slow to P73.7 billion in November 2023, a 2.69 per cent decrease YoY. Despite this, the BOC's YTD collection of P812.0 billion for 2023 was up by 2.88 per cent or P22.8 billion compared to Jan-Nov 2022, reaching 92.89 per cent of its P874.2 billion annual goal.

Primary expenditures (net of interest payments) for November were P385.1 billion, 10.21 per cent (P43.8 billion) lower than in 2022. The cumulative primary spending of P4.108 trillion as of the end of November marked a 1.32 per cent or P53.7 billion improvement from a year ago.

Total interest payments (IP) for November reached P48.5 billion, an 86.06 per cent (P22.5 billion) increase YoY. The cumulative IP of P567.7 billion also saw a 23.60 per cent (P108.4 billion) rise from last year's level. As a percentage of total revenue and expenditure, IP from January to November increased to 15.93 per cent and 12.14 per cent from 14.01 per cent and 10.18 per cent, respectively.

Net of interest payments, the national government's primary deficit for November stood at P44.7 billion, a 54.31 per cent or P53.1 billion decrease YoY. The YTD primary deficit thus declined to P543.5 billion, 30.01 per cent (P233 billion) lower than the P776.5 billion primary deficit incurred in the previous year. This data indicates a fiscal consolidation trend, as the Philippines manages its budget more effectively amidst various economic challenges.

Source: fibre2fashion.com– Dec 29, 2023

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Japan's apparel retail market amounts to US $ 87 billion in 2023

Japan's apparel market is all set to close 2023 with US $ 87 billion in sales. The market is further projected to grow with a CAGR of 2.42 per cent from 2023 to 2027.

According to statistics released by Statista, women's apparel is the market's largest section, with a market volume of US $ 48.41 billion in 2023, followed by menswear with a revenue of US $ 29.83 billion and kidswear valued at US $8.76 billion.

In terms of other nations, China earns the most revenue in the apparel industry, with a projected value of US $ 371.20 billion, while the USA stands at the second rank with revenues of US $ 351 billion in 2023.

When the complete population is taken into account, the per-person apparel revenue in Japan in 2023 is US $ 705.60, contributing substantially to the growth of the Japanese retail market.

Looking ahead, the apparel market is estimated to reach 4.3 billion pieces by 2027. However, a modest volume reduction of 2.4 per cent is expected. The data predicts the average volume per person in Japan is expected to be 38.5 pieces.

Source: apparelresources.com– Dec 28, 2023

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Pakistan garment sector struggles from rising gas prices and loss of subsidies

A key contributor to the country's exports and GDP, Pakistan's garment sector is currently struggling with rising gas prices and the removal of energy subsidies under the International Monetary Fund (IMF) program.

As per a report by Pakistan Credit Rating Agency (PACRA), the recent gas tariff hike of November 2023, which increased the cost of gas to $10.3 per million British thermal units (MMBTU), is likely to impact the sector's margins and competitiveness.

The garment sector, which includes textiles, clothing and leather products, contributed 3.0 per cent to Pakistan's GDP in FY 2023, increasing by 8per cent Y-o-Y to Rs2.6 trillion.

However, textile exports, which accounted for 59 per cent of the country's total exports, declined by 14.6 per cent in FY 2023, due to supply chain disruptions caused by import restrictions imposed by the central bank and flash floods in August 2022. Textile imports also declined by 21.8 per cent, as the central bank restricted the import of raw materials and machinery to conserve foreign exchange reserves.

The garment sector is dominated by 59 organised composite units, with 32 listed on the Pakistan Stock Exchange (PSX), PACRA said.

The rating agency said the sector's margins were expected to remain rangebound, owing to domestic factors such as higher expected cotton production in fiscal year 2024, stable interest rates and consistent demand, both locally and globally, with global economic activity expected to rebound.

Source: fashionatingworld.com– Dec 29, 2023

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Bangladesh: RMG sector leads with 24 new LEED green factories in 2023

In 2023, Bangladesh's readymade garment (RMG) industry marked a significant stride in sustainable fashion, with 24 of its factories achieving LEED certification.

LEED (Leadership in Energy and Environmental Design), the globally recognised green building rating system, underscores a commitment to environmental responsibility and energy efficiency.

This recent certification brings Bangladesh's total to 206 LEED-certified green factories, a testament to the country's dedication to green initiatives within the garments sector, according to BGMEA Director Mohiuddin Rubel.

The BGMEA (Bangladesh Garment Manufacturers and Exporters Association) reports a breakdown of these certifications, with 76 achieving the highest, platinum rating, and 116 receiving a gold rating.

This progress is particularly notable in the context of the global apparel industry's increasing focus on sustainable practices.

Of the 24 newly LEED-certified factories, a majority, 16, were awarded the prestigious platinum rating, while the remaining eight achieved a gold rating.

Standout performers in 2023 included S M Sourcing with 106 points and Green Textiles Limited Unit 4 scoring 104 points. Also noteworthy are Integra Dresses and Knit Asia Limited, both achieving 99 points, Lida Textile & Dying Limited with 97 points, and Liz Fashion Industry Limited scoring 96 points, as detailed by BGMEA.

This achievement positions Bangladesh as a leader in the global sustainable fashion movement, with 54 out of the 100 LEED-certified green factories worldwide located in the country.

This includes nine of the top 10, and 18 of the top 20 LEED-certified factories globally, according to BGMEA data.

Mohiuddin Rubel highlights this as a potential catalyst for increased investment and partnership opportunities in the Bangladesh RMG industry.

The geographic spread of these certifications within Bangladesh further illustrates the RMG industry’s widespread commitment to sustainability.

The majority of the 2023 certifications were in Gazipur (15 factories), followed by Dhaka (4), Chattogram (3), and Mymensingh (2). This regional distribution indicates a nationwide embrace of LEED principles in the Bangladesh garments sector.

Currently, over 500 Bangladeshi factories are in the process of obtaining their LEED certification, signalling a robust and ongoing commitment to green practices in the Bangladesh RMG industry.

This move towards sustainable fashion not only aligns with global environmental goals but also positions Bangladesh as a forward-thinking leader in the green manufacturing space.

The significant increase in LEED-certified green factories within Bangladesh’s RMG sector in 2023 is a clear indicator of the industry’s commitment to sustainable fashion.

With the Bangladesh garments industry taking proactive steps to achieve LEED ratings, it sets a benchmark for environmental stewardship and positions the country as a key player in the global push for more sustainable manufacturing practices.

Source: businesspostbd.com– Dec 28, 2023

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NATIONAL NEWS

Union Commerce and Industry Minister Shri. Piyush Goyal releases 'E-Commerce Exports handbook for MSMEs'

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles, Shri Piyush Goyal released the comprehensive "E-Commerce Exports Handbook for MSMEs" prepared by the Directorate General of Foreign Trade (DGFT) in New Delhi today. The Minister said that the Handbook, a significant initiative supporting the objectives of Foreign Trade Policy 2023, will prove to be a definitive guide for MSMEs seeking to harness e-commerce platforms for expanding their exports.

During the launch event, Shri Goyal highlighted the collaborative effort involving various ministries and private sector stakeholders in developing this handbook. The handbook, envisioned as a one-stop repository, provides detailed insights into strategies for promoting exports via e-commerce, facilitating MSMEs to venture into global markets effectively.

The Minister said that India's traditional products like 'Shree Anna' (millets) and numerous other agricultural goods hold substantial demand across the globe, especially in regions with a significant Indian diaspora. He noted that through e-commerce, our goal is to bridge the gap and connect Indian MSMEs, craftsmen, farmers, and food processors with global markets. Shri Goyal reaffirmed the government's commitment to fostering an environment conducive to entrepreneurship, echoing Prime Minister, Shri Narendra Modi's vision of a 'Wed in India' initiative. This initiative aims to position India as a premier wedding destination, aligning seamlessly with the e-commerce promotion of traditional Indian goods, catering to diverse requirements for weddings.

Shri Goyal further announced that the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) would be extended to courier and postal exports and for this, the necessary IT framework and other enablers are being put in place. He further emphasized that this step should help the SME sectors to take advantage of Government schemes, further pushing the e-Commerce exports and boosting overall export growth from the country to achieve the target of 1 trillion USD merchandise exports by 2030.

The comprehensive handbook, initially released in four languages namely English, Hindi, Gujarati and Kannada, will be translated into all official languages across India, ensuring accessibility and benefitting consumers, entrepreneurs, farmers, and women entrepreneurs looking to contribute significantly to trade and commerce.

To further supplement, the Department of Commerce's efforts to hand hold, promote new and first-time exporters and other MSME producers to export from India, especially through the E-Commerce route, an Memorandum of Understanding (MoU) was also signed between DGFT and Shiprocket, an E-Commerce enabler for holding capacity building and handholding sessions, as part of the E-Commerce outreach conducted by DGFT Regional Authorities under its Districts as Export Hubs Initiative.

This is part of the DGFT's collaboration with different E-Commerce platforms/enablers to hold training sessions in districts across the country with focus on promoting E-Commerce exports. The E-Commerce exports handbook for MSME will be a key resource for creating awareness on E-Commerce exports through these outreach events in the districts.

India's Foreign Trade Policy 2023 has a stated objective to support Cross-border E-Commerce exports. The policy focuses on empowering artisans, weavers, craftsmen, and MSMEs. An Inter-Ministerial Working Group has also been constituted to address the challenges of E-Commerce Exporters and provide comprehensive solutions. E-Commerce exports is one of the key focus areas in the Foreign Trade Policy.

The release of the Handbook also saw the participation of Director General of Foreign Trade, Shri Santosh Sarangi; Development Commissioner (MSME) Dr. Rajneesh; Additional Director General, Department of Posts, Shri Prannoy Sharma; and senior officers from the Department of Commerce.

Source: pib.gov.in – Dec 28, 2023

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India set to become world's 3rd-largest economy by 2032: CEBR

India, classed as a lower-middle-income nation, is poised to maintain an average growth of 6.5 per cent from 2024 to 2028, buoyed by a burgeoning middle class, youthful demographics, entrepreneurial spirit, and closer global economic ties. Such momentum is anticipated to catapult India past Japan and Germany, making it the third-largest global economy by 2032, CEBR said in a report.

The country has reported a promising outlook with a Purchasing power parity (PPP)-adjusted GDP per capita of $9,183 in 2023.

Following a solid 7.2 per cent growth in the fiscal 2022-23, it is set to experience a slight moderation with a 6.4 per cent growth in 2023-24, pushing economic output 17.2 per cent above pre-pandemic levels.

This forecast is attributed to a global demand slowdown and the Reserve Bank of India's stringent monetary policies aimed at reining in inflation, CEBR said in its World Economic League Table 2024 report.

Despite the upbeat growth figures, the nation anticipates ending 2023 with a 5.5 per cent inflation rate, spurred by escalating food and energy costs. While this figure is beneath the decadal average, it hovers within the central bank's target range. The RBI's assertive stance includes a 250-basis point rate hike since May 2022, culminating in a 6.5 per cent rate as of February 2023.

However, concerns loom with the public sector debt, expected to rise to 81.9 per cent of GDP in 2023, a slight uptick from the previous year. The government's borrowing, marked at 8.8 per cent of GDP, reflects an expansionary fiscal policy focusing on infrastructure, healthcare, and social welfare enhancements.

In conjunction with these spending increases, the government is pushing for reforms to attract private investments, streamlining foreign direct investment norms, privatising state enterprises, and overhauling the tax regime.

The report said that India must address challenges such as poverty reduction, inequality, human capital and infrastructure improvement, and environmental sustainability in order to become the world's third largest economy.

Source: fibre2fashion.com – Dec 28, 2023

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DPIIT hosts Chintan Shivir for Manufacturing

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles, Shri Piyush Goyal presided over a meeting convened today in New Delhi to unveil pivotal outcomes and recommendations made during the Chintan Shivir for Manufacturing held on 12th October 2023 at Bharat Mandapam, New Delhi. The Meeting featured the esteemed participation of Union Minister of Health & Family Welfare and Chemicals & Fertilizers, Shri Mansukh Mandaviya and Union Minister of Heavy Industries, Dr. Mahendra Nath Pandey.

Shri Goyal underscored that it is imperative for the Industry to assume a leadership role in national manufacturing, with the Government's commitment to provide comprehensive facilitation support. Shri Mandaviya delved into opportunities within the Chemicals, Medical devices, and health sectors, while Dr. Pandey highlighted the progress achieved in the automotive and capital goods sectors. Dr. Pawan Goenka, Chairman of the SCALE Committee, presented the outcomes pertaining to the focus sectors, eliciting feedback and way forward from the Line Ministries/Departments.

The Meeting was organized by the Department of Promotion of Industry and Internal Trade (DPIIT) in collaboration with Invest India and the Steering Committee on Advancing Local value-add & Exports (SCALE Committee). The 11 focus sectors included: (i) Auto Components, (ii) Automobiles (including EVs), (iii) Capital Goods, (iv) Chemicals, (v) Drones, (vi) ESDM, (vii) Medical Devices, (viii) Aerospace & Defence, (ix) Leather & Footwear, (x) Textiles and (xi) Space.

The Chintan Shivir witnessed an active participation of Industry leaders, Knowledge partners, and Government officials from focus sectors. The deliberations centered on the current scenario, challenges and recommendations tailored to stimulate the country's manufacturing landscape. These insights emanated from extensive discussions with Industry leaders elucidating challenges pertaining to their respective sectors.

Source: pib.gov.in– Dec 28, 2023

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Govt targeting $500 bn exports from 10-11 sectors by 2030: Official

The government is working on boosting domestic manufacturing and increasing exports to USD 500 billion by 2030 from 10-11 sectors, including automobiles, pharma, textiles, medical devices and chemicals, a senior official said on Thursday. These issues were discussed during a meeting called by the Commerce and Industry Ministry on Thursday.

The meeting was convened by the Department of Promotion of Industry and Internal Trade (DPIIT) in collaboration with Invest India and SCALE (Steering Committee for Advancing Local Value-Add and Exports) Committee to unveil outcomes and recommendations made during the Chintan Shivir for Manufacturing, held on October 12 at Bharat Mandapam here.

The 11 sectors are auto components, automobiles (including EVs), capital goods, chemicals, drones, medical devices, aerospace and defence, leather and footwear, textiles, and space. "We are looking at investments in these sectors. We will drill down to each of the areas to see how to promote manufacturing and we have kept a target to increase exports in these 10-11 sectors from USD 160 billion to USD 500 billion by 2030," the official added.

Overall, the ministry is looking at taking the country's goods and services exports to USD 2 trillion by 2030. The Chintan Shivir witnessed the participation of industry leaders, knowledge partners, and government officials from focus sectors. The deliberations centred on the current scenario, challenges and recommendations tailored to stimulate the country's manufacturing landscape. The meeting was presided over by Commerce and Industry Minister Piyush Goyal, Chemicals and Fertilisers Minister Mansukh Mandaviya and Heavy Industries Minister Mahendra Nath Pandey. When asked about the government's plan to come out with a policy for the electric vehicles (EVs) sector, the official said: "We have to get all the countries on board such as Germany, Korea and Italy. We should invite everybody".

Source: economictimes.indiatimes.com– Dec 28, 2023

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Government should come out with remedial policies to improve competitiveness of textile industry: ITMF president

Textiles and clothing industry in India is the worst affected among the textile producing countries due to additional challenges on the raw material front, both cotton and manmade fibres, and steep increase in power cost in most of the textile manufacturing States, said K.V. Srinivasan, the newly-elected president of International Textile Manufacturers Federation (ITMF).

Mr. Srinivasan said, in a press release, that “urgent policy measure is required to ensure smooth supply of raw material at an internationally competitive rate by removing 11% import duty on cotton, addressing Quality Control Order (QCO) issues and price issues pertaining to PTA, MEG, Polyester and Viscose and ensure a level playing field.”

The government should have started enforcing the QCOs from finished goods rather than raw materials that had severe impact on the MMF value chain.

The government could have avoided these two short-sighted policies when the industry had been facing an unforeseen crisis that had worsened the global competitiveness and performance of the industry, he said in the release.

Further, huge incentives offered for new investments by several State governments in the country were eroding the competitiveness of existing capacities and making them unviable as the industry was struggling with excess capacity.

India, which was the second largest producer of raw material, was unable to leverage on it while countries such as Bangladesh and Vietnam that did not have a raw material base had achieved exponential growth rate in exports. Indian exports were stagnating at $ 35 billion for more than a decade, he pointed out.

Source: thehindu.com – Dec 28, 2023

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Indian scientists, experts call for cutting edge R&D to increase cotton yield

India should focus on cutting edge research and development to increase cotton productivity and farmers' income, the country's top agricultural scientists and experts said at a national conference on "Pioneering the future of cotton research" in Salem, Tamil Nadu.

The conference was organised by Rasi Seeds as part of its Golden Jubilee celebrations in collaboration with the Federation of Seed Industry in India (FSII). About 150 top researchers and scientists working on cotton from the Indian Council of Agricultural Research (ICAR), State Agricultural Universities (SAUs) and experts from across the nation took part.

One of the key recommendations at the conference was the need to increase cotton productivity in the country from the current 447 kg per hectare. This is despite India topping other nations in acreage (136.1 lakh hectares) and production (342 lakh bales of 170 kg).

Key factors

Experts and scientists pointed out that factors such as shifting weather patterns, increasing pest and disease challenges and slow adoption of advanced technologies have hindered the growth in yield, resulting in the productivity plateauing over the past 5-7 years.

"This national conference is aimed at reiterating the significant role and urgent need of cutting-edge R&D in the cotton crop in India, exploring holistic solutions to increase cotton productivity. Specific focus on enabling technological and policy interventions is the need of the hour to ensure India's cotton sector remains sustainable, profitable and globally competitive," said M Ramasami, Chairman of Rasi Seeds, a veteran with over 50 years of experience in the seed sector.

At the conference, Rasi Seeds signed several Memorandum of Understanding (MoUs) with Central Institute of Cotton Research (CICR), ICAR, Tamil Nadu Agricultural University (TNAU), and Annamalai University. These MoUs aim to advance farmers' training programmes including cotton advisories through radio broadcasting to bring awareness on various issues such as management of the Pink Bollworm menace and drive research projects on cotton crop improvement.

RS Paroda, Founder-Chairman, Trust for Advancement of Agricultural Sciences (TAAS), called for partnerships in cotton research, which is pivotal for the sustainable growth of the cotton industry.

Charting better path

DK Yadava, ADG (Seeds), ICAR, said: “Considering the distinctive hurdles we encounter, collaboration among all stakeholders is crucial for charting a meaningful path ahead. India’s potential is vast, demanding concerted efforts to tackle the low-productivity challenge.”

YG Prasad, Director, CICR-Nagpur, said: “Public and private partnership is the need of the hour to address the biotic and abiotic factors affecting the cotton crops currently.”

Ajai Rana, FSII Chairman, said India needs to adopt a science-based and unbiased approach towards innovative technologies in seeds and biotechnology.

Ram Kaundinya, Director-General, FSII, said continued investment in science and research is the key to overcoming challenges like the ones affecting cotton crop yields currently.

Geetha Lakshmi, VC, TNAU, and RM Kathiresan, VC, Annamalai University, also shared their perspectives on enhancing industry- institute interactions.

Source: thehindubusinessline.com– Dec 28, 2023

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India's cotton production has dipped to 15-year low, estimates trade body

India's 2023-24 cotton production has dipped to 15-year low due to poor yields caused by old technology of BT cotton seeds, erratic weather and pest and disease incidence, said Atul Ganatra, president of trade body Cotton Association of India, while addressing its Annual General Meeting (AGM) today.

"As per the latest report of the CAl Crop Committee, this season Indian cotton crop size is estimated at 294.10 lakh bales of 170kgs each. This is 8% lower production compared to last year and the lowest cotton production in last 15 years. Due to lower production and higher cotton consumption, our balance sheet is very tight," said Ganatra.

The media release issued by CAI said that the biggest challenge before the cotton trade is how to increase cotton production. "We are having 33% of the world's total cotton acreage i.e. around 125 lakh hectares in the world’s total cotton acreage of 329.52 lakh hectares. This year, our yields are expected to be about 396 kgs of lint per hectare i.e 2.33 bales of170 kgs. each per hectare which is very low compared to the world’s average yield of 675 kg lint per hectare," said Ganatra.

"In 2013-14, our cotton yield went up to 572 kg. per hectare. However, from there, our cotton yield has now reduced by almost 30%. The main reason of this reduction in our cotton yield is that our BT seed technology is very old. We now need new seeds.

Climate change and El Nino are also hurting our cotton crop in a big way as our 73% area is non irrigated. Also attack of pink ball worms is reducing our yields," said Ganata.

If the textile industry runs with full 100% capacity, the industry will require about 414 lakh bales as per the state-wise cotton consumption survey conducted by CAI.

"Against this, our production is only 294 lakh bales. This is hurting the mills and they are not able to run with 100% capacity throughout the year. Further, due to 11% duty on cotton imports in India, mills are unable to import cotton to run its operations with full capacity," said Ganatra.

According to the trade body, thanks to the favourable policy of giving subsidies for expansion of mills by various state governments, many mills are increasing their spindleage – to increase their spinning capacity.

"There is an increase of 15-20 lakh spindles in India every year. If this trend continues, then within a year, our cotton consumption capacity will go up to 450 lakh bales per year and if we fail to inccreae the cotton consumption and fail to remove import duty, it will bring disaster," he said.

Source: economictimes.com– Dec 28, 2023

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Govt extends RoDTEP benefits to e-commerce exports through post or couriers

The government on Thursday announced the extension of export benefits under the RoDTEP scheme for e-commerce exports through post or couriers.

The scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) provides for refund of taxes, duties and levies that are incurred by exporters in the process of manufacturing and distribution of goods and are not being reimbursed under any other mechanism at the centre, state, or local level.

The commerce ministry's arm DGFT (Directorate General of Foreign Trade) will put in place the necessary IT framework and other enablers for extension of the scheme for the exporters soon.

"To enable the MSME sector in getting the RoDTEP benefits, particularly for the exports through e-commerce, the government will be extending the RoDTEP benefits," Commerce and Industry Minister Piyush Goyal told reporters here.

He said that sectors which can benefit from the move include gem and jewellery, handloom, handicraft, AYUSH products, pharma, leather and textiles.

"Collectively, we believe that anywhere between USD 1-2 billion of annual exports from MSMEs will get the benefit through this initiative," Goyal said.

The announcement assumes significance as e-commerce is the emerging route for exports, and worldwide it is expected to touch $2 trillion by 2030.

The RoDTEP scheme operates under a budgetary framework and for 2023-24, a budget of Rs 15,070 crore is available for it. Till December, about Rs 12,000 crore of the allocation for the year has been spent.

In FY23, the scheme supported $450 billion worth of exports at the cost of Rs 13,020 crore. While in 2021-22, the scheme aided USD 421 billion in exports and cost Rs 12,100 crore.

The rate of tax refund under the scheme ranges from 0.5 per cent to 4.3 per cent of the value of the product.

It covers business-to-business exports of 10,610 products. The same products exported through e-commerce or courier will get the RoDTEP benefit.

India is aiming for $200 billion in exports through e-commerce by 2030 when total merchandise exports will touch $1 trillion.

In the Foreign Trade Policy of 2023, a lot of emphasis has been placed on e-commerce exports. The limit per consignment of goods through e-commerce has been raised to Rs 10 lakh from Rs 5 lakh.

Goyal also released a handbook for MSMEs with a focus on e-commerce exports.

The handbook -- currently available in English, Hindi, Gujarati, and Kannada -- is being translated into other vernacular languages and aims to serve as a comprehensive guide for new entrepreneurs looking to export through the e-commerce route.

With a robust digital infrastructure, supportive government policies, and a growing online consumer base, the country is well-positioned to tap into the immense potential of this global market.

An MOU was also signed between DGFT and Shiprocket for holding capacity building and handholding sessions as part of the e-commerce outreach conducted by DGFT regional authorities under its Districts as Export Hubs Initiative.

This is part of the DGFT's collaboration with different e-commerce platforms/enablers to hold training sessions in districts across the country with a focus on promoting these exports.

The e-commerce exports handbook for MSME will be a key resource for creating awareness on e-commerce exports through these outreach events in the districts.

Source: business-standard.com– Dec 28, 2023

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CBDT issues guidelines on 1% tax deduction by e-commerce operators

The Central Board of Direct Taxes (CBDT) on Thursday issued guidelines deduction of 1 per cent income tax of the gross amount of sale of goods or services by e-commerce companies in a multiple-operator model framework.

Currently, Section 194-O of the Income Tax Act, 1961 provides that an e-commerce operator shall deduct income tax at the rate of 1 per cent of the gross amount of sale of goods or provision of service, or both, facilitated through its digital or electronic facility or platform.

“Circular guidelines have been issued for the removal of difficulties and clarity has been provided on various issues on the applicability of the Act in a multiple e-commerce operator model framework, such as the Open Network for Digital Commerce (ONDC),” CBDT said in a statement.

The CBDT circular details various types of situations with examples and provides clarity on multiple issues. Having received representations from various quarters, the circular has also provided frequently asked questions on various issues.

Source: thehindubusinessline.com– Dec 28, 2023

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Synthetic textile industry seeks higher duty drawback, duty remission to tide over Red Sea crisis

The Synthetic and Rayon Textiles Export Promotion Council has sought higher duty drawbacks, rebates of State and Central taxes and levies (RoSCTL), and Remission of Duties or Taxes on Export Products (RoDTEP) citing delays and steep increase in freight rates and insurance premium due to the crisis in the Red Sea.

Red sea is one of the busiest trade routes that connects Europe and Asia through the Suez Canal and for the last few days, cargo ships passing through the Red Sea are being attacked by militants.

“As a result of the attacks, Ships are reportedly taking a 6000 nautical miles detour around Africa which means an additional 15 days transit time that is causing steep increase in freight rates and insurance premium,” said Bhadresh Dodhia, chairman, Synthetic & Rayon Textiles Export Promotion Council.

Freight rates to European ports from India have already increased by 40% with a strong possibility of further increase which will increase shipping costs for exporters of textiles and clothing, he said.

Highlighting that the deteriorating situation in the Red Sea is a matter of serious concern, Dodhia said if the crisis is prolonged and not contained quickly, it will not only have an adverse impact on exports from India but will severely disrupt the global supply chain and hurt the world economy.

He urged the government to provide support to the textile and clothing exporters as majority of shipments of textiles and clothing pass through the Suez Canal, which connects the Red Sea and the Mediterranean Sea.

This, Dodhia said, is crucial, as freight rates have stabilised in recent times after witnessing a steep increase in rates during Covid-19 and the current crisis in the Red Sea has once again pushed up freight rates, which is not good for the exporters.

Source: economictimes.com– Dec 28, 2023

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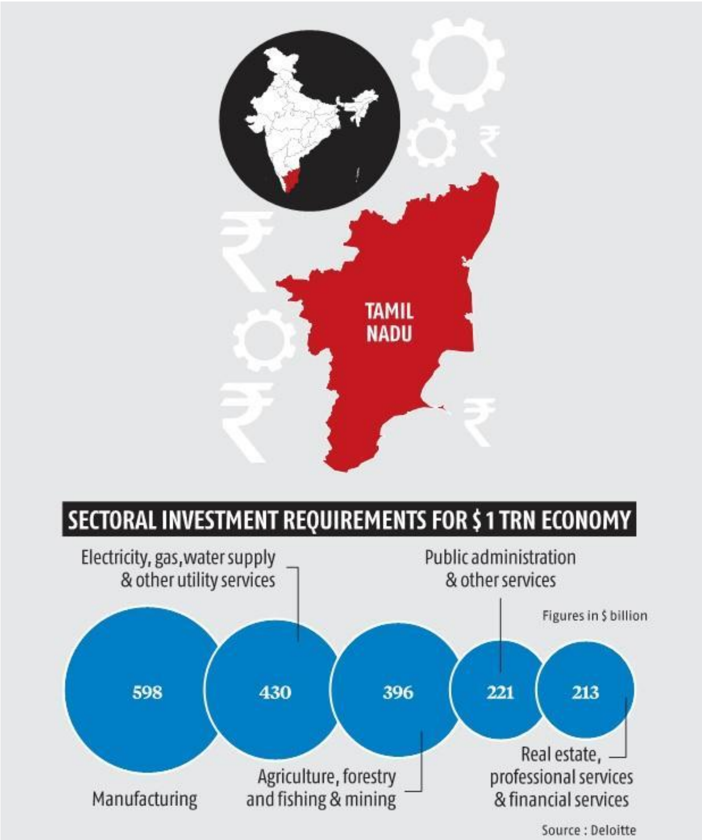
Manufacturing the key to unlock $1 trillion economy for Tamil Nadu



Tamil Nadu is the second-largest economy in India and the state's gross state domestic product (GSDP) stood at around Rs 23 trillion in 2021-2022. Between 2005 and 2023, it posted an average growth rate of 10 per cent year-on-year.

It has now set an ambitious target of becoming a $1 trillion economy by 2031. As a precursor to the much-anticipated Tamil Nadu Global Investors Meet 2024, scheduled for January 7 and 8, it has launched a campaign called "OneTrillionDreams" to boost its $1 trillion economy plans and to honour people who have contributed to the state's industrial sector.

Here is a look at the key sectors from where the majority of investments are expected to come on the state's road to the $1 trillion target.

Source: business-standard.com– Dec 28, 2023

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