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Currency Watch			
USD	EUR	GBP	JPY
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INTERNATIONAL NEWS	
No	Topics
1	Chinese textile industry's growing innovation capacity help unleash new opportunities in global market
2	US' economy set for 2.5% growth in 2024: Report
3	UK set for economic recovery and stability by 2025: S&P Global
4	USA Old Crop Cotton Supported As Price Creeps Lower
5	Vietnam's trade surplus $8.08 bn in Q1 2024; double that of Q1 2023
6	Philippines: Garment exporters call for construction of textile mills
7	Bangladesh to finalise FTA with China by 2026

NATIONAL NEWS	
No	**Topics**
1	FM Sitharaman expects Indian economy to grow over 8% in FY24
2	Export growth for 2024 will be led by PLI and Make In India schemes: GTRI
3	Uzbekistan offers attractive conditions to Indian investors in IT, textiles, electronics, pharmaceuticals & minerals: Envoy
4	India's trade policy must learn lessons from the past, not repeat it: Experts
5	Global fashion experts see India as the next luxury powerhouse
6	Skills gap in industry must be addressed
7	Exporters seek exemption from 45-day payment rule for supplies from MSEs

INTERNATIONAL NEWS

Chinese textile industry's growing innovation capacity help unleash new opportunities in global market

A new wave of vigorous industrial transformation is picking up speed, as the global industrial chain has become increasingly reshaped, which is expected to bring new opportunities and challenges to China's textile industry.

Increasingly, Chinese textile enterprises are boosting their digital transition based on 5G, industrial internet and artificial intelligence (AI) innovations. The sector is also witnessing a higher level of consolidation in the country.

The Chaoshan region, east of Guangdong Province, South China, has taken a pioneer in the development of the textile industry in China and the world. Since the reform and opening-up drive was kicked off in late 1970s, Shantou city, Guangdong, has seen a very fast development of textile and garment industry. In 2023, the total output value of the city's textile and garment enterprises above the government's designated size reached 111.8 billion yuan ($15.73 billion).

At the three-day China Chaoshan International Textile and Garment Exhibition (CTGE), which closed in Shantou city on Saturday, a good number of textile companies showcased their new technologies and clothing materials as they strive to achieve a rapid upgrade in the textile industrial chain.

The technological innovation in clothing materials and changes in the industrial and supply chains have made the Chinese textile sector very competitive in the global market place, compared with other textile plants elsewhere. China's standing as a strong textile manufacturing power is unlikely to change.

Low-carbon innovation

Over recent years, Shantou city is speeding up industrial transformation and upgrade, introducing environment-friendly equipment and highly innovative technologies. By making use of 5G, AI and latest robotic technology, the city's traditional labor-intensive assembly lines are giving way to green, low-pollution, high-tech, and high-value manufacturing tools. As a result, innovation has injected rising impetus to accelerate the textile sector's growth.

The digitalization rate in Shantou's textile and garment industry has reached 55.6 percent, while nearly 75 percent of the equipment for raw material processing, weaving, dyeing and other procedures are becoming increasingly smarter, local government officials said during the CTGE.

Intelligent manufacturing has not only enhanced the city's production efficiency but also considerably contributed to the much-desired green transition.

Guangdong Rongchang Textile Industry Co told reporters that the company has deployed a set of digital control systems including Internet of Things (IoT) and enterprise resource planning, which enables the company to collect and analyze data through the whole production process, like energy consumption and quality control.

"New technologies help us curb the consumption cost in using raw materials and energy in manufacturing, while greatly improve recycling of wastes and achieve green and low-carbon manufacturing," the company said.

"China is not only the producer churning out goods, it is also a strong creator," Livia Stoianova, the founder of a famous French high-end brand On Aura Tout Vu, told Global Times at the CTGE on Thursday. Traditional industries like textile need to be revamped and improved, by leveraging new technology, she said.

In terms of scientific research and technological innovation levels, Chinese textile companies are deemed "very advanced" now, an industry insider told the Global Times on Sunday. The insider said that the textile industry will continue to develop high-quality smart fibers used not only for making clothing, but also for other emerging industries, like nano-fiber.

As an industry with a traditional comparative advantage in China, the textile sector covers multiple production steps including raw material manufacturing, spinning, weaving and knitting, and garment production. Today, China has the world's largest and most complicated textile system, with the country's manufacturing and international trade scale also leading the world, according to media reports.

Leading in fiber-making

In 2022, China's total fiber processing volume reached more than 60 million tons, accounting for some 50 percent of the world's fiber processing volume, data from the China National Textile and Apparel Council said.

Nevertheless, the US government has ramped up suppression of China's textile industry, like fabricating so-called "forced labor" narrative to stymie Chinese textile and apparel companies that use Xinjiang-grown cotton as raw materials.

And, a number of Western media outlets echoed their governments to hype the transfer of the industry and supply chain from China to other developing countries. Some even wrongly claimed that China had lost its comparative advantage in labor-intensive manufacturing, such as the textile industry.

"Although China has faced restrictive policies in the textile industry imposed by the West, we still keep attracting foreign investment, thanks to our active innovation, continuous opening-up and our technological advantages," Ma Qingxuan, vice president of Shantou Textile and Garment Industry Association, told the Global Times on Thursday.

"The US restricts Xinjiang-produced cotton, but China owns other advantages in textile materials such as nylon and polyester," Ma said.

Due to China's vast market opportunities in textile, the Guangdong exhibition has attracted many foreign executives and officials, who expressed their hope to accelerate cooperation with China.

On March 21, the Chinese mainland, ASEAN and Hong Kong signed a memorandum of understanding on regional cooperation in textile manufacturing, which will contribute to the development of new quality productive forces and in-depth industrial cooperation along the Belt and Road Initiative (BRI), according to a statement on the website of the China National Textile and Apparel Council.

"As far as the textile manufacturing is concerned, China still has more competitive advantages in terms of production cost," Oranuch Wannapinyo, commercial consul at the Commercial Section Royal Thai Consulate-General, told the Global Times on Thursday at the CTGE.

"China can produce on a larger scale. Thailand often places large orders for Chinese textile companies, and also orders raw materials from China to produce domestically in the form of original equipment manufacturing," she said.

In addition, Thailand and China have been closely cooperating in the textile field, including holding seminars and lectures, as well as exchanging and sharing resources under the framework of the BRI, Wannapinyo said.

Source: globaltimes.cn– Mar 31, 2024

HOME

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US' economy set for 2.5% growth in 2024: Report

The US economy is gearing up for a repeat performance of last year's success, with a projected average growth of 2.5 per cent in 2024, buoyed by a strong labour market, according to a report by S&P Global Ratings. This growth rate mirrors the performance against global peers observed last year.

However, this average figure may paint an overly rosy picture of the economic landscape. A robust carryover from Q4 2023, which saw an annual growth rate of 3.1 per cent, somewhat obscures the expected slowdown to 1.8 per cent by Q4 2024.

The likelihood of a recession in the next 12 months has diminished since last spring. Despite this, the demand-driving factors of 2023, notably consumer spending and direct government spending, are anticipated to wane over time.

Moreover, the constrictive monetary policy is set to curb fixed business and residential investment. Net exports, on the other hand, are expected to contribute positively to the economic outlook, as per the Economic Outlook US Q2 2024 report.

A detailed analysis reveals that while the US economy starts the year on strong footing, the growth is predicted to decelerate gradually through to Q4 2024.

Source: fibre2fashion.com– Apr 01, 2024

HOME

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UK set for economic recovery and stability by 2025: S&P Global

The UK is set to experience a gradual improvement in economic conditions, moving from slow growth and high inflation towards a more stable economic environment by 2025, according to the latest Economic Outlook for the second quarter (Q2) of 2024 by S&P Global. The report highlights the ongoing supply-side challenges putting pressure on prices, but with inflation expected to subside slowly, a more robust growth is anticipated in the coming years.

S&P Global forecasts a modest GDP expansion of 0.3 per cent in 2024, with growth rates expected to increase to 1.4 per cent in 2025 and continue at a pace of 1.7 per cent annually through 2026 and 2027. This improvement is largely attributed to the anticipated disinflation, which is expected to enhance household spending, supported by a resilient labour market.

Despite the decline in headline inflation to 3.4 per cent year-on-year in February from 10.4 per cent a year earlier, the report indicates that inflation in the services sector remains high due to robust wage increases. However, the tight labour market is expected to maintain upward pressure on wages, with annual pay rises of 4-5 per cent predicted in 2025 as workers seek compensation for increased living costs, as per S&P Global.

The UK's labour market remains solid, with job vacancies declining but not enough to increase unemployment significantly. This is partly due to the slow expansion of the labour supply and ongoing issues like long-term sickness keeping the employment rate below pre-pandemic levels.

In terms of monetary policy, S&P Global anticipates some easing in 2024 and 2025, which will likely contribute to economic growth in 2026 and 2027 by encouraging investment rebound. This scenario assumes lower interest rates from August, with the market predicting a 57 per cent probability of a rate cut in June and an 82 per cent chance in August.

The report also underscores the positive outlook for consumption and terms of trade, buoyed by a combination of a strong labour market, wage increases, and lower energy costs. This optimism is further supported by expectations of continued demand in key export markets and improvements in the Eurozone.

On the investment front, the UK is seeing signs of recovery, particularly in business investment post-Brexit, aided by government incentives like the full expensing scheme. Labor productivity, especially in key services sectors, is also on the rise, contributing significantly to the overall productivity improvements.

Additionally, the UK's working-age population is expected to grow, contrasting with demographic trends in some other European countries, providing a favourable backdrop for the labour market and economic activity.

However, the report does caution about risks to this optimistic scenario, including potential geopolitical tensions that could lead to further supply-chain disruptions or trade barriers, as well as the possibility of earlier monetary policy loosening if wage pressures decline more rapidly than anticipated.

Source: fibre2fashion.com– Apr 01, 2024

HOME

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USA Old Crop Cotton Supported As Price Creeps Lower

My best cotton friend in Lubbock says the market is going higher while my best buddy in Memphis says it's going lower. Of course, I agree with my friends.

So much for the market. Bottom line, old crop prices will creep lower, but just creep as the supply demand ratio is very supportive of old crop prices in the high 80s with the continued temptation to post a few more 90 cent-plus trades. Yet, the old crop bull has matured and is now not much more than very tough meat.

New crop received a boost from the USDA annual March Prospective Plantings Report, as 2024 planted acreage in the U.S. was estimated at 10.7 million acres – in line with our expectation but as much as 300,000 to 500,000 acres less than many had predicted. The new crop December futures contract was slightly higher on the week, but only slightly as mill demand and Brazilian competition remains in question.

While many continue to suggest cotton plantings will be higher, the importance of farm level crop rotation plans was likely the primary reason that planting intentions fell below what many had expected. Too, today's cotton grower is more cognizant of risk management than the prior generation of growers. Thus, the acceptance of crop diversification has become a stellar component of farm planning.

But, back to my friends. The old crop May and July contracts traded lower and are dangerously close to slipping below the 90-cent level. Mill fixations were regularly active during the week and helped support the 90-cent level. Yet, prices slipped some 819 points during March trading but still settled the month at 91.38, basis the May contract.

Certificated stocks climbed some 50,000 bales during the month and now stand at 52,224 bales. Clearly this led to price slippage in the May and July contracts. Too, assuming the high probability those bales will continue to hang over the market at least until near the July contract expiry period, the old crop price high is in. Thus, a bit more price slippage should be expected.

The new crop December contract price advance has been plagued by reports of 2024 cotton plantings climbing as high as 11 million acres. Thus, during the month of March, December futures gained only 18 points, settling the month at only 83.99 cents – too low to entice marginal acres. Now that the planting intentions report suggests U.S. plantings will increase only 3.8% over 2023 plantings (upland), December futures will have the opportunity to push above 85 cents.

Nevertheless, world cotton demand has still not shown any indication of any real improvement. The only positive indication is that demand deterioration has seemingly stopped and as much as a 1.0-1.5% increase can be expected.

New crop price activity will again play out based on Mother Nature's blessing, or lack thereof, on the vast Southwestern acreage. Moisture conditions there are much improved. Yet, the drought has not been broken and both preplant and post plant moisture will be needed.

U.S. export sales have been marginally better than expected. Nevertheless, Brazilian and West African growths, selling at a discount to U.S. growths, have captured the majority of world trade. U.S. export commitments total 11.1 million bales, of which 6.9 million have been shipped.

Look for the old crop trading range to fall between 87 and 95 cents. The new crop December will trade 81 to 86 cents.

Source: cottongrower.com– Mar 31, 2024

HOME

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Vietnam's trade surplus $8.08 bn in Q1 2024; double that of Q1 2023

Vietnam’s trade surplus was $8.08 billion in the first quarter (Q1) this year, almost double that in Q1 2023, according to the general statistics office (GSO).

The country's total import-export turnover was an estimated $178.04 billion during the quarter—up 15.5 per cent year on year (YoY).

Exports were worth $93.06 billion, a 17 per cent rise YoY. Processed industrial goods accounted for nearly 88 per cent of the total export turnover, estimated at $82.02 billion.

Imports during the quarter were worth $84.98 billion—up by 13.9 per cent YoY. Most imports were materials for production, worth $79.9 billion, a Vietnamese media outlet reported.

The United States was Vietnam’s largest export market during the quarter, with an estimated turnover of $26.2 billion.

China was the country's biggest import market, with an estimated turnover of $29.4 billion.

Source: fibre2fashion.com– Mar 31, 2024

HOME

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Philippines: Garment exporters call for construction of textile mills

A trade association of garment exporters is urging the government to facilitate the construction of new textile factories in the country, in anticipation of an increase in the demand for these goods once the Philippines enter into a free trade agreement (FTA) with the European Union (EU).

Robert Young, president of the Foreign Buyers Association of the Philippines (FOBAP), said last week they have been requesting the government to build a pilot commercial-scale wearable textile factory.

“Just one will be enough, we have to quickly start something so that these foreign investors will follow suit,” Young said in a statement.

“Garments, once it’s there, can be a lifesaver to any economy just like in Bangladesh and Vietnam, India, Laos, (and) Cambodia,” added Young, who is also the trustee for the textile, yarn and fabric sector at the Philippine Exporters Confederation Inc.

Young, who is the head of the group which exports around $1 billion worth of garments and apparels overseas, also said that Philippine garment exports are currently subjected to a 12-percent tariff or even more.
Expected rise in PH garments

He said that this is due to the strict rules of origin, which imposes a ceiling for value-added inputs sourced from a country which is not a beneficiary under the EU’s Generalized Scheme of Preferences (GSP) scheme.

“They (EU) prefer that the fabric we will be using will be sourced from the Philippines. So, this is one way of saying the Philippines has to produce its own fabric,” he said.

Further, the FOBAP official said that building a pilot factory in the Philippines so the country can produce its own fabric or textile is necessary given expectations that the revival of negotiations for an FTA with the EU will also prescribe the same requirements.

He said that with EU's enforcement of these strict rules, industry players are expected to hit just 80 percent of their target garment and apparel exports of at least $1 billion this year.

Aside from the suggestion of building a pilot commercial-scale wearable textile factory, Young said that they have also asked the government to make a formal request to the EU to allow the Philippines to use imported materials while qualifying for zero duties while the facility is being built.

Source: business.inquirer.net– Apr 01, 2024

HOME

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Bangladesh to finalise FTA with China by 2026

Led by Apan Kanti Ghosh, Commerce Minister, Bangladesh aims to pursue a free trade agreement (FTA) with China by 2026. The date of the FTA finalisation coincides with Bangladesh's transition from a least developed country to a developing one that would lead to reduced duty benefits, necessitating proactive measures from the government.

Emphasising on the need to navigate the challenges post-graduation effectively, Ghosh stressed on the urgency to finalise FTA talks with China before 2026. In advent of failure to achieve this, Bangladesh plans to request interim duty-free market access from China.

The foundation for this agreement was established during Chinese President Xi Jinping's visit to Bangladesh in 2016, which saw the signing of a memorandum of understanding (MoU) to conduct a joint feasibility study. Subsequent meetings of the joint working group, including one in Beijing in 2018, have advanced the feasibility study reports.

Yao Wen, China's Ambassador to Bangladesh, Yao Wen, affirms, the FTA has the potential to boost Bangladesh's exports to China. He says, it would expand investment opportunities for China. Highlighting Bangladesh’s reliance on importing textiles and machinery from China for its apparel exports, Wen expressed a keen interest in investing in Bangladesh’s key sector.

Source: fashionatingworld.com– Mar 30, 2024

HOME

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NATIONAL NEWS

FM Sitharaman expects Indian economy to grow over 8% in FY24

The Indian economy is expected to grow at 8 per cent or above in the last quarter of the current financial year, leading to an equivalent growth for fiscal year 2024 (FY24), finance minister Nirmala Sitharaman said on Saturday.

“Hopefully the fourth quarter (of FY24) which ends tomorrow will also have it in the range 8% or above 8%, resulting in 2023-24 having an average GDP growth of 8% or over 8% is what my expectation is,” Sitharaman said at an event organised by Mint.

“Three quarters of consistent growth over 8% is really good news and I thank the people of India for being so energetic, and coming out to make sure that India remains the fastest growing economy,” she added.

Source: thehindubusinessline.com– Mar 30, 2024

HOME

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Export growth for 2024 will be led by PLI and Make In India schemes: GTRI

The implementation of initiatives such as Production-Linked Incentives (PLI) and the Make in India campaign has fueled remarkable growth, particularly in electronics.

Noteworthy is the surge in smartphone exports, projected to escalate by 30 per cent over the previous year, potentially crossing the USD 15 billion mark in FY2024.

These triumphs lies a pressing need to rejuvenate traditional labour-intensive exports such as textiles, apparel, and leather.

In an exclusive interview with ANI, Ajay Srivastava, Founder of the Global Trade Research Initiative (GTRI), shed light on India's export scenario, offering insights into current trends and future prospects.

Ajay Srivastava noted that India's export performance has reached an all-time high, particularly in merchandise exports, despite ongoing disruptions in global trade routes.

However, he highlighted a concerning trend of decline in merchandise exports by 3.56 per cent from April 2023 to February 2024, compared to the same period in the previous fiscal year.

Srivastava said, "Overall export growth for the FY2024 will be positive considering both merchandise and services exports. A USD 4.4 billion jump in merchandise exports in Feb 2024 over Feb 2023 is bonus considering continued Red sea disruptions."

This suggests that FY2024 may witness no positive growth in merchandise exports over FY2023. Nevertheless, sectors like electronics are showing promise, fuelled by initiatives such as Production-Linked Incentives (PLI) and the Make in India campaign. Smartphone exports, for instance, are expected to surge by 30 per cent and surpass USD 15 billion in FY2024.

Srivastava stated, "However, India's merchandise exports declined by 3.56 per cent from USD 409.1 in Apr-Feb 2023 to USD 394.99 in Apr-Feb 2024. This indicates that India merchandise exports during FY2024 will register no positive growth over FY2023."

He added, "The good news is exports in sectors like electronics where India was traditionally weak are picking up due to PLI and other Make in India interventions."

However, Srivastava emphasized the need to revitalize traditional labour-intensive sectors like textiles, apparel, and leather to regain lost global market share.

He said, "For example, smart phone exports may increase by 30 per cent over previous year and cross USD15 billion in FY2024. But, we need to revive traditional labour intensive exports like Textiles, Apparel and leather which are losing global share steadily."

India's trade footprint extends to all corners of the globe, with merchandise trade exceeding USD 10 billion with 32 countries and surpassing USD 1 billion with 82 countries.

Srivastava said, "Indian products reach all corners of the world. For example, India trades with 235 countries and regions globally. Its merchandise trade surpasses USD 10 billion with 32 countries, exceeds USD 1 billion with 82 countries, and is over USD 1 million with 204 countries."

Srivastava highlighted the significant export potential in regions such as Africa, Latin America, and Central Asia. In FY2023, India's merchandise exports to these regions amounted to USD 51.2 billion, USD 17.7 billion, and USD 3.8 billion, respectively.

With India's diverse range of products and growing international partnerships, there is ample opportunity to further multiply trade with these regions.

"Our merchandise exports in FY2023 with countries of Africa, Latin America, Central Asia was USD 51.2 billion, USD 17.7 billion and USD 3.8 billion respectively. There is high potential to multiply the trade with these regions", said Srivastava.

India has been actively pursuing FTAs with various countries to enhance its export prospects. Srivastava emphasized that successfully concluding FTAs with developed countries, including the UAE, Australia, and potentially the UK, would signify India's commitment to trade liberalization and economic integration.

These agreements provide access to expansive markets, facilitating trade growth amidst global protectionist trends.

Srivastava said, "In the last four years, India has signed FTAs with Mauritius, the UAE, Australia, and the EFTA countries (Switzerland, Norway, Iceland, and Liechtenstein) in fast-track mode. The FTAs with the UK and Oman are almost ready and may be signed soon after formation of new Government post elections."

He further said, "India's FTA partners warmly reciprocate the fast-track negotiation strategy, as the FTA with India allows access to a large and growing market bypassing high tariff walls."

"Successfully concluding FTAs with developed countries would send a positive signal to world, showcasing India's commitment to trade liberalization and economic integration in the time whole world is turning protectionist. The FTAs have become pivotal instruments for India's economic expansion and integration into the world market", he added.

Regarding the Red Sea crisis, Srivastava expressed concerns about its potential impact on India's trade.

While India has thus far managed to avoid significant disruptions, escalating attacks pose a looming threat.

Srivastava said, "So far, India was lucky to avoid any large scale impact of the red sea disruption on trade flows, however, with escalating everyday attacks and no end in sight, the crisis will impact will soon be noticed on trade volumes in coming months as new contracts are signed between exporter and importers."

The crisis has led to increased shipping costs, delays, higher insurance premiums, and potential cargo losses. Industries across sectors, including petroleum, confectionery, textiles, and automotive, are grappling with challenges such as delayed deliveries, renegotiated shipping costs, and disrupted supply chains.

He stated, "The red sea crisis significantly impacts Indian trade, especially with the Middle East, Africa, and Europe. This conflict is leading to increased shipping costs (40-60 per cent) and delays due to rerouting (upto 20 days more), higher insurance premiums (15-20 per cent), and potential cargo loss from piracy and attacks."

The implications of the Red Sea crisis on India's trade with regions like the Middle East, Africa, and Europe warrant close monitoring in the coming months.

Srivastava said, "Oil imports from Russia through the Suez Canal are troubled by longer routes, raising costs and delaying supplies."

As India navigates its export journey amidst global uncertainties, strategic measures and proactive policies will be crucial in overcoming challenges and capitalizing on emerging opportunities, ensuring sustained growth and competitiveness in the global market.

Source: economictimes.com– Mar 31, 2024

HOME

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Uzbekistan offers attractive conditions to Indian investors in IT, textiles, electronics, pharmaceuticals & minerals: Envoy

Ambassador Sardor Rustambaev, who previously led the diplomatic mission of Uzbekistan in France and Portugal and recently took over as the head of mission in India, spoke exclusively to ET.

How would you characterize India-Uzbekistan strategic partnership?
- The strategic partnership between India and Uzbekistan can be described as an extremely important and mutually beneficial cooperationbased on the common interests and values of both countries. The relations between our countries are multifaceted and cover politics, economics, culture, tourism and other areas.

Today, the key indicators of the New Uzbekistan are its openness to the world and the breadth of external relations. In this regard, an important direction of our country's foreign policy and foreign economic course is increasing interactionswith the South Asia states, first of all, with India.

Our countries, being committed to the centuries-long traditions, demonstrate a concerted interest in taking bilateral ties to a quality new level. After the election of Shavkat Mirziyoyev as the President of the Republic of Uzbekistan in 2016, the Uzbek-Indian relations are experiencing a Renaissance. They have acquired a vibrant and even more fruitful nature.

A regular and trusting dialogue has been established between President Shavkat Mirziyoyev and Prime Minister Narendra Modi, which creates a solid foundation for interstate relations.

It must also be emphasized that today India has impressive economic, scientific, technological and intellectual potential, being in the process of transition to the status of a global power.

Taking into account the position and role of India in the world economy and politics, building sustainable strategic, diplomatic and economic ties with it meets the national and state interests of Uzbekistan.

Bilateral partnership is based on mutual respect, trust and the wish to develop cooperation in various fields. Our countries show great interest in deepening engagement in the fields of trade, investment, tourism, energy, transport, educationand culture.

Both countries actively cooperate at the international organizations such as the UN, SCO and others, which helps strengthen their positions in the region and the world.

Thus, the strategic partnership between India and Uzbekistan plays an important role in enhancing stability and development in both Central and South Asia.

What is Uzbekistan’s plan to emerge as a hub for India's presence in Central Asia?

Uzbekistan-India relations can be characterized as a natural partnership between the two ancient civilizations connected by strong trade and cultural ties.

An important aspect of our modern strategic relations is the geopolitical position of Uzbekistan and its role in Central Asia, which provides India with access to the region and its resources.

A crucial venue for active interactions between Uzbekistan and India is the India-Central Asia Dialogue platform. This mechanism, as regular meetings at the level of foreign ministers, was launched in 2019 on the joint initiative of Tashkent and New Delhi. As part of this, the India-Central Asia Business Council was put in place in 2020.

India sees Central Asia as one of its “extended neighborhood” and considers it as a strategically significant region, rich in energy resources and an important transport and transit hub for access to the vast Eurasian space, as well as a promising political, trade and economic partner.

In this regard, to further promote engagementswith our region in 2021, this dialogue mechanism has been upgraded to the level of a summit of state leaders. The first India-Central Asia Summit, held online in January 2022, has opened up another significant page in the relations between our countries.

The President of Uzbekistan, in his address at this Summit, has underscored such priority important areas of cooperation as the development of human capital through active interactions in the education and healthcare based on the widespread introduction of advanced experience, knowledge and technologies of India, deepening economic partnerships, cooperation in culture and humanities.

In this context, we should emphasize that for our country the advanced education and knowledge are the basis for the development of society and prevention of modern threats, which is also important for Central Asian partners interested in the sustainable development of the region.

The business circles of Uzbekistan and India enjoy favorable conditions to promote joint projects in various fields in our country to sell the locally produced competitive goods on the international markets, provide services in the information technology, medicine and other areas near and far abroad.

What are areas that Uzbekistan seeks investments from India?

It would probably be more correct to say that Uzbekistan is not merely looking for any investments, but is rather offering attractive conditions to Indian investors in such areas as information technology, textiles, electronics, medicine, pharmaceuticals, renewable energy, mineral resources processing, chemical industry and others.
In Uzbekistan, for over the past 6-7 years, the large-scale set of reforms have been implemented to support a business activity and solidify international cooperation in this direction.

I would like to underscore that the Indian businesses are capitalizing on the favorable investment climate created in our country.

In recent years, we have witnessed a significant intensification of bilateral investment cooperation. Establishment in 2018 at the Chamber of Commerce and Industry of Uzbekistan of the Uzbek-Indian Entrepreneurship Development Center with an “IT laboratory” put in place in 2021and the Uzbekistan India Business Council together with the Confederation of Indian Industry - all of these are aimed at ensuring intensive trade and industrial cooperation between the businesses of both countries.

The meetings of the bilateral Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation are held regularly. There are joint working groups/committees on trade, coordination and promotion of practical implementation of bilateral projects, textiles, agriculture and plant quarantine, pharmaceuticals and public health, tourism, information and communication technologies, science and technology, and space research.

In 2023, a trade turnover between Uzbekistan and India reached nearly 760 mln. USD. However, this does not reflect the existing potential of mutual trade at all. Therefore, the leaders of the two countries have set a goal to increase the level of bilateral trade to $1 billion over the coming years.

The interest of Indian investors in Uzbekistan is constantly growing. In particular, close cooperation has been established in such areas as pharmaceuticals, healthcare, higher education, development of tourism infrastructure, production of automotive components and others. There are more than 420 enterprises in Uzbekistan with the participation of Indian capital, including 280 enterprises with 100 percent Indian capital.

A particular attention is paid to the implementation of joint projects with Indian companies in Free Economic Zones (FEZ) of Uzbekistan, including in the pharmaceutical cluster and pharmaceutical FEZs. The cooperation on the energy transition has good prospects, in particular on renewable energy sources, especially solar, energy efficient systems and green hydrogen technologies.

Uzbekistan is interested in further deepening partnerships with India in the high technologies, which is one of the world leaders in the field of IT technologies, occupying a strong position in the global programming and IT outsourcing market. Promising areas of interaction are artificial intelligence, big data analytics, machine learning, photonics, blockchain, fintech and smart logistics.

In recent years, our Indian friends have made a significant contribution to the development of the IT sector in Uzbekistan. In 2019, the Joint Committee on Cooperation in Science and Technology was established. The same year, with the participation of the Software Technology Park of India, the Tashkent IT Park was created.

What is Uzbekistan's plan for utilization of Chabahar Port?

Transport connectivity is an important area of strategic partnership between Uzbekistan and India. A radical improvement in transport and other infrastructure connectivity between the two countries, as well as the regions of Central and South Asia, is necessary to ensure increased mutual trade, investment cooperation, tourism and cultural exchanges.

In this context, the leadership of Uzbekistan has endorsed India's accession to the Ashgabat Agreement (on the Uzbekistan-Turkmenistan-Iran-Oman transport corridor). Uzbekistan also supports New Delhi's efforts to develop Iran's Chabahar Port, which should become a key transit hub for India's trade with Afghanistan and other Central Asian states. The President of Uzbekistan has approved the decision to join the country to the North-South transport corridor.

A once-existing caravan route called a 'Spice Route' historically connected India with Central Asia. Today, there is an urgent need to create new reliable trade and transport communications between the markets of Central and South Asia.

Having said that, the participation of the two countries in promoting the connectivity of the regions of Central and South Asia can become an important component of regional interactionsbetween the two countries and the key to enhancing bilateral, regional trade and economic cooperation.

A High-Level International Conference "Central and South Asia: Regional Connectivity. Challenges and Opportunities" organized at the initiative of the President of Uzbekistan in Tashkent on July 15-16, 2021 demonstrated vast opportunities to deepenpolitical dialogue, economic cooperation and contacts between people, the two countries, as well as neighboring regions.

The Conference was attended by heads of state, foreign ministers and high representatives of Central and South Asia, other foreign countries, heads of international and regional organizations, world financial institutions and companies. India was represented by a high-level delegation led by Foreign Minister Dr. Subrahmanyam Jaishankar.

The main goal of the forum was to strengthen historically close and friendly ties, trust and good neighborliness between the countries of Central and South Asia in the interests of all peoples and countries of both regions.

At the inaugural session, the President of Uzbekistan Shavkat Mirziyoyev addressed the Conference participants. The President has outlined 10 proposals to open up the new opportunities for a more complete realization of the trade, economic, cultural and civilizational potential of the countries of Central and South Asia.

All these proposals and initiatives aroused interest not only among the states of these regions, but also the rest of the world community. In particular, the issues of creating new transport corridors connecting Central Asia with the Indian Ocean were discussed.

The international forum has once again demonstrated the "Tashkent spirit" of cooperation. During plenary and breakout sessions, participants have tackled promoting initiatives to extend trade, economic, transport, communications, cultural and humanitarian cooperation in terms of furtherdeepening regional connectivity.

I would like to emphasize that President Shavkat Mirziyoyev of Uzbekistan is an activesupporter of the consistent implementation of major projects on the connectivity of Central and South Asia.

Source: economictimes.com– Apr 01, 2024

HOME

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India's trade policy must learn lessons from the past, not repeat it: Experts

India needs to be active and not reactive in international trade policy, and show greater engagement and leadership in trade rule-shaping, keeping in mind the goal of becoming a developed country, Viksit Bharat, by 2047.

The world has transformed since the WTO came into being in 1995 and India can no longer afford to hold on to positions it took 30 years ago. As commented by many, this is India's century.

This was the broad sense of a group of trade policy experts who gathered for a closed door Roundtable in New Delhi on India's trade policy, organised by global public policy body CUTS International.

The Roundtable was chaired by Montek Singh Ahluwalia, former Deputy Chairman, Planning Commission of India and moderated by Pradeep S Mehta, Secretary General, CUTS International.

It was discussed that leadership in international trade policy requires a delicate balancing act between advancing negotiating positions, building alliances and protecting our own interests.

For example, leadership at the WTO will require deftly navigating an institution whose foundations are themselves undergoing significant evolution.
Participants felt that India will have to work hard to dispel notions that it is locked in a developing country mindset on trade. A futuristic vision combined with ground level interventions are the need of the hour.

This will require rethinking trade policy in a dynamic way as well as addressing a range of flanking issues that make trade more burdensome. Parallel efforts are therefore needed in terms of evolving medium-to-long term trade strategies while at the same time improving domestic capacities.

Likewise, it was opined that having a set of well articulated offensive interests in trade is a prerequisite for achieving the ambitious trade-related goals India has set for itself.

Some former trade negotiators, while recognising that adopting hard negotiating positions is unavoidable at times, stressed that such positions should be reserved only for the most important interests we wish to secure. Experts also felt that achieving coherence between bilateral and multilateral trade negotiation tracks and among domestic economic policies has become increasingly important.

For example, while India has shown greater inclination to discuss trade-related/non-economic issues in bilateral discussions, it remains averse to them being taken up at the WTO. On the same lines, they called for greater coordination within the various wings of the Department of Commerce, as well as greater inter-Ministerial coordination on trade policy issues.

Another important element discussed was the need to cultivate an evidence-based discourse around trade policy in India. Grooming expertise in trade law and trade economics in India's universities needs to be done in a mission mode. For example, the Commerce Ministry can establish WTO Chairs in Indian universities which will generate useful research inputs into our trade policy making and also build an active stream.

Similarly, greater openness to engaging experts not just for consultation, but to actually participate in specific negotiation tracks needs to be explored. Most rich countries bring in hordes of observers in the negotiating room, who then are able to not only develop their capacities but also offer good advice to negotiators.

There was a lively discussion on India's stance on the Joint Statement Initiatives (JSIs) at the WTO. JSIs are discussions on specific issues taking place in smaller groups of the WTO membership, on issues like electronic commerce and investment facilitation.

While some felt that India should lift its opposition to the JSIs and be more open to variable geometry, others saw broader interlinkages between trade, economic security and national security as justifying India's stance of staying out.

It was recognised that there are now greater conversations between the government and industry on trade policy related matters, which needs to be sustained. However, these need to be structured as was done in the past.

The Minister can recreate the national trade policy advisory committee with representatives of industry, media, civil society and former trade negotiators to give him regular advice.

However, these still need more equitable representation from SMEs in the process, who are significantly affected by trade policy changes.

It was also voiced that ease of running a business continues as a chimera, while SMEs suffer from brunt of hurdles during their operations. Examples of overlapping nomenclatures, such as bed sheets and bed linen, were given to show how customs staff create more problems than find solutions. Unless this is addressed resolutely our competitiveness will continue to suffer.

Overall, the Roundtable provided a platform for the free and frank exchange of views among a group of people closely invested in India's trade policy and economic development. Attendees commended CUTS for organising the event.

While there were differing views on details, all those present in the room shared a common objective - on how trade can be harnessed as a vehicle for India's development.

As a way forward, the group decided that CUTS should prepare a White Paper on the basis of the discussions and share it with the PMO, NITI Aayog, Union Ministries and State Governments.

Many former Indian trade negotiators and eminent trade policy experts participated in the roundtable including G. K. Pillai; Ujal Bhatia; Anwarul Hoda; Harsha Vardhan Singh; Veena Jha; Dammu Ravi; Gopal Agarwal; Ashwani Mahajan; Sumanta Chaudhury; Bipul Chattopadhyay; Navneet Sharma and young scholars like Advaiyot Sharma; Prabhash Ranjan and R V Anuradha.

Source: economictimes.com– Mar 30, 2024

HOME

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Global fashion experts see India as the next luxury powerhouse

A recent summit in India, the Business Standard Manthan 2024, has generated a buzz in the global fashion industry. Experts predict that India is on the cusp of becoming a major player in the luxury market, potentially even spawning the "next Chanel."

This optimistic outlook stems from several factors. Firstly, India boasts a rich heritage of craftsmanship and artistry, which has always been a cornerstone of luxury goods. India is currently one of the fastest-growing luxury markets globally, projected to reach a staggering $200 billion by 2030 according to Bain & Company.

Alexis de Ducla, director of Mathieu Lustrerie, a renowned chandelier maker, highlights this point, adding that what was previously lacking was investment and vision. However, according to Ducla, these elements have been steadily developing in recent years.

Confidence and investment fueling indian luxury brands

The rise of Indian luxury is also attributed to a growing sense of self-assurance among Indian consumers. Ducla observes a shift in customer preferences, where brand origin matters less than quality and personal taste. This trend aligns with a surge in investment in Indian luxury brands by corporate houses. Major conglomerates like Reliance Retail and Aditya Birla Fashion and Retail have acquired stakes in renowned Indian designers, providing them with the financial backing needed for global expansion.

India's Aspiration and Skilled Workforce: A perfect recipe for luxury

Abheek Singhi, from Boston Consulting Group, emphasizes the current aspirational phase of the Indian economy, which is expected to continue for decades. This, coupled with India's abundant skilled labor force, creates a perfect environment for the growth of domestic luxury brands. Singhi highlights the potential of craftsmanship to become a key competitive advantage for India in the global luxury market.

Collaboration and Showcasing Indian Craftsmanship: The pathway to global success

Experts believe that for Indian luxury brands to achieve true global recognition, collaboration with established names is crucial. Ducla suggests that international brands should view their entry into the Indian market as an opportunity for collaboration, showcasing the talents of Indian artisans within their collections. This sentiment is echoed by the recent move by French luxury house Dior, which held its first-ever Indian show, featuring the works of Indian craftspeople.

Making Luxury Accessible: The way to long-term growth

While Indian luxury is undeniably on the rise, experts caution against neglecting accessibility. Nikhil Sethi, from KPMG India, emphasizes the need for luxury products to integrate seamlessly into the daily lives of Indian consumers. This might involve strategic pricing that doesn't necessarily mirror global benchmarks.

India's hospitality sector, already renowned for its luxurious offerings, serves as a model for the future of Indian luxury. Kapil Chopra, founder of Postcard Hotels, points out that Indian hospitality has consistently delivered exceptional experiences, demonstrating the country's longstanding potential in the luxury space.

With a rich heritage, growing consumer confidence, and strategic investments, India is poised to become a major force in the global luxury landscape. Collaboration, accessibility, and a focus on showcasing Indian craftsmanship are seen as key factors that will propel Indian luxury brands onto the world stage.

Source: fashionatingworld.com– Mar 30, 2024

HOME

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Skills gap in industry must be addressed

Amidst rapidly evolving technologies, the labour-intensive manufacturing sector has a significant opportunity to address the complex issue of unemployment in the country.

To stay globally competitive, the sector has the potential to accommodate the 7-8 million youths entering the labour force annually, as per the 'India Employment Report 2024', recently released by the International Labour Organization (ILO) and the Institute for Human Development (IHD).

The report reveals that India's youth account for almost 83 per cent of the unemployed workforce and the share of youngsters with secondary or higher education in the total unemployed youth has almost doubled from 35.2 per cent in 2000 to 65.7 per cent in 2022. The unemployment rate among youth was six times higher for those with secondary or higher education (18.4 per cent) and nine times higher for graduates (29.1 per cent) compared to those who cannot read and write (3.4 per cent).

The challenge of unemployment is largely due to the skill gap towards the adoption of evolving technologies. The ILO and IHD report warned of the growing uncertainties in the labour market due to rapidly changing technologies, including artificial intelligence (AI), which will significantly impact the labour market.

AI impact

AI presents a significant opportunity to enhance labour productivity and increase the incomes of workers. However, it also cautioned that disadvantaged States are less prepared for this, and active policies and programmes need to be formulated and implemented to skill youths.

A report by Nasscom-Zinnov says that India will face a shortage of 14-19 lakh tech professionals by 2026. By 2026, India is estimated to have 75-78 lakh tech professionals. However, the requirement is being pegged at 93-96 lakh techies.

To bridge this gap, companies must diversify and expand their workforce to include workers with expertise in robotics, the Internet of Things (IoT), AI and analytics. Job openings for roles such as Robot Teaming Coordinators, Smart Factory Managers, Digital Twin Engineers, and

Smart Quality Assurance (SQA) Managers are increasingly common. Companies must embrace these changes and take proactive measures to address the skills gap to stay competitive in the market.

Out of the over 50 crore people in the workforce, 92 per cent are in the informal sector. Less than 10 per cent of the workforce has formal vocational training. There is a need to increase the proportion of formally skilled labour to at least 15 per cent of India's workforce.

The National Skill Development Corporation (NSDC) should collaborate with industries to identify skill gaps. Establishing a District-level Skill Development Plan (DSDP) to create a state-level Skill Development Plan (SSDP) is crucial. The central and state governments must share the financial burden of unskilled workers with employers for the first six months.

Demand-supply

Addressing the gap between the demand and supply of skilled workers through on-the-job training (OJT) is essential.
Fostering a culture of continuous learning and upskilling within workforces is essential for maintaining competitiveness.

Employers should provide access to training programmes and resources to enhance individual skill sets and foster adaptability and innovation within the organisation.

In conclusion, it is crucial to have proactive collaboration among stakeholders, make strategic investments in education and training, foster a culture of continuous learning, and promote diversity and inclusion. These factors are all essential in addressing the evolving challenges of the labour-intensive manufacturing sector.

The writer is Co-Founder and MD, Orane International, a training partner with National Skill Development Corporation.

Source: thehindubusinessline.com– Mar 29, 2024

HOME

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Exporters seek exemption from 45-day payment rule for supplies from MSEs

Indian exporters have urged the government to exempt them from the 45-day payment rule for goods bought from micro and small enterprises (MSEs) as it will impact their businesses. In a letter to Prime Minister Narendra Modi, chiefs of major export promotion councils and federation of Indian export organisations have appealed to waive the export companies from section 43B(h) of the Income Tax law.

The new rule, Section 43B(h) of the Income Tax Act, introduced in the Finance Act 2023, is designed to make sure small businesses get paid on time. It allows companies to get tax breaks if they pay their small business suppliers within the time limits set by the MSMED (Micro, Small and Medium Enterprises Development) Act, 2006.

Especially, companies must pay within 45 days if there is an agreement, and within 15 days in the absence of such a pact. If they do not meet these deadlines, they can not deduct these expenses for tax purposes.

"Our humble request is to consider the export community separately for domestic supplies as our challenges and situations are very different. Exporters who receive supplies from micro and small units have been affected as it has impacted their liquidity," according to the letter dated February 16.

It said that for exports, payment is received with an average time lag of 120 days, although the RBI allows a nine-month period to realise export proceeds as sometimes it takes even longer.

"The average lead time for an export consignment is about 90 days compared to a maximum of 14 days for domestic consignments within India. Buyers generally pay after receiving the goods, which, with an additional 30 days, makes it 120 days for exports," the exporting community argued.

Exporters generally maintain larger inventories due to economic and demand factors in the destination market. This has increased further due to the current geopolitical uncertainties, according to the letter.

"In view of this, we humbly request that in order to provide a level playing field to our exporters compared to exporters from other countries, this provision should not apply to exports. Therefore, the supply of goods from the micro and small units to exporting units, either for manufacturing of export products or for the further exports, should be exempted from this...," it added. If the government would not exempt them, the 45 days should be increased to 120 days, it noted.

Exporters said the exporting community supports the move, but the government should consider giving exemptions at least for a few years. Sharing similar views, the economic think tank Global Trade Research Initiative (GTRI) said that Section 43B(h) is an effort on the part of the government to support MSE's financial stability and operational success, but the rule is likely to increase compliance efforts and financial strain for companies.

GTRI founder Ajay Srivastava suggested exempting exporters from the provision altogether. He said the RBI allows nine months for realising money from foreign buyers. China allows long credit lines to its buyers. The current provision will immediately start hurting India's exports from small firms and weaken India's export story and targets.

"GTRI requests a reconsideration of Section 43B(h), advocating for exemptions for exporters, a non-retrospective application from April 1, 2024, and an inclusive approach that encompasses medium enterprises. Let's ensure our tax policies promote growth, sustainability, and the global competitiveness of all Indian enterprises," Srivastava said.

Micro-enterprise is a unit having investment in plant and machinery or equipment not exceeding Rs 10 million and turnover not exceeding Rs 50 million. A small enterprise is a unit having investment in plant and machinery or equipment not exceeding Rs 100 million and turnover not exceeding Rs 500 million.

Units having investment in plant and machinery or equipment not exceeding Rs 500 million and turnover not exceeding Rs 2,500 million are medium enterprises.

Source: economictimes.com– Mar 31, 2024

HOME

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