IBTEX No. 16 of 2024 **January 25, 2024**

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USD	EUR	GBP	JPY
83.12	90.42	105.65	0.56

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INTERNATIONAL NEWS

Global GDP growth estimated at 2.6% in 2024: Economic Experts Survey

Average global GDP growth is projected to be at 2.6 per cent in 2024, according to Economic Experts Survey for the fourth quarter of 2023, conducted by the ifo Institute and the Swiss Economic Policy Institute. This projection aligns closely with the previous year's growth rate of 2.7 per cent.

Experts from Africa and Asia are particularly optimistic, expecting high growth rates of 3.6 per cent for each region in 2024. However, forecasts for Europe and America are more cautious, with expected growth rates of 1.9 per cent and 2.3 per cent, respectively.

The survey indicates that the fastest-growing sub-regions in 2024 will be Western Africa and South-Eastern Asia, with projected growth rates of 4.4 per cent and 4.7 per cent, respectively. In contrast, Northern and Western Europe are expected to lag behind, with Northern Europe growing at 1.4 per cent and Western Europe at just 1.1 per cent.

Specific European countries such as Sweden, Finland, the UK, and Germany are predicted to have particularly low growth rates, ranging from 0.4 per cent to 0.6 per cent. On the other hand, stronger increases are expected for Spain (2 per cent), Poland (2.8 per cent), Ireland (2.8 per cent), and Iceland (3.3 per cent), as per the survey.

In terms of medium- and long-term growth, Africa and Asia continue to lead with expected rates of over 4 per cent. North, Central, and South America have lower forecasts, with growth rates of 2.6 per cent and 3 per cent for 2025 and 2027. Europe's medium- (2.3 per cent) and long-term growth (2.7 per cent) are projected to be below the global average of the last decade. Germany is expected to experience moderate growth in the medium to long term, with rates of 1.2 per cent in 2025 and 1.5 per cent in 2027. The US, in contrast, anticipates consistent growth rates of 2.4 per cent in 2024, 2025, and 2027.

Source: fibre2fashion.com– Jan 25, 2024

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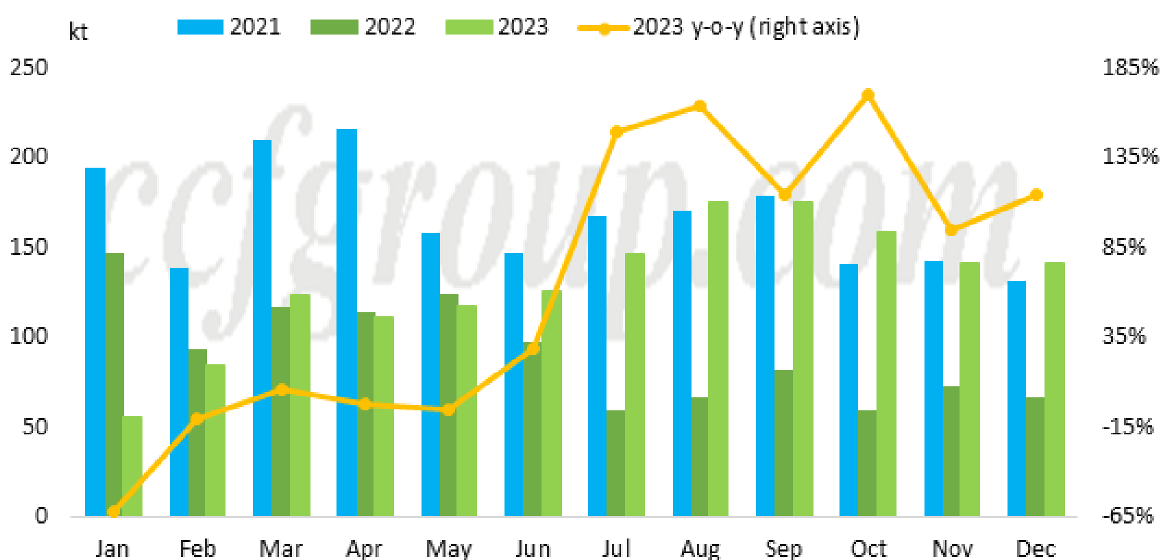
China cotton yarn imports in 2023

I. The monthly average import volume of cotton yarn in 2023

According to the latest customs data, the import volume of cotton yarn in China for December 2023 was approximately 141,300 tons, which is almost the same as the import volume in November. The total import volume of cotton yarn for the whole year of 2023 reached 1.5555 million tons, showing a significant increase of 41.9% compared to 1.096 million tons in 2022. The lowest import volume for the year was recorded in January at 55,200 tons, while the highest was in September at 175,000 tons. The monthly average import volume was approximately 129,600 tons.



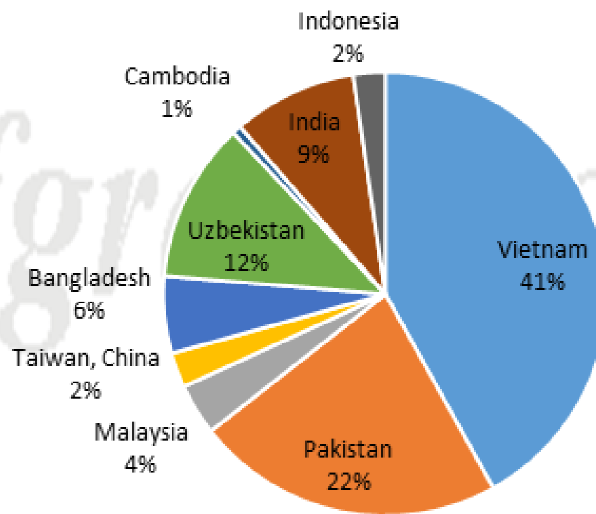
II. China's cotton yarn imports by origin in 2023

In 2023, Vietnam came first as the largest origin for China's cotton yarn imports, with a total import volume of 667,300 tons, accounting for approximately 43% of the total imports, which is a significant decrease compared to 56% in 2022.

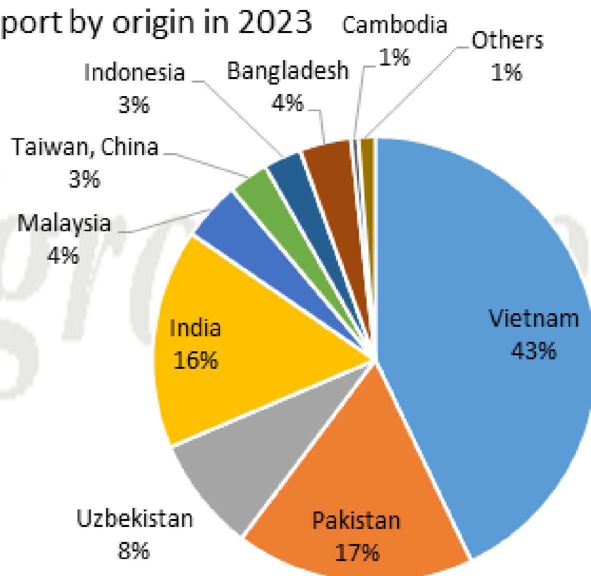
Pakistan ranked second as the source of imports, with a total import volume of 270,000 tons, accounting for 17% (compared to 13% in 2022). India closely followed in the third position, with a total import volume of 248,000 tons, accounting for 16%, more than four times the import volume in 2022, which was 56,400 tons.

Uzbekistani cotton yarn imports in 2023 totaled approximately 130,000 tons, accounting for 8%, which is 1.5 times the import volume in 2022. Recently, due to the narrowing of profits, Indian and Vietnamese yarn sales have been greatly affected, while the advantage of Pakistani low-priced yarn continues, with imports surpassing 30,000 tons in December and its market share continuing to increase.

China's cotton yarn import by origin in Dec 2023



China's cotton yarn import by origin in 2023



III. The import value of cotton yarn in 2023

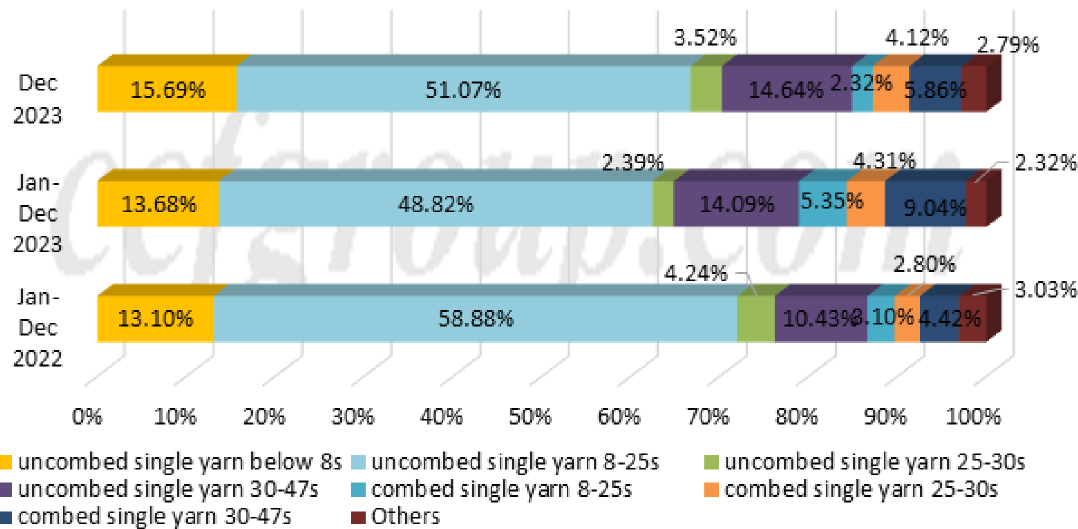
The cumulative import value of cotton yarn in China reached $4.067 billion in 2023, with an average import price of $2.61/kg. The imported cotton yarn came from a total of 40 regions (excluding re-imports). Switzerland had the highest average import price, at approximately $114/kg, followed by Peru and Tunisia, both at $51.32/kg. The lowest average import prices were from Bangladesh and Myanmar, both at $1.15/kg, and Cambodia at $1.05/kg. In the Southeast Asia and Central Asia regions, which are relatively concentrated sources for China's cotton yarn imports, the import prices are generally lower. The import price for Indian yarn is $2.85/kg, slightly higher than that from Malaysia, Indonesia, Vietnam, and other countries. The significant increase in the import volume of Indian combed yarn is the main reason for the higher import price of Indian yarn in 2023.

Country or region	Import value ($/kg)	Country or region	Import value ($/kg)
India	2.85	Switzerland	114
Malaysia	2.79	Peru	51.32
Indonesia	2.78	Tunisia	31
Vietnam	2.7	Netherlands	27.52
Pakistan	2.57	Bangladesh	1.15
Uzbekistan	2.42	Myanmar	1.15
Taiwan, China	2.25	Cambodia	1.05

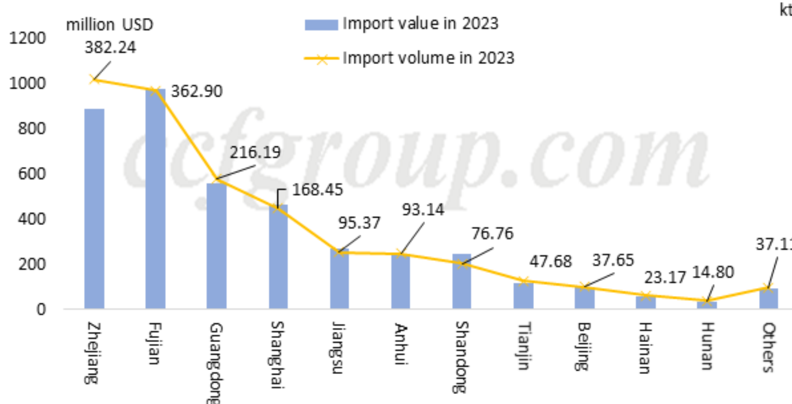
IV. China's cotton yarn imports by structure in 2023

The largest import volume of cotton yarn in China in 2023 was concentrated in imported uncombed single yarn 8-25s, totaling approximately 759,400 metric tons, but its proportion decreased from nearly 60% in 2022 to 48.82%.

At the same time, there was a rapid increase in the import volume of combed yarn, with a total import volume of 217,700 tons for combed single yarn 30-47s, accounting for 14.09% and ranking second in terms of import varieties. The total import volume for uncombed single yarn below 8s was 212,800 tons (13.68%) and ranked third. Coarse-count yarn still remains the main variety for China's cotton yarn imports. In recent years, the competition between imported yarn and domestic yarn has become increasingly fierce, and the import of low-count yarn will continue to dominate under the orientation of differentiated management.



V. China's cotton yarn imports by locations of importers in 2023



In 2023, China's cotton yarn imports by locations of importers did not change significantly compared to the previous year. Zhejiang province ranked first with a total import volume of 382,200 tons, followed by a significant increase in import volume in Fujian province, with a total of 362,900 metric tons. Guangdong province had a total import volume of 216,200 tons, while Shanghai had 168,500 tons. Other provinces and regions had cotton yarn imports below 100,000 tons. Among them, Shanghai and Beijing experiencing a decrease in import volume compared to 2022. In terms of import value, Fujian province took the lead with $978 million, primarily due to its relatively large import volume of high-priced Indian yarn. Meanwhile, the imports of Zhejiang Province was mainly composed of coarse-count yarn, with a total import value of approximately $890 million in 2023.

Source: ccfgroup.com– Jan 24, 2024

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Sri Lanka's central bank retains policy rates at current levels

The Central Bank of Sri Lanka at a recent meeting decided to retain its standing deposit facility rate and standing lending facility rate at their current levels of 9 per cent and 10 per cent respectively.

The bank's monetary policy board aims to maintain inflation at the targeted level of 5 per cent over the medium term.

Recent developments in taxation and supply-side factors would not materially change the medium-term inflation outlook, it noted.

The board underscored that the envisaged benefit of further reduction in market lending interest rates needs to be adequately and swiftly passed on to the businesses and individuals by financial institutions.

Inflation is expected to stabilise at the desired levels as the effects of the recent tax adjustments and supply side disruptions are expected to dissipate in the near term, the central bank said in a release.

Headline inflation, as measured by the year-on-year change in the Colombo consumer price index, was recorded at 4 per cent in December 2023 compared to 3.4 per cent in November. Non-food inflation (year-on-year) moderated in December compared to the previous month.

Despite the recent acceleration, headline inflation remains closer to the inflation target of the central bank and is in line with its envisaged inflation projections, the bank noted.

Meanwhile, core inflation (year-on-year) continued to moderate in December last year compared to the previous month, reflecting the subdued demand pressures in the economy.

Headline inflation is projected to record an upward movement in the near term, as expected, driven mainly by domestic price adjustments due to the increase in the value-added tax (VAT) and the elimination of certain VAT exemptions effective January 1 this year, disruptions to the domestic food supply, and the dissipation of the favourable statistical base effect.

However, this acceleration of inflation in the near term is expected to be short-lived, and the spillover effects of such one-off adjustments are likely to be muted due to subdued underlying demand conditions, the bank said.

The merchandise trade deficit is estimated to have moderated last year compared to 2022, it added.

Source: fibre2fashion.com– Jan 24, 2024

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'Extended Producer Responsibility' Textile Recycling Schemes Gain Traction Globally

With 8 to 10 percent of greenhouse gas (GHG) emissions stemming from the apparel and footwear sector, the industry's contributions to the growing threat of climate change are fast coming under scrutiny. But its actions to remediate the pileup of waste aren't keeping pace with the problem.

That is likely to change over the course of the coming years as Extended Producer Responsibility (EPR) programs gain traction across the globe, according to British climate action non-profit Waste and Resources Action Program (WRAP). While these frameworks are relatively rare as a means of mitigating fashion waste today, "It is expected that the number of EPR systems for textiles will rapidly change during the next decade," head of EPR Jordan Girling wrote in a report released this month.

EPRs are regulatory mechanisms used to finance the environmental management or recycling of a product or its packaging once it reaches the end of its useful life. They place the burden of recycling costs on the "producers" of these products, which can include both manufacturers and vendors. Packaging, batteries and electronics have all seen successful EPR programs implemented, leading to the development of systems that recycle their various parts and pieces for future use.

The EU Strategy for Sustainable and Circular Textiles, published in March 2022, prompted a proposal for the adoption of a mandatory textiles EPR system. By 2025, producers across the EU will be responsible for collecting textile waste before it ends up in landfills.

The European Commission designated the scope of the program to include apparel, shoes, blankets, rugs, bed linens and curtains, which will result in an estimated EPR fee of about 0.12 euros (about 13 cents) per item. Under the law, producers will be required to cover the costs of managing the waste, incentivizing them to curb overproduction and boost investments in circular products.

To date, France is one of the only countries with an active and relatively mature textiles EPR program. The first market to adopt such a scheme in 2008, the program currently applies to clothing, footwear and household linens. While both collective and individual participation is permitted—

some large firms like H&M have created their own take-back programs—95 percent of the French fashion community (about 4,000 entities) are registered with the Refashion collective compliance program.

Costing between 0.01 euros and 0.06 euros per garment, the program has adopted the concept of "eco-modulated" EPR fees. Tough-to-recycle or less environmentally conscious products incur higher recycling fees, with the goal of pushing companies to take the content and construction of garments into consideration before they're produced. Products that are designed for durability or with recycled materials receive discounts on their EPR fees.

Since its inception, France's textiles EPR has created a threefold increase in the collection and recycling rates of textiles, WRAP's data showed, and the material recovery rate for post-consumer textiles can reach up to 90 percent. While nearly half (49 percent) of the French population claimed to buy less apparel now than in the past, the number of items put on the market by brands has increased by 21 percent, suggesting that buying habits haven't actually changed.

The French Ministry of Ecological Transition, which sets the directive for the Refashion recycling scheme, has upped its budget to about 1 billion euros over six years to improve collection and sortation, reuse and recycling. While data shows the program to be a success so far, a 2023 report from the OR Foundation charity, based in the U.S. and Ghana, cast doubt on the findings. The group asserted that up to 80 percent of the textiles collected by Refashion were actually exported to developing countries.

Other textile EPR programs are active in the Netherlands and Hungary as of last year, with producer obligations set to take effect in 2025. In the Netherlands, producers are responsible for developing a free-to-use collection system, or systems, for consumers. They are obligated to prepare 50 percent of collected textiles for recycling and reuse, and 25 percent for fiber-to-fiber recycling processes.

While the law designates that producer obligations begin next year, they are currently liable for reporting. In Hungary, producers of apparel, clothing accessories, household linens, curtains, blankets, rugs, footwear and carpets will be required to make EPR contributions to a recycling system on a quarterly basis.

Sweden and Spain are slated to implement their own textiles EPRs, while Australia currently has a voluntary system in place for producers. If the industry there does not take the initiative to create its own widespread solution, Australian minister for the environment and water Tanya Plibersek has said she will step in. "I want to see industry leadership," she said in 2023. "But if I don't see enough movement in a year, then I will regulate."

Bulgaria, Italy, Norway, Chile, the UK and California are also planning, drafting or mulling potential textiles EPR legislation. Last year, California State Senator Josh Newman, who represents the 29th district including parts of Los Angeles, put forward legislation that would require the state's producers to fund the creation of such a scheme, but it failed to move forward. The California Textile Recovery Act of 2023 was pulled from consideration so that the retail community, as well as recyclers and other collaborators, could provide more relevant input, bill writers said.

But with the implementation of new sustainability legislation in Europe and across the globe, it's likely that many markets will be forced to iron out the kinks, and quickly. It's "imperative that this problematic waste is tackled," WRAP's Girling said. "The need for systems to manage textile waste has become significantly more apparent in recent years and consequently, Textiles EPR systems are emerging around the world."

Source: sourcingjournal.com– Jan 24, 2024

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Singapore ratifies UK's CPTPP entry, boosting trade bloc's worth

Singapore has officially ratified the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), following Japan's approval late last year. The UK's entry into the CPTPP, which was signed in July 2023, is set to enhance the trade bloc's combined worth to an impressive £12 trillion, accounting for 15 per cent of global GDP.

This significant development means that over 99 per cent of UK goods exported to CPTPP countries will be tariff-free. Furthermore, the UK's accession is expected to strengthen the UK-Singapore bilateral relationship. It opens doors for deeper integration into each other's supply chains, diversified trade, increased investment, and collaboration on shared priorities, ultimately benefitting businesses with greater access and opportunities, the UK government said in a press release. To implement this landmark agreement, the UK government has introduced the Trade (CPTPP) Bill in parliament. The deal is anticipated to come into effect in the second half of 2024, once the UK and other CPTPP Parties complete their respective legislative processes.

British high commissioner to Singapore, Kara Owen, said: "It is great to see Singapore ratify the UK's accession to CPTPP, taking us a step closer to UK business accessing the benefits of the agreement. Accession will connect the UK to a group of economies that are the most dynamic and ambitious on free trade. It provides opportunities for our business to build on the strong £21 billion bilateral trade relationship with Singapore. "We look forward to growing our trading partnerships with all members through the ambitious liberalisation commitments, enabling new rules of origin arrangements and opportunities for investment and collaboration."

"I'm delighted that Singapore has ratified the UK's accession to CPTPP. UK accession to CPTPP highlights our commitment to deepening our £124bn trade relationship across the Asia Pacific, one of the most dynamic and fast-growing trading areas in the world. I look forward to working with partners across the region to help businesses make the most of the CPTPP," said Martin Kent, UK's trade commissioner for Asia Pacific.

Source: fibre2fashion.com– Jan 24, 2024

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US to uncover market share shift of five Asian apparel sourcing countries

The American Apparel & Footwear Association (AAFA)'s VP of trade and customs policy, Beth Hughes has confirmed the organisation "intends to participate" in the USITC's examination of the five key US apparel sourcing countries.

The United States Fashion Industry Association (USFIA) also looks forward to providing insights about how global brands and retailers define competitiveness today.

USFIA president Julie Hughes pointed out: "It's been many years since this level of analysis and the sourcing landscape has changed dramatically."

NCTO president and CEO Kim Glas agreed and told Just Style this is one of the first studies she's seen looking at the shifts in global textile and apparel trade and growing import market share. She hopes it will "bring about more transparency into the trade practices of these countries as well as the scope of their reach into the US market".

She explained: "US textile and apparel manufacturers compete in one of the most unbalanced economic playing fields of any industrial manufacturing segment. We have long called for a review of US textile trade policy and the negative ramifications related to the aggressive predatory practices of many of our foreign competitors."

Click here for more details

Source: just-style.com– Jan 24, 2024

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Germany's economic growth forecast at 0.9% for 2024

Germany's economic growth forecast for 2024 has been revised from the previously projected 0.9 per cent to 0.7 per cent, according to the ifo Institute. This adjustment comes in the wake of recent fiscal developments in the country.

The need for budget consolidation measures has emerged following a decision by Germany's Federal Constitutional Court in November 2023. The court ruled that the government's allocation of untapped credit, originally earmarked for the COVID-19 pandemic, to its Climate and Transformation Fund was unconstitutional and therefore invalid.

During the preparation of the ifo Economic Forecast in December, there was significant uncertainty regarding the extent to which expenditure would be reduced or taxes increased. Consequently, the baseline forecast at that time assumed that all fiscal policy measures planned up to that point would be implemented, despite the emerging budget gap, as per the ifo Institute.

However, it was also anticipated that additional consolidation efforts would be required to bridge this gap. As a result, the forecast included a risk scenario estimating the impact on the German economy of a comprehensive package of measures amounting to €20 billion.

"Now that the German parliament's budget committee has agreed on the federal budget, we estimate that it passed additional savings of just under €19 billion," said Timo Wollmershauser, head of forecasts at ifo. "Companies and households will carry a greater burden or receive less relief, and government spending will be cut.

That means the overall scope is roughly in line with what we estimated in our risk scenario for 2024 in December. The economic impact is also likely to be of a corresponding magnitude."

Source: fibre2fashion.com– Jan 25, 2024

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Tunisia announces 20% wage hike for textile workers for 2024-2026

Tunisian textile workers recently received a 20 per cent wage hike distributed over 2024, 2025 and 2026.

The raise followed an agreement signed early this month between IndustriALL Global Union affiliate Fédération Générale du Textile, de l'Habillement, Chaussure et Cuir (FGTHCC-UGTT) and the employers' organisation Fédération Nationale du Textile (FENATEX-UTICA).

The agreement, reached after negotiations hosted by the general labour inspection headquarters and supervised by the country's ministry of social affairs, includes a wage increase of 6.5 per cent for 2024 and 2025, and a 7 per cent increase for 2026. A seniority bonus of 1 per cent for every second year of service was announced as well.

The agreement also includes revisions of a number of regulatory aspects, including amending the chapters of the joint sectoral textile agreement on promotions. The new revisions ensure that the same grade for promotions is maintained, guaranteeing an upward career path, an IndustriALL press release said.

"The increase is important to restore the purchasing power of workers in the sector," said FGTHCC-UGTT general secretary Habib Al-Hazami.

IndustriALL general secretary Atle Hoie said: "This is an important union win given the difficulties experienced by the Tunisian economy. It is the result of the hard work of FGTHCC-UGTT over many years in organising and improving the sectorial social dialogue."

Source: fibre2fashion.com– Jan 24, 2024

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KOTRA, BGMEA discuss trade-investment potentials

Representative of commercial section at Korean Embassy Samsoo Kim and chief specialist at the Korea Trade-Investment Promotion Agency (KOTRA) in Dhaka Faruque Ahmed held the meeting to explore the new avenues at BGMEA complex at Uttara new town.

They held talks to expedite trade and investment between Bangladesh and Korea, aiming to benefit the economies of both the countries.

They also had discussions about possible ways of establishing robust connections between businesses in Bangladesh and Korea, allowing them to explore their mutually beneficial trade and investment, said a press release.

Expressing keen interest in strengthening ties with Korea, the BGMEA President urged KOTRA to encourage Korean businessmen to invest in Bangladeshs backward linkage industry, with a particular emphasis on non-cotton textile sector, including polyester and spandex yarn.

Collaboration between Bangladesh and Korea, especially in apparel and textile sector holds the promise of creating new opportunities for businesses in both countries, he said.

Faruque Hassan also sought cooperation of KOTRA in developing capacity of BGMEA University of Fashion and Technology (BUFT) in textile, apparel, fashion and business through collaboration with leading Korean fashion institutes.

He called for KOTRAs cooperation in boosting garment exports from Bangladesh to Korea.

Source: observerbd.com– Jan 24, 2024

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Vietnam's VMA to support bizs shipping containers to Europe, Americas

The Vietnam Maritime Administration (VMA) recently received an official dispatch from the transport ministry in which the latter sought support for businesses facing an increase in cost of container shipping services to Europe and the Americas.

The routine transport route from Asia to Europe goes via the Red Sea and the Suez Canal. However, due to conflicts in the Red Sea zone since the end of last year, shipping companies have had to change routes.

The ministry asked VMA to preside and coordinate with relevant agencies and units to ensure a smooth seaport system nationwide, create favourable conditions for the transportation of import and export goods, and deploy solutions to improve the efficiency of maritime infrastructure.

VMA was asked to accelerate port entry and exit procedures and loading and unloading of goods, especially to the Americas and Europe.

It was also tasked with asking shipping lines that have transport routes to the Americas and Europe to maintain routes and add berths and container shells to Vietnam.

The ministry assigned VMA to find policy mechanisms to attract container shipping companies to open new routes to Vietnam, and reduce and simplify administrative procedures, especially those related to ship operations, according to a report in a domestic media outlet.

Source: fibre2fashion.com– Jan 25, 2024

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Bangladesh ousts China as top apparel exporter in UK 4 times in 2023

Bangladesh has been competing with China in the last few months to turn the top exporter of readymade garment (RMG) to the United Kingdom.

Bangladesh displaced China from the top apparel exporter position in the UK market four times between January and November last year—in January, March, April and May, according to UK government data.

Despite remaining the second-largest apparel exporter in the UK market in terms of value, Bangladesh's position was unchanged as the top RMG exporter there in terms of volume since 2022, followed by China.

Although the overall apparel imports by the United Kingdom fell in the January-November period last year due to inflation, the share of Bangladesh's exports rose there due to competitive prices.

Bangladesh's apparel export to the United Kingdom in between January and November last year fell by 11.58 per cent to £2.63 billion compared with that of £2.98 billion in the same period of 2022, according to a UK government factsheet on Bangladesh released recently.

The United Kingdom's apparel import from China in the same 11 month also dropped by 22.93 per cent to £2.83 billion compared with £3.68 billion in the same period of 2022. Its overall apparel import declined by 18 per cent year on year (YoY) in value and 13.67 per cent YoY in volume.

In terms of volume, Bangladesh's clothing exports to the United Kingdom, the third largest export destination for the former, also dropped by 10 per cent YoY in those 11 months. China's apparel exports by volume to the United Kingdom in those 11 months dropped by 14.28 per cent YoY.

In that period, UK apparel imports from Turkiye, Pakistan and Cambodia declined by 27.5 per cent, 12.65 per cent and 16.48 per cent YoY respectively. India's and Vietnam's apparel exports to the United Kingdom in those 11 months decreased by 12.53 per cent and 16.48 per cent YoY respectively.

Source: fibre2fashion.com– Jan 24, 2024

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Red Sea Disruptions Spell Danger for Bangladesh Garment Manufacturers

The Houthi attacks on commercial vessels in the conflict-ridden Red Sea have sent freight rates skyrocketing, tacked on as much as two weeks to shipping times and even resulted in a shortage of container capacity out of Asia.

But while the impact on global trade have been substantial, the effects on the source of the goods has largely flown under the radar—particularly in Bangladesh, where the garment manufacturing industry is the centerpiece of the country's export economy.

In 2023, Bangladesh exported $47.4 billion in total apparel, according to the country's Export Promotion Bureau (EPB), representing 85.3 percent of the $55.6 billion in total goods exported out of the market. The country is the second-largest apparel exporter in the world, after China, per the World Trade Organization (WTO).

With such a massive reliance on apparel manufacturing, the hikes to container prices could pose significant concerns for businesses in the region that are likely to have to raise their prices in kind and risk losing business. Since Nov. 23, the average rate for a 40-foot container traveling from Shanghai, China to Genoa, Italy via ocean has increased a whopping 357.5 percent to $6,282 as of Thursday, according to the Drewry World Container Index (WCI).

The sky-high container prices out of Asia align with tumult regarding controversial minimum wage hikes in Bangladesh, which resulted in protests that already cost as many as 5,000 garment workers their jobs.

One such Bangladeshi garment manufacturer, Sparrow Group, which has produced apparel for Gap, Inc., American Eagle, Kohl's, Mango, J.Crew and Marks & Spencer, lost orders from a major U.S client due to the added lead times.

The lost orders totaled 150,000 pieces worth several million dollars, managing director Shovon Islam told Japanese-based financial publication Nikkei.

"I couldn't find a ship that could deliver the products on time. Almost all of the major shipping lines are sailing around the tip of Africa, crossing the Cape of Good Hope," Islam said. "It increases the shipping time by at least 10 days and the cost by nearly 50 percent."

According to Islam, that business eventually went to an Indonesian competitor that offered a shorter lead time.

In another example, Rakibul Alam Chowdhury, the chairman of activewear and knitwear manufacturer RDM Group, was asked by his European buyer to ship goods via air freight to meet higher demand ahead of the Chinese New Year, when factories across the country close for two weeks in February.

"Air freight costs 10-to-12 times more than the normal shipment. If we make any air shipment, it means we are in red for that order," Chowdhury, also a vice president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told Nikkei. "But we don't have any option as if we can't deliver on time, we will not get future orders from that buyer.

The sector has had to endure slower lead times as it is, since one of its main seaports in the city of Chattogram wasn't even equipped to start accommodating large container ships until early 2023. As a result, garment producers often first export goods from Chattogram in feeder vessels, which carry small batches of containers to large ships docked at other Southeast Asian ports, including Colombo, Singapore or Malaysia's Kelang and Tanjung Pelepas ports.

The Bangladeshi garment industry already was enduring a down year with the U.S. ahead of the Red Sea disruptions, according to the BGMEA. Exports to the States, which is the country's largest buyer of garment products, plunged 25 percent to $6.79 billion in the first 11 months of 2023, from $9.04 billion registered over the same period in the previous year.

U.S. inflation concerns may be overblown

Despite the global impact of the Red Sea disruptions on freight costs, the increasing expenses may not affect inflation in the U.S. as much as one would generally think, according to Jason Miller, interim chairperson, department of supply chain management at Michigan State University.

For one, imports are still a relatively small portion of personal consumption in the U.S., he pointed out.

Only three of the top 18 categories imported from Asia saw their insurance and freight costs represent at least 5 percent of the goods' import value, according to 2023 U.S. Census Bureau data shared by Miller. The lower those insurance and freight costs are, the greater the sign that additional prices won't be tacked on.

"That figure is consistently less than 5 percent, which—when you combine with the San Francisco Federal Reserve reporting back in 2019 that imports represent roughly 11 percent of personal consumption (either directly or indirectly)—implies minimal impact," Miller told Sourcing Journal.

Source: sourcingjournal.com– Jan 24, 2024

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Bangladesh: Call for fair price grows louder as new EU rules loom for garment makers

Business leaders in the apparel and textile sectors in Bangladesh yesterday demanded fair prices for their products sourced by international buyers, saying the country has made major gains in quality and compliance.

The leaders made the demands at a roundtable on "Due Diligence Laws", organised by the International Business Forum of Bangladesh (IBFB) at its conference room in the capital.

In December, the European Parliament and Council negotiators agreed on new rules – referred to as Due Diligence Laws -- obliging firms to integrate their human rights and environmental impact into their management systems.

The rule applies to EU and non-EU companies with a turnover over 150 million euros and smaller companies in sectors such as textiles, agriculture, mineral resources and construction.

It includes a civil liability regime for damages and penalties including naming and shaming and fines of up to no less than 5 percent of net worldwide turnover, according to the website of the European Parliament. The agreed draft law requires formal approval from the European Parliament and the European Council before it can enter into force.

Yesterday, business leaders in the apparel and textile sectors alleged that international buyers consistently pay lower than the global average to suppliers in Bangladesh.

"Bangladesh seems to be the buyer's market. Buyers always impose lower prices," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

"We are deprived."

He said the fair price should be included in the due diligence law. "Otherwise, everybody in the apparel industry, including workers, will suffer."

He described all apparel brands and buyers as "blood suckers".

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, says manufacturers have to take certificates from various organisations in Europe and the United States to comply with rules.

"But we don't get a fair price."

"If we are to comply fully, you need to give us the strength to carry this heavy burden," he said, calling on the buyers to raise prices.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, echoed the same sentiment.

"No matter how much we talk about ensuring a level-playing field, today's market is buyer-driven, and manufacturers have little to no scope to intervene in this setting," he said.

"The goal we want to achieve by implementing the due diligence law is universal and desired by all."

He said there has to be a mechanism to ensure a level-playing field, particularly for the supply chain partners downstream.

While making the keynote speech, Berned Spanier, deputy chief of the European Union to Bangladesh, said once the due diligence law is implemented, obligations will be enforceable in two ways.

First, victims can claim reparations from a company in a European court if they can show that the damages, they suffered were caused by the companies' failure to follow due procedures.

Second, the EU's national supervisory bodies will be able to sanction companies if they fail to implement diligence procedures.

Stakeholders, including trade unions or civil society organisations, will have to make claims within five years.

About the fair price, Spanier said pricing is a matter of negotiation between buyers and sellers.

"We can't force anyone to do that."

Charles Whitley, ambassador and head of delegation of the EU to Bangladesh, said Bangladesh is going to graduate from the group of least-developed countries to a developing nation by 2026.

"So, due diligence legislation shouldn't be seen as an isolated thing."

"The laws aren't in the interest of buyers or sellers. It's in the interest of everybody in the world so that we can tackle climate change, child labour, slavery, labour exploitation, pollution, deforestation, excessive water consumption, and damage to the ecosystem."

"That's not a European interest; it's a global interest."

At the roundtable, the business leaders also demanded a unified code of conduct and audit system from buyers. Whitley backed the proposal.

Humayun Rashid, president of the IBFB, MS Siddiqui, vice-president, and Muhammad Abdul Mazid, adviser, also spoke at the discussion.

Source: thedailystar.net– Jan 24, 2024

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Pakistan: Cotton, textile sector: US diplomat, APTMA discuss collaboration

In a recent meeting, Kristin K Hawkins, the United States Consul General in Lahore, engaged in discussions with the All Pakistan Textile Mills Association (APTMA) to enhance trade and economic ties between Pakistan and the United States.

Leaders from APTMA, including Kamran Arshad, Chairman Northern Zone, and Ahmad Shafi, Vice Chairman, warmly welcomed the US consul general. The talks focused on collaboration in the cotton and textile sector, with a broader aim of expanding trade and investment relations.

Concerns were raised about Pakistan's declining domestic cotton production, underscoring the need to import over three million bales this year. The USA, a major cotton supplier to Pakistan, is expected to contribute to textile production worth $ 8 billion, primarily for export to the US.

Kamran Arshad stressed the critical role of the textile industry, constituting 62% of total exports. He proposed a mechanism for importing US cotton under GSM-102, with Pakistan's textile export proceeds serving as collateral.

Highlighting the strength of the textile industry in Pakistan, Arshad mentioned the US as Pakistan's largest trade partner, with bilateral trade reaching USD 9.85 billion in 2021-22. Pakistan exported $ 6.8 billion to the US while importing $ 3.0 billion.

APTMA advocated for stronger US-Pakistan cotton linkages, promoting toll manufacturing in Pakistan by the US textile industry, and technology transfer for high-yielding cotton seed. Arshad emphasised the importance of joint ventures and collaboration between Pakistani and US investors.

As both nations explore avenues for economic collaboration, these discussions aim to bolster the textile industry, strengthen bilateral trade, and pave the way for sustained economic growth.

Source: brecorder.com– Jan 25, 2024

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NATIONAL NEWS

French President Emmanuel Macron's visit may give push to India-EU trade deal talks: GTRI

French President Emmanuel Macron's visit as the chief guest for the Republic Day celebrations is likely to give a fillip to the ongoing talks for a comprehensive trade agreement between India and EU, economic think tank GTRI said on Wednesday. France is a key member of the 27-nation bloc European Union (EU).

In June 2022, India and the EU restarted the negotiations for the long-pending trade and investment agreement, after a gap of over eight years.

The negotiations for the ambitious free-trade agreement (FTA) were suspended in 2013 after several rounds of talks spanning six years.

Macron will be the chief guest at the Republic Day celebrations on January 26 that would make him the sixth leader from France to grace the prestigious annual event. He will also visit Jaipur on Thursday.

The Global Trade Research Initiative (GTRI) said that this visit is expected to provide an impetus to various domains of mutual interest, ranging from defence cooperation to economic ties, and from energy collaboration to space and nuclear partnerships.

The discussions will likely pave the way for new agreements and deepen existing cooperation, reflecting the dynamic and evolving nature of the India-France strategic partnership, it said.

"France, as India's eighth largest trading partner, aims to strengthen trade and investment ties. Both countries are negotiating an FTA (India-EU FTA) to further expand the relationship. They may discuss market access, intellectual property rights, and investment facilitation," GTRI Co-Founder Ajay Srivastava said.

The seventh round of talks for the proposed agreement will be held from February 19-23.

Srivastava added that the discussions may include counterterrorism, intelligence sharing, and defence technology transfer.

"Potential collaboration is also expected in renewable energy, green hydrogen, and sustainable infrastructure development, underscoring their commitment to combating climate change," it said, adding that discussions between the two countries may also focus on enhancing multilateral cooperation on global health, food security, and climate change.

The growing space partnership between India's ISRO and France's CNES, including joint missions and technology transfer, will likely be a topic of discussion besides increasing cooperation in the civil nuclear segment, it said. The economic relationship between India and France is marked by significant business presence, trade, and investment. Over 1,000 French companies operate in India across various sectors like manufacturing, services, and technology, while more than 200 Indian companies are established in France.

In 2022-23, the bilateral trade reached USD 19.2 billion (export USD 7.6 billion and imports USD 6.2 billion).

India's exports to France included diesel (USD 707.9 million), ATF (USD 405 million), turbojets (USD 496 million), apparels(USD 850 million), footwear (USD 157 million), smartphones (USD 248 million), gold jewellery (USD 160.5 million), airplane parts (USD 158 million), medicines (USD 447.8 million), and chemicals (USD 364.5 million).

On the other hand, main imports included planes, helicopters, and/or spacecraft (USD 2.1 billion), LNG (USD 400 million), navigation equipment (USD 102 million), turbojets, and gas turbines (USD 442.2 million).

In the domain of services, India exported financial, IT, maintenance and repair, travel, transport, and other business services worth USD 3.2 billion to France, while importing services such as other business services, transportation, and insurance, amounting to USD 2.2 billion.

Investment-wise, France ranks as the 11th largest investor in India, with a cumulative Foreign Direct Investment (FDI) inflow of USD 10.5 billion from April 2000 to March 2023.

Source: economictimes.com– Jan 24, 2024

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Cabinet approves Protocol for establishment of joint Economic and Trade Committee between India and Dominican Republic

The Union Cabinet chaired by Prime Minister Shri Narendra Modi approved the proposal for signing of a protocol for establishment of Joint Economic and Trade Committee (JETCO) between the Department of Commerce, Ministry of Commerce and Industry of the Republic of India and the Ministry of Foreign Affairs of the Dominican Republic.

Bilateral relations between India and the Dominican Republic have been friendly and continue to deepen in all spheres. At present, there is no bilateral institutional mechanism between India and Dominican Republic on trade and commerce. India primarily imports gold from Dominican Republic and exports pharmaceuticals, marine products, motor vehicles, two and three wheelers etc. to them.

The establishment of JETCO will strengthen economic tie between India and the Dominican Republic and shall play a pivotal role and provide a platform for discussions, exchange of information, knowledge and ideas which would in turn facilitate trade and industry. The Protocol can be an effective gateway to the larger Latin American and Caribbean markets.

The Joint Committee will provide a platform for exchange of information between various authorities and their counterparts. This would help in facilitating trade of goods and services and consequentially help in better employment opportunities for professionals in both the countries.

The establishment of JETCO will facilitate mitigating challenges in export of Indian products of mutual dialogue and pave the way for boosting exports of pharmaceuticals, automobiles and engineering goods manufactured in India leading to more foreign exchange earnings for a Atmanirbhar Bharat.

Source: pib.gov.in– Jan 23, 2024

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The importance of Asean for India

The review of the Asean-India Trade in Goods Agreement (AITIGA) is scheduled to begin next month. This has been a long-pending demand from the Indian industry seeking to alter the provisions of the agreement so that the bilateral trade balance, which is in favour of Asean, can be potentially reduced or reversed. Statements by the Indian industry, following soon after the review announcement last November, flagging an increase in certain imports from Asean (Business Standard, December 11, 2023), reflect the same sentiment. However, it would be best if the Indian negotiations are not guided solely by these apprehensions but undertaken keeping in view the evolving global and regional trade context.

The AITIGA, signed in 2009, was a shallow free-trade agreement (FTA) with less than 80 per cent tariff line liberalisation. The FTA also granted a greater advantage to some of the Asean economies through a relatively large negative list. Additionally, the rules of origin (RoO), specified a lower value-added content relative to India's bilateral FTAs with member economies such as Singapore.

The expected compensatory gains in the agreement on services liberalisation also did not materialise due to the prolonged time period over which it was negotiated and Asean's limited internal services sector liberalisation.

The increasing deficit with Asean, though, is more on account of India's higher tariffs, and hence a relatively high preferential margin accorded to Asean economies, as also due to India's limited export competitiveness.

These two contributory factors are true for India in almost all its FTAs, given that India maintains relatively high average applied most-favoured nation (MFN) tariffs in the non-agriculture sector. So, it would be useful for India to reduce its import tariffs before the start of the revision process next month. The Budget, due on February 1, may be a good time to accomplish this long-sought trade reform.

It may also be worth noting, in the context of review negotiations, that agriculture and textiles, often cited by India as examples of high protection by Asean's non-tariff measures, are among sectors that remain outside the realm of preferential market access in most FTAs across the world.

The larger context of the FTA review, however, needs to be viewed in terms of the distinct advantage that it can provide India by facilitating its integration with regional and global value chains (RVCs/ GVCs). The FTA revision with Asean gives India an opportunity to make good the loss of staying out of the Regional Comprehensive Economic Partnership (RCEP) and a means to integrate with a proximate regional GVC hub. This is particularly timely as the centrality of Asean to the RVCs/GVCs is getting reinforced in the wake of the "China plus one" diversification strategy reorienting along the lines of ally-shoring. Asean economies' largely neutral geopolitical stance, relative economic resilience, strong export orientation, and participation in multiple trade and investment agreements make them the most attractive in the region for GVCs relocating away from China.

Regional economies like Japan and Korea are actively subsidising friendshoring to Indonesia, Thailand and Vietnam, among other Asean economies. Vietnam is the new semiconductor manufacturing friendshoring location for the US, in addition to an upgrade of the bilateral relations to a comprehensive strategic partnership. This evident intensification of GVC investments and the increasing number of potential beneficiary Asean economies in this context is a critical element that must be given high importance in the FTA review process. Keeping this in mind, three key inputs for the AITIGA review are discussed below.

The foremost consideration should be given to the formulation of appropriate RoOs. Over and above the fact that India should avoid excessively complex, dual-criteria-based RoOs, and make the certification procedures less burdensome, there is a need for careful consideration to be given to the region-wide cumulation formula that Asean countries have opted for under the RCEP.

The 40 per cent regional content rule under the RCEP is highly facilitative of RVCs and a major attraction for relocating GVCs. It is possible that Asean will use the RCEP as a template for the AITIGA review. Accepting some form of region-wide cumulation in the RoOs will also help India overcome the limitation of staying out of the RCEP and assist in its integration with the RVCs/GVCs. Even for the product-specific rules of origin, India should take care not to specify the criterion of "change in tariff sub-heading" at the 6-digit level, as this may constrain parts and components trade integral to GVCs.

The second significant aspect relates to the investment chapter that India has thus far found difficult to negotiate in its FTAs. Asean's expectations may, however, be defined by the latest upgrade of its FTA with Australia-New Zealand, which is significantly forward-looking. Apart from dispute settlement and MFN treatment for investors, the amendment of provisions limiting the use of performance conditions such as domestic content and minimum export requirements have been included in the revised investment chapter. These elements enhance the regional economies' potential pull for investments. India may, therefore, need to evolve its stance beyond that based on its highly-restrictive model Bilateral Investment Treaty of 2016.

Thirdly, learning from the AITIGA experience, the review negotiations should be undertaken on a simultaneous and comprehensive basis, encompassing goods, services and investment liberalisation. Separate negotiations for each component limits, ex-ante, any possibility for simultaneous cross-sectoral bargaining and trade-offs, thereby structurally limiting the ambition of the negotiating parties. However, it is also important that in the liberalisation of services, India thinks beyond mode-4 liberalisation to consider sectors that, when combined with manufacturing, will contribute to export competitiveness. This includes areas of India's comparative advantage such as repair and maintenance, as well as digital services, a sector that has received special focus in the Asean vision towards establishing the regional economic community.

Finally, India must appreciate the importance of looking east. This is the only region following the FTA rulebook, as opposed to North America and the EU adopting selective trade protectionism and inward-looking regionalism. Recent Trade Policy Forum talks with the US have not given any indication of restoration of the Generalised System of Preferences for India. Furthermore, the agreement towards the trade pillar of the Indo-Pacific Economic Framework, critical to GVCs, has not found consensus among member economies. India's FTA with the EU has also shown little progress so far.

Therefore, India should ensure sufficiently diligent prior preparation for beneficial negotiations and timely conclusion of the AITIGA review process.

Source: business-standard.com– Jan 24, 2024

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Red Sea impact: Who would a price rise hurt the most?

As the "Ram lehar (Ram wave)" builds up, it could be threatened by counter-currents rising in the Red Sea. The Indian economy will not remain untouched by the effect of Houthi attacks. Indian exports and imports will be adversely affected if the Red Sea route to Europe, parts of Africa and the US East Coast cannot be used.

As the war in Gaza between Israel and Hamas expands to a larger regional theatre, the Houthis have joined on the side of Hamas. They are members of the Ansar Allah movement, a Shia militia believed to be backed by Iran. Their targeting of commercial ships with any connection to Israel and the US has forced shipping companies to take the longer route via the Cape of Good Hope to Europe and beyond.

The Houthis control the 70 km long and 20 km wide Bab-el-Mandeb Strait abutting Yemen, which connects the Red Sea to the Gulf of Aden. At the other end, the Red Sea shipping route leads through the Suez Canal to the Mediterranean Sea. Media reports claim that since the Houthi attacks began in November last year, 95 per cent of vessels have rerouted around the Cape of Good Hope. This route would add 4,000 to 6,000 nautical miles and two to three weeks to the time taken to Europe from India.

Two recent attacks on Gabon-flagged MV Saibaba and Liberia-flagged MV Chem Pluto on December 22/23 -- both bringing Indian cargo of crude oil and with an Indian crew -- have brought the Israel-Hamas war closer home.

MV Saibaba was attacked in the Southern Red Sea, but MV Chem Pluto was hit by a missile-carrying drone in the Arabian Sea, just about 200 nautical miles off the coast of Veraval in Gujarat. Initial reports suggested that the missile was a suicide drone, an Iranian Shahed 136 loitering ammunition.

Perhaps the danger to India-bound ships was one of the issues motivating External Affairs Minister S Jaishankar to visit Moscow in December, as Russia has considerable influence over Iran. In his two-day visit to Tehran in January, ostensibly to reset ties with Iran, he probably also raised these concerns.

However, it is unlikely that Iran would have given any assurances on safe passage to India-bound commercial ships. The regime can hardly admit that it backs the Houthis. It has recently claimed that the Houthis may be working autonomously.

According to Reuters, the cost of Indian exports has already more than doubled due to Houthi attacks on ships in the Red Sea. About 80 per cent of Indian exports to Europe, valued at US $14 billion a month, pass through the Red Sea. More than 30 per cent of the global container trade and 9 per cent of oil shipments also go through this route.

Indications are that the Houthis cannot be subdued quickly. The six attacks by the US and UK on them between January 12 and 19 have not had the desired effect. The Houthis, in fact, retaliated with attacks on three US-linked ships in retaliation between January 15 and 17. Therefore, the situation in the Red Sea is likely to worsen considerably.

An assessment by Research and Information Systems for Developing Countries claims that if the Red Sea crisis continues, Indian exports may decline by US$30 billion this fiscal year. This would be a 6.7 per cent drop, based on last fiscal year's total of $451 billion.

Industry experts point out that container shipping costs have surged 30 to 400 per cent, depending on the destination. Rising container costs have forced exporters to either absorb the additional cost or lose competitiveness. As freight and insurance charges skyrocket, it is estimated that many Indian exporters are holding back outbound shipments. Freight charges have also increased on the non-Red Sea shipping route because fewer ships are available.

The Indian economy can ill afford a rise in the cost of imports following the disruption of shipping routes. It will impact energy security as 16 per cent of India's LNG comes from the US using the Red Sea route. India would not remain unaffected by the likely rise in oil prices triggered by the Red Sea crisis. The only solace for India is that the Houthis are not attacking Russian ships, leaving Indian oil supplies from Russia unaffected for now. World Economic Forum (WEF) President Borge Brende recently observed that even a US $10-20 per barrel increase in oil prices would negatively impact India's economy. Any rise in oil prices would have a knock-on effect on the prices of all essential goods.

Who would a price rise hurt the most? The same people who are being sought to be diverted from economic hardships by the "Ram lehar". Former Finance Minister P Chidambaram, in a recent article, identified the forgotten poor as primarily the 228 million Indians, or 16 per cent of the population, which the UNDP has identified as suffering from multi-dimensional poverty (Niti Ayog's figure is 168 million or 11.28 per cent).

These, according to him, include 154 million workers registered under MGNREGS who, instead of the promised 100 days of work in year, get only 49-51 days of work; LPG beneficiaries who can afford to buy only 3.7 cylinders in a year, daily wage workers in agriculture, homeless people and pavement-dwellers, single women old-age pensioners and the 81.2 million small farmers who get Rs 6000 a year "Kisan Samman" pension.

However, if prices go up, they will also affect those Chidambaram identifies as "The 21-50 percent of the people who earn below the median income (Rs 32,000 or less per month) and are only slightly better off than the bottom 20 per cent. They don't go hungry or without shelter but they live on the edge of uncertainty."

Will the potent mixture of piety and Ram Bhakti continue to blank out the precariousness of daily existence from the voters' minds when confronted by price rise and inflation? One will have to wait and see.

Source: business-standard.com– Jan 24, 2024

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Budget 2024: Apparel exporters seek tax incentives to boost manufacturing

New Delhi: Apparel exporters body AEPC on Wednesday sought tax incentives such as uniformity in GST and enhanced interest subsidies to boost domestic manufacturing and India's outbound shipments.

The Apparel Export Promotion Council (AEPC) asked to provide tax concessions to apparel manufacturers adopting Environmental, Social, and Corporate Governance (ESG) and other international quality standards and compliances. The council also sought budgetary support for the branding and marketing of made-in-India products. The Budget is scheduled to be presented on February 1.

The council said that interest equalisation rates were revised downward from 3 to 2 per cent for non-MSME (Micro, Small and Medium Enterprises) manufacturer exporters under the interest equalisation scheme on pre-and post-shipment export credit.

"High cost of capital has been a major bottleneck for the exporting community. AEPC has requested the government to increase the rates under the scheme to 5 per cent for all the apparel exporters," it said, adding it will increase the apparel industry's competitiveness in the international market and enable them to avail necessary working capital.
Regarding the Goods and Services tax (GST), it said that a uniform tax of 5 per cent only should be levied across the entire MMF (Man-Made Fibre) value chain (fibre, yarn and fabric).

Currently, the MMF GST rate on fibre is 18 per cent, yarn 12 per cent, and fabric 5 per cent, resulting in unutilised input credit and consequent liquidity issues for MSME units, the council added.

Further, it suggested the government include trimmings and embellishments under Import of Goods at Concessional Rates (IGCR) duty rules.

The operations involved in the garment export trade essentially require various kinds of quality trimmings and embellishments (tags, labels, stickers, belts, buttons, linings, inter-linings, etc.) to ensure the desired functionality and aesthetics of garments in the global market.

In order to maintain their brand image, foreign buyers insist on maintaining consistency and quality and avoiding the use of counterfeits. Any deviation in the specification and quality results in the rejection of the shipment, it said.

"Indian apparel exporters are constrained to use only those trimmings and embellishments, which are pre-approved by the buyer and these are mostly required to be sourced from overseas suppliers nominated by the garment buyers," the council argued.

As of now, certain trims and embellishment items are not entitled to duty exemption, it said.

"AEPC has submitted a list of items currently not permitted, such as draw cord, elastic band/tape, metal tab/stopper/clip, velcro tape, leather badge, and D-ring, and has requested these items be included in the list for eligibility for duty exemption," the AEPC said in a statement.

It has also urged that minimum wastage at the rate of 10 per cent should be allowed under the IGCR rules for the import of trimmings and accessories by issuing an appropriate notification.

This will help apparel exporters submit their utilisation details on time and get the bond executed at the customs release.

"We will look forward to the response of the government on the suggestions made by AEPC, which have been made after wider industry consultations," Mithileshwar Thakur, Secretary General, AEPC, said.

Source: livemint.com– Jan 24, 2024

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NITI Aayog invite bids for study on India-China trade deficit

The government will soon come up with a comprehensive action plan to bridge India's trade deficit with China and align India's trading strategies with emerging geopolitical situations and potential risks to safeguard its supply chains, which have seen major disruption during the outbreak of the pandemic.

NITI Aayog has invited bids from 10 institutions to analyse the trends in India-China trade (at product category level) over the recent years to discern patterns of trade dependency and underlying reasons for the same.

The 10 institutions include Aeon Market Research, Consumer Unity & Trust Society, Crisil, Ernst & Young, Nangia & Co, Development Evaluation Society of India (DESI), KPMG Advisory Services, SR Asia, Projection Strategy and EGROW Foundation.

The consultant or the bidder will be selected through the Quality and Cost Based (QCBS) selection method with 70% weightage to the technical proposal and 30% weightage to the financial proposal. The selected bidder will have to submit its report in three months, the Aayog said in the request for proposal (RFP) document issued on Tuesday.

The Aayog is of the view that the centrality of China to India's supply chain in certain industries raises dependency and vulnerability of the Indian supply chains and production networks particularly during crisis situations such as the COVID-19 and geo-political conflicts.

The study would also include analysis of the supply chains of India-China trade and also comparable supply chains of India's trade with other Asian countries to de-risk India's trade.

"Besides, the bidder will also examine product categories where India has comparative advantage and a sizeable market in China to scale up exports to China," it said.

According to the RFP document, seen by ET, the bidder will be responsible to examine tariff, non-tariff barriers, regulatory ecosystem and market access concerns in China.

The institute will be expected to recommend key policies to boost domestic production and productivity in sectors comparable to the global economy not only to reduce the trade deficit with China, but also to capitalise on global supply chain shifts.

"The institute will analyse the type and quantum of foreign investment which may bridge the technology gap and utilize the abundant domestic manpower for competitive products and provide recommendations to resolve the same," it added.

Source: economictimes.com– Jan 24, 2024

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UP's ODOP exports have soared to Rs 2 trillion, says CM Adityanath

Chief Minister Yogi Adityanath on Wednesday emphasised the transformative role played by the One District One Product scheme in the context of Uttar Pradesh, saying the state's exports under this scheme have touched Rs 2 lakh crore.

Adityanath was speaking at an event at the Awadh Shilpgram here after inaugurating a programme to celebrate 'Uttar Pradesh Diwas'.

During his address to the attendees of the event, the chief minister highlighted the significance of the Uttar Pradesh Foundation Day as a potent platform for realising Prime Minister Narendra Modi's vision.

Speaking about the impact of the One District One Product (ODOP) scheme, launched in 2018, on the state's growth, Adityanath said Uttar Pradesh has so far exported ODOPs worth Rs 2 lakh crore.

He also launched the 'ODOP Mart Portal' for e-marketing of ODOP products.

He mentioned that 96 lakh MSME units are operational in the Uttar Pradesh, providing employment to 40 lakh people returned to their native places in the state during the COVID period, according to an official statement.

The government is extending a security insurance cover of Rs 5 lakh to MSME units in the state in case of accidents or disasters, he added.

Adityanath pointed out that the world recognised the potential of Uttar Pradesh through the International Trade Show organised in Noida last year, which attracted more than 500 foreign buyers.

The chief minister said on the third foundation day of the state under his tenure, the government implemented a new apprenticeship scheme, resulting in the participation of lakhs of youth.

Reflecting on the state's economic condition before 2017, Adityanath remarked, "After 2017, when the double engine government started functioning, a better security environment was created in the state."

"Today, the results are evident. The youth, entrepreneurs, and businessmen of Uttar Pradesh no longer need to conceal their identity within the country," the statement quoted him as saying.

He emphasised that Uttar Pradesh has fortified its economic position over the last seven years, witnessing improvements in infrastructure and connectivity.

On this occasion, Adityanath honoured Lucknow-based scientist Ritu Karidhal Srivastava and Naveen Tiwari of Kanpur with the prestigious Uttar Pradesh Gaurav Samman award.

Dr Srivastava played an important role in the development of India's Mars Orbiter Mission and Chandrayaan. She was also the Deputy Operations Director for this mission and has been working for ISRO since 1997, the release said.

Tiwari was presented the award for establishing the largest independent mobile ad-tech platform in the world, connecting local businesses in Uttar Pradesh and India with national and international audiences. The software developed by his enterprise is actively featured on over 400 million smartphones worldwide, it added.

On the sidelines of the event, cultural performances from diverse states were held.

The stage came alive with vibrant folk dances performed by artists from Gujarat, Jammu and Kashmir, Madhya Pradesh, Haryana, Sikkim, and Goa. Artistes from Bundelkhand, Awadh, Purvanchal, and the Braj region showcased their talents by presenting folk songs dedicated to Lord Ram.

The programme also featured soulful renditions of devotional music as part of Shri Ramotsav-2024, adding a spiritual dimension to the cultural celebration.

President Droupadi Murmu, Prime Minister Narendra Modi, and BJP President JP Nadda extended wishes on 'Uttar Pradesh Diwas' through microblogging platform X.

President Murmu wrote on Twitter, My heartfelt greetings to all the residents of the state on Uttar Pradesh Diwas. This most populous state in the country is playing a leading role in the social, cultural and economic

progress of India." "I wish happiness and prosperity to the skilled, hardworking and loyal people of Uttar Pradesh. I am confident that this state and its residents will always remain on the path of development, she added.

"Many best wishes to all the family members of Uttar Pradesh, the holy land of spirituality, knowledge and education, on the foundation day of the state. In the last seven years, the state has written a new story of progress, in which the public has actively participated along with the state government," the prime minister said on X.

"I am confident that Uttar Pradesh will play a leading role in the resolution journey of developed India," he added.

Source: business-standard.com– Jan 25, 2024

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