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INTERNATIONAL NEWS

Survey Finds Nearly 60% of Americans Would Pay More for US-Made Products

Between a more than two-year U.S.-China trade war and an unprecedented worldwide pandemic, global supply chains have been shaken to their core. As fashion companies look at how they may—or may not—adjust their sourcing in the future, one pro-U.S. manufacturing nonprofit offers some evidence that American consumers may be more willing to support those who choose to reshore.

In Reshoring Institute's nearly 500-person survey, the group found 59.83 percent said they would pay more for a product made in the U.S., while 21.53 percent said they would not (18.63 percent were not sure). When asked if they prefer products made in the U.S., 69.42 percent responded in the affirmative and 14.5 percent no.

Nearly half of the respondents—a mix of consumers and industrial buyers—said they would be willing to pay 20 percent or more for U.S.-made products: 32.83 percent said they'd pay 20 percent more, 10.1 percent said 25 percent more, 2.78 percent said 30 percent more and 3.79 percent said 50 percent more.

The survey's other findings included: 46.28 percent thought products made in the U.S. were better quality, while 21.9 percent did not and 31.61 percent were unsure; 57.35 percent said the origin of the product affected their purchase decision, 26.92 said it did not and 14.91 percent were unsure; and 59.83 percent believed the "Made in" information on product labels, 10.97 percent did not and 29.19 were unsure.

The Reshoring Institute distributed its survey through email lists, social media such as Facebook, and word of mouth. The institute noted that it was not intended as scientific research, but rather as an opinion or preference survey.

The nonprofit's data comes amid an emerging negative consumer sentiment toward Chinese products. A Coresight Research survey conducted in early June found as many as 47.8 percent of respondents said they either agree or strongly agree that U.S. retailers should source fewer products from China. In light of the pandemic and the sentiments that have emerged surrounding it, 39.7 percent said they are now less willing to buy Made in China products.

This consumer attitude has coincided with real action from corporate leaders. According to a Gartner survey, 33 percent of supply chain leaders either have moved their sourcing and manufacturing activities out of China, or plan to do so by 2023.

Source: sourcingjournal.com– Nov 03, 2020

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UK, US confident trade talks are 'on track': UK government

The United States and the United Kingdom are confident that ongoing trade talks are heading towards a comprehensive agreement, according to the British trade ministry, which recently said the two sides have finished their fifth round of talks aimed at securing a trade deal. "We believe we are in a good position to move forward after the US election," an official statement said.

"Following the significant progress made in talks to date, both sides are confident that we are on track for a comprehensive agreement which would provide a significant and mutual benefit to our economies," the statement from the UK department of international trade said.

The round included focused discussions on market access for goods, including negotiations around product specific rules of origin, which determines whether or not a product can benefit from preferential tariffs under the free trade agreement.

The statement said a programme for future talks had been agreed, but did not offer a date.

Source: fibre2fashion.com– Nov 04, 2020

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Vietnam's garment exports decline $24.8 billion in 10 months

Vietnam's total textile and garment export value in the first 10 months of this year declined 9.3 per cent year on year to nearly 24.8 billion US dollars, according to the General Statistics Office on Tuesday.

Its largest export markets included China, Japan, the European Union, South Korea and the United States, reports Xinhua.

In October alone, Vietnam's textile and garment exports fell 3.2 per cent year on year to $2.6 billion.

Vietnam will gain an estimate of $32 billion from exporting garments and textiles this year, compared to the target of $40 billion, local newspaper Lao Dong (Labor) cited the Vietnam Textile and Apparel Association as reporting on Tuesday.

The COVID-19 pandemic caused dual damages to the garment and textile sector of the country as it disrupted material supplies and decreased global demand, the association said.

As one of the world's biggest garment and textile exporters and producers, Vietnam recorded an export turnover of roughly $32.6 billion in 2019, up 6.9 per cent from 2018, according to the statistics office.

Source: thefinancialexpress.com.bd– Nov 03, 2020

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Fabric origin a problem for textile firms seeking to benefit from EU trade deal

With Vietnam not producing enough or competitively priced raw materials for the textile industry, its companies are struggling to fully benefit from the EVFTA.

The lack of fabric production in the country means businesses are unable to meet origin requirements to enjoy tax incentives, SSI Securities Corporation said.

To do so, they need to use domestically produced fabrics or imports from countries that have free trade deals with the E.U., it added.

But Vietnam depends on China for 60-70 percent of its textile feedstock, and fabrics imported from South Korea account for only 15 percent of the total requirement.

The E.U.-Vietnam Free Trade Agreement, which took effect on August 1, has strict rules of origin for goods exported to the bloc.

Under its provisions, 77.3 percent of Vietnam's textile exports to it will enjoy zero percent tax within the first five years while the rest follow a seven-year roadmap.

The EVFTA is the E.U.'s second trade deal with an ASEAN member country after one with Singapore, and one of the few with a developing country.

It will see Vietnam eliminate 99 percent of its import duties over 10 years and the E.U. doing the same over seven.

Before the deal was signed, Vietnam's garment and footwear exports to Europe were given preferential treatment under the Generalized System of Preferences (GSP) program, with a 9.6 percent tariff on the former.

For the first two years enterprises can choose to continue to be taxed under the GSP program or EVFTA. From the third year, if a company does not meet the rules of origin as stipulated in the deal, the tariff rate will increase to 12 percent.

The Vietnam National Textile and Garment Group (Vinatex) said the tax incentives under EVFTA are not attractive enough for businesses to switch from Chinese to Vietnamese fabrics since the former are 10-40 percent cheaper and delivered faster due to the scale of production.

China's textile and dyeing industry has a capacity of 80 billion meters of fabric a year while Vietnam's is 2.5 billion meters against a demand of eight billion meters.

But SSI believed that in the long run Vietnam needs to develop its own industry and ensure sufficient scale to compete on cost with China.

There are around 6,800 textile and garment businesses in the country and their exports were worth $32.85 billion last year.

Source: e.vnexpress.net– Nov 03, 2020

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Italian textile machinery exports decline in Q3 2020: ACIMIT

The Association of Italian Textile Machinery Manufacturers (ACIMIT), has announced figures for the period ranging from July to September 2020.

Exports of Italian textile machinery declined in Q3 2020, although domestic orders increased by 20 per cent, signaling that Italian textile manufacturers are getting back to business.

The index of orders intake for textile machinery, as compiled by the Association of Italian Textile Machinery Manufacturers (ACIMIT), for the period ranging from July to September 2020, decreased by 26% compared to the same period in 2019. The index value was attested at 72.4 points (2015 basis = 100).

Orders on foreign markets declined by 31 per cent, with an absolute index value of 68.2 points. However, an increase of 20 per cent was recorded domestically compared to the third quarter of 2019, with an absolute index value of 112.6 points.

ACIMIT represents an industrial sector that comprises roughly 300 manufacturers (employing around 12,000 people), which produce machinery for an overall worth of around 2.3 billion euros, of which 82% are exported. Creativity, sustainable technology, reliability and quality are the hallmarks that have made Italian textile machinery worldwide leaders.

Source: fashionatingworld.com– Nov 03, 2020

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EU steps up action against hazardous chemicals in clothing

The European Commission has taken another important step to protect EU consumers from hazardous substances in frequent contact with human skin, which are known to cause cancer and reproductive health problems. A restriction limiting consumers' exposure to 33 carcinogenic, mutagenic or toxic for reproduction chemicals has come into effect from November 1.

The new restriction will ensure that "everyday clothing, textiles and footware bought by Europeans are safer, no matter which EU country they shop in and whether the products are EU-made or imported," the European Commission said in a statement.

“The health and well-being of our citizens is of paramount importance, now more than ever. The Commission is continuously ensuring the safety of chemicals used in everyday products and is today restricting the use of 33 dangerous substances in textiles and footware.

The restriction is the result of good cooperation between the Commission, the European Chemicals Agency (ECHA), the chemical and textile industries, NGOs and medical specialists aiming to ensure the safety of these products for our citizens,” said Commissioner Thierry Breton, responsible for the Internal Market.

The restriction specifies maximum concentration limits established for individual substances or groups of substances potentially present in these products, including for substances such as polycyclic aromatic hydrocarbons (PAHs), cadmium, chromium, lead and its compounds and phthalates, among others.

It also contributes to reducing the environmental emissions of these hazardous substances, which can occur for example during washing, and enhance the quality of recycled textile materials. The restriction is based on the EU's REACH Regulation, which provides the world's highest protection of human health and the environment.

Source: fibre2fashion.com - Nov 03, 2020

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Pakistan: 'Value addition key to boosting exports to China'

Business and industrial communities will have to focus on value addition in an effort to increase Pakistan's exports to China, said Pakistan's Consul General in Shanghai Hussain Haider.

Speaking at a webinar organised by the Karachi Chamber of Commerce and Industry (KCCI) on Tuesday, Haider noted that raw material and less value added products were currently being exported to China while there was immense potential for export of value added products as well.

He added that in 2019, the top two products exported to China were copper and related articles, and cotton yarn and similar fabrics, which fetched $551.2 million and $351.95 million respectively for the national exchequer.

On the other hand, exports of value added products such as knitted apparel and woven apparel stood at $47.49 million and $31.38 million respectively, which clearly indicated that Pakistan's exporters were primarily exporting raw material instead of value added products, he highlighted.

He told webinar participants that the Yangtze River Delta region in China, which comprised Shanghai, Jiangsu, Zhejiang and Anhui areas, was the most technologically advanced region with the highest per capita income as well as gigantic contribution to the Chinese gross domestic product (GDP).

"This is the region where Pakistani exporters must look for avenues of enhancing trade by focusing on value addition," he said. "At the same time, attention must be paid to digitisation because digitalisation for business-to-business (B2B) and business-to-consumer (B2C) modes has increased in the Yangtze River Delta region."

He highlighted that Pakistani Consulate in Shanghai had identified numerous sectors that Pakistani manufacturers could tap because they already had the expertise and were expected to capture a sizeable share in the Chinese market.

These sectors included textile and clothing, value added textile, garments, medical and surgical equipment, sports goods and leather apparel. He pointed out that the sister city status for Karachi and Shanghai could also provide a basis for economic cooperation.

"To further strengthen bilateral trade and investment ties, cooperation between Karachi and Shanghai is required," he said.

Source: tribune.com.pk– Nov 04, 2020

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Pakistan: Trade deficit narrows 23pc in October

Trade deficit narrowed around 23 percent year-on-year in October to $1.58 billion in October as textile value-added exports showed improvement, while imports were down relatively sharply, commerce ministry's data showed on Tuesday.

Exports increased 2.1 percent year-on-year to $2.06 billion last month. They amounted to $2.02 billion in October last year. There has been a contraction of 10.3 percent in imports that dropped to $3.65 billion from $4.07 billion.

The monthly trade deficit improved by $463 million compared to the corresponding month a year earlier, according to the official data shared during a meeting held to review the export trends. The commerce ministry didn't disclose month-on-month trade trend.

Adviser to the Prime Minister on Commerce and Investment Razak Dawood presided over the meeting.

"Pakistan economy will continue on its upward recovery trend," said Dawood. "The officials of ministry continue to proactively facilitate exporters and businessmen. No efforts should be spared to counter the effect of the second wave of COVID-19 in Pakistan's major export markets."

Exports showed first recovery in July after consecutive downtrends since March amid coronavirus lockdown. Ease in lockdown paved way for clearance of orders stuck on ports.

Global lockdowns related to coronavirus pandemic upended the world's economy. Economic activities came to halt and ports were chocked with cargoes unmoved due to slowdown in transportation. In July-October, exports marginally decreased 0.1 percent. Exports during the period stood at $7.54 billion compared to $7.54 billion during the same period last year.

Trade deficit in the first four months of the current fiscal year contacted 4.5 percent to $7.42 billion from $7.77 billion.

“Pakistan’s exporters made it possible for bringing the exports to pre-COVID-19 levels despite uncertainty and contraction in Pakistan’s major markets,” said the adviser.

Export increases were mostly in the value-added sectors. The increases were witnessed in home textiles (10 percent), women's garments (20.8 percent), jerseys and pullovers (35.3 percent), made-up articles of textile (10.4 percent), stockings and socks (19.2 percent), cement (10.8 percent), pharmaceutical products (26.8 percent), tarpaulins (66.8 percent), and made-up clothing accessories (245.2 percent).

Exports of mostly non-value-added products decreased during the July-October period. Cotton fabric exports were down 8 percent. Exports of cotton yarn fell 40.1 percent. Worn clothing exports dipped 63.6 percent. Exports of raw leather slipped 38.4 percent. Crude petroleum exports dipped 53.7 percent. Exports of cotton sharply fell 95.7 percent.

Pakistan’s top five growing markets during July-October were Indonesia with 39.3 percent share, followed by Qatar 34.5 percent, Denmark 24.9 percent, South Korea (22.5 percent) and Afghanistan (15.6 percent).

Source: thenews.com.pk– Nov 04, 2020

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Pakistan: APTMA, PHMA lock horns over duty-free import of cotton yarn

The All Pakistan Textile Mills Association (APTMA) and Pakistan Hosiery Manufacturers and Exporters Association (PHMA) have locked horns over the duty-free import of cotton yarn.

The PHMA has demanded the government abolish customs and regulatory duties on import of cotton yarn, claiming that the basic raw material was unavailable for apparel and home textile sectors in local markets which may lead to a decline in textile exports.

Former PHMA chairman Shahzad Azam told Profit that the spinning sector was allowed to import cotton free of duty, but the apparel and home textile sector were not allowed the same, which, according to him, was a discriminatory practice.

When asked about the reason why government should allow duty-free import of cotton yarn when it could damage the local spinning industry which already produces the material with more than 13.4 million spindles in use, Azam replied, “Why should we buy expensive cotton yarn from them when we can import it at cheaper rates?”

The former PHMA chairman alleged that spinning millers have formed a cartel and were blackmailing them by selling cotton yarn at higher rates.

“It is our right to import the material at duty-free prices just like spinning mills are allowed to import duty-free cotton,” he added, reiterating that the government must concede to their demand if it wished to control a decline in exports.

‘NO SHORTAGE’

Meanwhile, APTMA Punjab Chairman Abdul Rahim Nasir told this scribe that there was no shortage of cotton yarn in the country.

“In fact, the import of cotton yarn during the first quarter of FY20 was 11,047 tonnes, while it rose to 13,976 tonnes in Q1FY21, showing an increase of 27pc,” Nasir shared.

In addition, he maintained, yarn exports have also reduced significantly, signifying an enhanced supply to further processing and value addition in the country.

Nasir said that the apparent ‘shortage’ being touted was based on commercial considerations that have affected the price of yarn worldwide; exporters have booked orders at an exchange rate of Rs168-170 to a US dollar while the current exchange rate was Rs161.5, leading to a hike in the cost of pre-booked export orders.

He added that similarly, cotton which was being traded at 63.8 cents/lb just three months ago was currently at 76 cents/lb, increasing the cost of yarn proportionately.

The APTMA official stated that the notion that Pakistani exports would miss Christmas orders due to a “shortage of yarn” was false as manufacturing and shipping procedures require at least 3 to 4 months, a timeframe which has long passed.

“The real issue is rooted in incorrect export pricing and misplaced expectations on the exchange rate,” he said.

It may be noted here that duty-free import of yarn for re-export after further processing has always been readily available to registered exporters through Duty and Tax Remission for Exports (DTRE).

“APTMA has and always will support the import and simplification of procedures for duty-free raw materials or other inputs for export purposes,” Nasir said.

Further, he said that the argument that a reduction in taxes would increase supply or reduce costs for exporters was illogical, as exporters were already entitled to the duty-free import of yarn through DTRE or bond.

APTMA emphasises that any blanket approval for import of duty-free cotton yarn would lead to dumping of the material and would also result in the facility’s misuse.

“This will result in the closure of many of units and the stopping in the track of many expansions and new projects which are planned or are underway, thereby hampering the progress made by the economy in recent months owing to export-led growth,” the APTMA Punjab chairman said.

He said that the government must take yarn exporters’ concerns into account and note the real values of yarn’s import and export to prevent misinformation and rectify the root cause of the problem. “A shortage certainly does not seem to be the problem here,” he added.

Speaking to Profit, Naveed Gulzar, a leading spinning miller from Faisalabad, corroborated APTMA’s statement, saying that cotton yarn is available in abundance and the allegation of cartelisation amongst spinning millers is baseless because cartels are only formed when there are 4 to 5 players in the market.

“How one could have a cartel amongst 400 textile mills,” Gulzar asked.

The leading spinning miller said that the price of cotton yarn has increased due to an increase in the prices of raw materials needed for its production rather than a shortage.

He maintained that yarn and especially poly cotton yarn is available with everyone. “However, if there is such a thing going on then it could be because of hoarding by Sutar Mandi brokers,” Gulzar added.

Source: profit.pakistantoday.com.pk– Nov 03, 2020

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NATIONAL NEWS

INDIA'S MERCHANDISE TRADE: Preliminary Data, October 2020

India's merchandise exports in October 2020 were USD 24.82 billion, as compared to USD 26.23 billion in October 2019, showing a fall of 5.4%. Exports during April-October 2020-21 were USD 150.07 billion, exhibiting a decline of 19.05% over the same period last year.

The value of India's merchandise imports in October 2020 was USD 33.6 billion, as compared to USD 37.99 billion in October 2019, a decline of 11.56%. Merchandise imports during April-October 2020-21 were USD 182.29 billion, as compared to USD 286.07 billion during the same period last year, exhibiting a negative growth of 36.28%.

India was thus a net importer in October 2020, with a trade deficit of USD 8.78 billion, as compared to trade deficit of USD 11.76 billion, an improvement by 25.34%.

In October 2020, the value of non-petroleum exports was USD 23.21 billion, registering a positive growth of 1.84% over October 2019. The value of non-petroleum and non-gems and jewellery exports in October 2020 was USD 20.28 billion, as compared to USD 19.07 billion in October 2019, registering a positive growth of 6.34%. The cumulative value of non-petroleum and non-gems and jewellery exports in April-October 2020-21 was USD 124.79 billion, as compared to USD 137.72 billion for the corresponding period in 2019-20, exhibiting a decrease of 9.39%.

In October 2020, Oil imports were USD 5.98 billion, as compared to USD 9.73 billion in October 2019, a decline by 38.52%. Oil imports in April-October 2020-21 were USD 37.84 billion, as compared to USD 74.93 billion, showing a decline of 49.5%.

Non-oil imports in October 2020 were estimated at USD 27.62 billion, as compared to USD 28.26 billion in October 2019, showing a decline of 2.26%. Non-oil imports in April-October 2020-21 were USD 144.45 billion, as compared to USD 211.14 billion, registering a decline of 31.59% during the same period of the last year.

Non-oil, non-GJ (gold, silver &Precious metals) imports were USD 22.83 billion in October 2020, recording a negative growth of 8.31%, as compared to non-oil and non-gold imports of USD 24.9 billion in October 2019. Non-oil and non-gold imports were USD 126.97 billion in April-October 2020-21, recording a negative growth of 29.28%, as compared to non-oil and non-gold imports of USD 179.55 billion in April-October 2019-20.

Major commodities of export which have recorded positive growth during October 2020 vis-à-vis October 2019 are: Other cereals (369.30%), Rice (112.15%), Oil meals (76.62%), Iron ore (73.89%), Oil seeds (54.06%), Carpet (37.67%), Cereal preparations and miscellaneous processed item (36.13%), Ceramic products and glassware (34.62%), Drugs and pharmaceuticals (21.82%), Spices (21.61%), Jute mfg. Including floor covering (18.76%), Meat, dairy and poultry products (16.65%), Handicrafts excl. Handmade carpet (11.37%), Fruits and vegetables (8.92%), Mica, coal and other ores, minerals including process (7.68%), Cotton yarn/fabrics/made-ups, handloom products etc. (6.52%), RMG of all textiles (6.31%), Tobacco (4.34%), Organic and inorganic chemicals (1.91%), Tea (0.14%).

Major commodities of export which have recorded negative growth during October 2020 vis-à-vis October 2019 are Petroleum products (53.30%), Cashew (21.57%), Gems and jewellery (21.27%), Leather and leather manufactures (16.69%), Man-made yarn/fabrics/made-ups etc. (12.82%), Electronic goods (9.40%), Coffee (9.25%), Marine products (8.09%), Plastic and linoleum (6.88%), Engineering goods (3.84%).

Major commodity groups of import showing positive growth in October 2020 over the corresponding month of last year are: Pearls, precious & Semi-precious stones (50.47%), Fertilizers, Crude & manufactured (46.25%), Gold (35.88%), Sulphur & Unroasted Iron Pyrites (32.09%), Project goods (28.75%), Fruits & vegetables (22.81%), Electronic goods (16.12%), Medcnl. & Pharmaceutical products (13.33%), Vegetable Oil (7.29%), Metaliferrous ores & other minerals (4.80%), Chemical material & products (2.00%.

Major commodity groups of import showing negative growth in October 2020 over the corresponding month of last year are: Silver (90.54%), Newsprint (79.99%), Cotton Raw & Waste (77.40%), Pulses (65.15%), Transport equipment (56.32%), Leather & leather products (41.37%), Petroleum, Crude & products (38.52%), Pulp and Waste paper (29.88%), Machine tools (29.62%), Wood & Wood products (26.51%), Textile yarn

Fabric, made-up articles (25.13%), Iron & Steel (22.32%), Machinery, electrical & non-electrical (15.63%), Professional instrument, Optical goods, etc. (11.95%), Artificial resins, plastic materials, etc. (7.53%), Coal, Coke & Briquettes, etc. (6.50%), Organic & Inorganic Chemicals (2.89%), Non-ferrous metals (2.26%), Dyeing/tanning/colouring materials (0.46%).

Click here for more details

Source: pib.gov.in– Nov 03, 2020

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Exports sink 5.4% in Oct after Sept buoyancy

With imports falling 11%, trade deficit narrows to $8.78 b; exporters complain of many bottlenecks

Exports slipped back into the negative territory in October, declining 5.4 per cent (year-on-year) to $24.82 billion. The number was pulled down by key sectors such as petroleum, gems and jewellery, leather and leather products, yarns, fibre and made-ups, engineering goods and electronics.

Non-petroleum exports, however, grew for the second consecutive month, rising 1.84 per cent to $23.21 billion. The top five sectors that recorded growth include cereals, rice, oil meals, iron ore and oilseeds.

In September, exports had risen 5.99 per cent to $27.58 billion, after falling for six months in a row, raising prospects of a recovery. However, a second wave of Covid-19 breaking out in several regions across the world appears to have put paid to these hopes.

In October, imports were lower by 11.56 per cent at $33.6 billion, leading to a trade deficit of $8.78 billion compared with $11.76 billion in October 2019, according to preliminary data released by the Commerce Department on Tuesday.

While exporters across sectors are hoping the pandemic will abate soon, many are optimistic that if certain glitches such as the lack of availability of containers and the uncertainty over export incentives, are addressed, it will give them a much-needed boost.

"We hope it (the decline in exports in October) does not form a trend line in the midst of a serious second wave of coronavirus in several countries of Europe, including the UK, Germany and France. With several of these economies being subject to yet another lockdown, we may see headwinds buffeting global trade," said Mahesh Prasad, Chairman, Engineering Export Promotion Council.

The nominal decline in exports was mainly because of huge shortage of containers and hike in sea freight, which have particularly hit exporters which had negotiated on CIF (cost, insurance and freight) or C&F (clearing and forwarding) basis, said Sharad Kumar Saraf, President, Federation of Indian Export Organisations.

Orders improve

"Encouragingly, non-oil merchandise exports continued to grow for the second consecutive month, although the pace moderated following a resurgence of Covid-19 infections in many trading partner countries. The renewed lockdown in some advanced economies will severely test the durability of the uptrend in non-oil merchandise exports in the ongoing month," according to Aditi Nayar, Principal Economist, ICRA Ltd.

The Commerce Ministry is likely to come up with a detailed and precise trade data for October later this month. The government used to come up with estimates for a month only by the middle of the following month, but the Ministry unveiled September data early, after export numbers turned positive.

Silver, newsprint, cotton raw and waste, pulses and transport equipment posted the sharpest decline in imports in October. Gold import increased 35.88 per cent to $660 million, as per the data.

Exports during April-October 2020-21 declined 19.05 per cent to $150.07 billion compared to the same period last fiscal. Imports, at $182.29 billion, were 36.28 per cent lower than the first seven months of 2019-20.

Source: thehindubusinessline.com– Nov 03, 2020

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'FinMin expects uptick in economy to hold, will announce next stimulus soon'

The government on Tuesday expressed optimism that the uptick in the economy will continue, adding that another round of stimulus will be announced soon.

"We are actually seeing an improvement in all parameters. We are expecting further improvement in November and this should continue. Hopefully, the economy should be back on track; it is moving much faster than what had been anticipated by experts and economists," said Economic Affairs Secretary Tarun Bajaj, while hinting at the International Monetary Fund's projection of 8.8 per cent in 2021-22, the highest for major economies.

Bajaj did not givedetails about the next round of stimulus, but indicated that it will be made public soon. "As the Finance Secretary indicated, we have requests and comments from various sectors and the Finance Minister will soon speak to you," Bajaj said.

Meanwhile, Prime Minister Narendra Modi will share India's story with the top 20 fund houses, managing over $6 trillion of assets, first in the group on Thursday and individually over the next two weeks. The meeting will be attended by top industrialists Ratan Tata, Mukesh Ambani, Deepak Parkeh, Nandan Nilekani, Dilip Sanghvi and Uday Kotak

Giving details about the conference, Tarun Bajaj also highlighted the improvements in high frequency economic indicators such as Manufacturing PMI (58.9 in October), eWay bill value (16.82 lakh crore) and toll collection (120 per cent daily growth).

Investor Roundtable

Bajaj also listed the global fund houses set for the Thursday meeting: Australian Super, British Columbia Investment Management Corp, Future Fund, Japan Post Bank, Korean Investment Corporation, Ontrario Teachers, PensionDanmark, Qatar Investment Authority, Teachers Retirement Texas, Temasek and US International Development Finance Corporation.

"The whole idea of this conference is to give them information about various investment opportunities in India and the present economic situation. And, on their side, they would be interested in knowing more about India, t investing and doing business in India," Bajaj said.

Source: thehindubusinessline.com– Nov 03, 2020

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US elections 2020: Trump or Biden-who's better for Indo-US trade ties?

The recently concluded Basic Exchange and Co-operation agreement (BECA) is the third foundational defence deal signed between the US and India in the past five years.

The three deals, the Communications Compatibility and Security Agreement (COMCASA), Logistics Exchange Memorandum of Agreement (LEMOA) and BECA, are a strong reflection of the deepening bilateral military ties between the two nations.

BECA is being hailed as a landmark deal as it gives India access to geospatial data from US military satellites which will prove to be critical in tracking enemy positions and movements during the war and the availability of real-time location information will also help the country in disaster management during natural calamities. These three deals are built on a strong foundation of mutual trust between the two countries and set the stage for further economic and security co-operation going forward.

Military ties between the two major economic powers have seen an upswing under the Narendra Modi-led BJP government.

In 2016, the Logistics Exchange Memorandum of Agreement (LEMOA) gave both nations access to each other's specific military bases for refuelling, repair, and replenishment.

This was followed up in 2018 by COMCASA to strengthen the secure communication system between defence forces. While common military interests have aligned India and the US to a great extent, the two countries are yet to iron out many issues on the trade and economic front.

Despite expectations of a mega trade deal in the making, very little has been achieved in terms of outcomes.

As India watches the US Presidential election results keenly, we highlight that irrespective of who the United States votes to power, the India-US results will continue to strengthen.

The more pertinent question however is, will both economies make progress on the economic and trade front post a robust military co-operation?

US elections: Biden or Trump for India?

While pollsters expect a Joe Biden win, the Democratic candidate's stance on trade, the American economy, and China is not in sharp contrast with that of the current president and Republican candidate Donald Trump.

Biden's bent towards protectionist policies, call for Buy American, and focus on domestic subsidies is not too far from Trump's call for America First.

On China too, Biden has maintained a hardline, clearly stating that China will pay the price for not playing the trade game fairly. Under Democratic leadership, the US might exert greater stress on environmental and labour law compliance in trade pacts, which might not be good news for emerging trade economies, especially the South-Asian belt.

It is noteworthy that when it comes to tariffs, average tariffs on Indian goods applied by the US authorities have been fairly consistent, independent of the party in power since 1991.

Consistent with historical positions on free trade, average tariffs on Indian goods from 1991 to 2018 (2019-2020 data not available) have been marginally lower under a Republican president (3.16%) compared to a Democratic president (3.37%).
This is despite the Trump administration labelling India as a "tariff king", challenging India's export subsidy regime (and winning it at the WTO) and remaining elusive on the limited trade deal between the two nations.

If we don't include the Trump Years (post-2016), the average tariffs have been even lower under a Republican president (3.07%). In all probability, frictions in global trade are certainly not expected to end soon whichever way the results of the election go.

Irrespective of the results, the US' focus on America First will continue. India on its part will also focus on safeguarding its domestic industry's interest first under Aatma Nirbhar Bharat.

India is open to FTAs, but needs to strategically opt for 'natural allies' like the US and EU and avoid any alliance for free trade at the cost of the domestic industry having learnt its lessons from previous FTAs.

However, strong deep-trade complementarities, common defence interests between the two nations, foreign policy towards China and India's strategic position in the Asian region is expected to strengthen the foundational relationship between the two nations going forward irrespective of the election result.

But in the current backdrop and post-COVID-19 world, greater political will is needed for progress on co-operation on trade and economic front.

India's export basket and the prospects of an India-US trade deal

India's major exports to the US include gems & jewellery (17%), textile & readymade garments (15% share in total exports to the US), drugs and pharma products (13%), agriculture and allied products mainly marine (9%), machinery & equipment (10%), electric machinery (5%) and electronics (4%).

In terms of our major imports from the US, petroleum & crude (19%), chemicals (10%), agriculture & allied (mostly fruits) (5%), aircraft spacecraft & parts (5%), electric machinery (7%), electronic goods like medical, telecom, and electronic instruments (8%), gems & jewellery (12%) account for the bulk.

India's bilateral trade with the US has increased from $12 billion in FY2000 to $89 billion in FY20. Exports from India to the US have grown by over six times from $8 billion to $53 billion and imports from the US to India have grown from $3.5 billion to $35 billion in the last two decades, with a current trade surplus of around $17 billion with the US.

The US continues to be the top destination for textile exports, accounting for almost a quarter of our textile exports.

However, the recent scrapping of GSP benefits has resulted in India facing higher trade barriers for textile exports to the US and EU compared to its counterparts like Bangladesh, Vietnam, and Pakistan.

It is therefore not surprising that India has asked for more predictability from the US when it comes to trade decisions.

Both India and the US have shown willingness on signing a trade deal, however, a full-fledged FTA with America has hit a roadblock due to conflict areas such as pharma, data security, agriculture, and dairy.

However, the post-COVID-19 world trade order is set to change in the coming years and China's aggression and geopolitics will have a strong influence on shaping the direction and quality of trade going forward.

Building a strong economic front against China will also be a foreign policy priority for both the US and India and could be a key driver for greater economic co-operation.

It might take some time for both nations to come up with a more balanced outcome on trade, however greater cooperation in new areas like artificial intelligence, green technology, digital, medical devices can lead the way.

The US- India strategic alliance whether military, trade, or otherwise, shall continue to be built on limitless potential of the people of these two economic powers, irrespective of the outcome of November 3.

Source: businesstoday.in– Nov 03, 2020

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India, UAE agree to explore ways to facilitate investments

The two sides agreed that the recent challenging circumstances of COVID-19 made it even more important to encourage investment and cooperation in areas of mutual interest with the purpose of stimulating economic activity.

These include issues relating to anti-dumping duties and measures, as well as any tariff and regulatory restrictions, it added.

India and the UAE on Tuesday agreed to explore ways to facilitate investments in key sectors with a view to strengthen economic ties between the two countries.

The two sides agreed that the recent challenging circumstances of COVID-19 made it even more important to encourage investment and cooperation in areas of mutual interest with the purpose of stimulating economic activity.

With an aim to further strengthen trade and economic ties, both sides reiterated the importance of addressing specific perceived barriers to trade between the two countries, an official statement said.

These include issues relating to anti-dumping duties and measures, as well as any tariff and regulatory restrictions, it added. The two sides agreed to coordinate efforts and promote mutual cooperation at the highest official levels in areas of anti-dumping and to consider these issues promptly with the objective of seeking mutually beneficial solutions, it said.

The discussions were held during the eighth meeting of the India-UAE High Level Joint Task Force on Investments. They agreed upon the need to further explore ways to facilitate investments in key Indian and UAE sectors with potential for economic growth, and to maintain their dialogue and further build on the considerable achievements of the Joint Task Force, the statement said.

The two sides also agreed that their civil aviation authorities should continue to work together on a priority basis, for their mutual benefit, to ensure speedy normalization of bilateral air transport operations.

The Indian side agreed to look into these issues with the objective of facilitating further direct investments of the UAE-based funds into India and seeking mutually beneficial solutions in that regard, it added.

The meeting was co-chaired by Piyush Goyal, Commerce and Industry Minister and Sheikh Hamed bin Zayed Al Nahyan, Member of the Executive Council of the Emirate of Abu Dhabi. Senior officials from both the countries were also present.

Source: financialexpress.com– Nov 03, 2020

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CCI to purchase entire cotton crop from Telangana at MSP

Chairman and Managing Director of Cotton Corporation of India (CCI) Pradeep Kumar Agarwal assured Agriculture Minister Singireddy Niranjan Reddy on Tuesday that the corporation would purchase all the cotton produced in Telangana at the Minimum Support Price of Rs 5,825 per quintal.

The Minister, who is on a four-day official tour of Maharashtra, called on Agarwal and apprised him of the cotton production in the State during the current Vaanakalam season.

Reddy also urged the CCI to increase the permitted moisture content in cotton considering the recent heavy rains in the State. At present, the CCI allows only 12 per cent of humidity in cotton fibre. “While the CCI has procured and stored 49.56 lakh bales of cotton from Telangana during 2019-20, it has only lifted 9.28 lakh bales so far.

We request the CCI to lift the old stock immediately so that we can store the current year’s produce,” he said.

He impressed upon the CCI that Telangana was known for its high quality cotton and the software developed by the State for procurement of the fibre crop was one-of-its-kind in the country. He also requested the CMD to cooperate with Chief Minister K Chandrashekhar Rao in setting up a Cotton Research Centre in Adilabad.

Stressing the need to take up research on cotton, he said Telangana accounted for 40 per cent of the total cotton procurement in the country. “The CCI purchased 105.1 lakh bales in the country and out of that, the share of Telangana was 41.8 lakh bales,” he said. He also urged the CMD to bring all the issues pertaining to cotton under the Ministry of Textiles.

The CCI CMD assured Reddy that they will take all the issues raised by the State into consideration. He appreciated the increase in the number of ginning and pressing mills in Telangana under the able leadership of Chandrashekhar Rao. Warehouse Corporation Chairman Mandula Samelu and Director marketing Lakshmi Bai also attended the meeting.

The Minister also met National Bank for Agriculture and Rural Development (Nabard) Chairman GR Chintala at his office in Mumbai. He discussed several issues pertaining to the State with the Nabard Chairman.

Source: telanganatoday.com– Nov 04, 2020

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India's container shortage to start easing by mid-Nov: Adani Ports CEO

Container availability in India is likely to start easing by mid-November with growth in imports, the CEO of Adani Ports and Special Economic Zone said Nov. 3 on a quarterly earnings call.

"We do expect that container availability will increase further in quarter three as imports start increasing in the country. We already see signs of repositioning of containers happening at our ports, so we do expect this easing up happening by mid of this month," Karan Adani said.

India, along with other major Asian markets, has been facing an acute shortage of containers for the last six months due to a skewed import-export ratio and supply chain disruptions in the wake of COVID 19-related lockdowns.

Historically, imports have accounted for 60% of container volumes in the country and exports for the rest. That trend was reversed in the July-September quarter when exports were around 55%-60% of total container volumes and imports were smaller, Adani said.

The rise in exports was predominantly because of pent-up demand — Imports did not stop when the lockdown was in place but exports did. "So, we saw demand on the export side when the country opened up and the factories started again," Adani said.

However, normalcy is likely to return in the current quarter and container volumes were expected to touch to pre-COVID-19 levels by the end of the year, he said.

Container volumes at Adani's Mundra port recovered over July-September and were 36% higher quarter-on-quarter at 19.4 million mt.

In numeric terms, July-September container volumes at Mundra port stood at 1.3 million 20 foot-equivalent units (TEU) against 1.2 million TEU a year ago.

APSEZ handled total cargo volume of 56.25 million mt in the July-September quarter, compared with 41.41 million metric ton in the prior quarter.

The company has 11 ports and terminals in India — Mundra, Dahej, Kandla and Hazira in Gujarat; Dhamra in Odisha; Mormugao in Goa; Visakhapatnam in Andhra Pradesh; and Kattupalli and Ennore in Chennai — and is developing a transshipment port at Vizhinjam in Kerala and a container terminal in Myanmar.

Source: maritimegateway.com– Nov 04, 2020

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Noida garment exporters stare at uncertain future amid fresh lockdown in European countries

With reports of fresh lockdown in some European countries, apparel exporters of Gautam Budh Nagar district are staring at an uncertain future.

Lalit Thukral, chairman of Noida Apparel Export Cluster (NAEC), said that one of the worst-hit business sectors in the Covid-19 pandemic is textiles – particularly the garment exports in that segment.

“A sharp fall in domestic and export demand due to Covid-19, and lower profitability are enough to give a major setback to the apparel industry. We saw some hope with fresh orders coming from European countries for Spring-Summer Collections 2021.

But, with fresh lockdown in the UK, Italy, Spain, France and Germany – which have at least 40% share in overall apparel exports worth over Rs 50,000 crore from India – the Indian exporters have started sulking again as it will result in higher revenue loss,” Thukral said.

He further said that with the lockdown in these countries, the apparel exports’ revenue of Rs 2 lakh crore will certainly go down by 30% in this fiscal. “For the apparel exporters, the fall will be more because of tepid discretionary spending in these countries,” he said.

Amid this uncertainty, the exporters have started surfing the avenues in the domestic market to make up the financial loss. However, they said that the domestic market won’t be able to make up for the loss.

Echoing similar views, Neeraj Prakash, who runs a garment export company in Noida, said, “Now, there is a lot of uncertainty. Even the orders ready to be shipped are dumped in the customs office. If the situation persists, the future of Indian apparel industry is very bleak. Only Noida is all set to lose the export orders of Rs 5,000 crore this year. The domestic demand is nothing more than a drop in the ocean for us,” he said.

However, Kulmani Gupta, chairman of Indian Industries Association (IIA), said that the lockdown in European countries doesn’t have much impact on India. “They are still banking on China for apparel. But, if fresh lockdown is imposed in the US, which had restricted Chinese exports, Indian apparel industry will certainly have a body blow,” he said.

Source: hindustantimes.com – Nov 03 ,2020

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Strong festive sales for Levi Strauss, Puma, other fashion retailers

About half a dozen fashion companies, including Levi Strauss & Co, Arvind Fashions Marks & Spencer and Puma, said there is strong festive season demand now but they expect apparel segment to reach pre-Covid levels only by March next year.

“We are looking at a more positive trend as we get into the pre-Diwali season,” said Sanjeev Mohanty, managing director – South Asia, Middle East and North Africa, at Levi Strauss & Co.

“Since September with Ganesh Chaturthi and Eid, we are seeing an uptick week on week. By Q1 (March), we should start seeing early signs of pre-Covid level recovery for both the industry and Levi’s,” he said.

Unlike most other consumer categories that either recovered or have seen demand surging after the pandemic-induced lockdown, some discretionary products such as clothing and liquor are still struggling to mop up higher sales. The delayed revival is also due to store closures and halted expansion compared to a year ago when most retailers were aggressively opening outlets.

According to a report by Motilal Oswal Financial Services, apparel retail is far weaker than other sectors, with second quarter average revenues down 45-55%. “Sluggish recovery and sticky inventory is creating liquidity woes,” it said. “Thus, last year’s trend of store additions has reversed to store closures.”

Across retailers, there have been closures of stores that were unprofitable or which saw limited rental reduction, especially at malls. Things are looking up, though. “Month-on-month growth has improved consistently,” the Motilal Oswal report said. Ongoing festive season sales is the highest since the pandemic-led lockdown in March, though it is lower than last year.

J Suresh, chief executive of Arvind Fashions, said despite job losses sales have reached 90% of pre-Covid. “This has exceeded our expectation since we were estimating lower demand at physical stores,” he said. “We expect normalcy in another 5-6 months.” Arvind Fashions sells brands such as Calvin Klein, Tommy Hilfiger and US Polo Assn.

Shoppers Stop, too, said discretionary spends are climbing back with sales mix at about 65% of last year during Durga Puja in the East India market. “By the end of this year, we definitely see these green shoots help the industry inch back,” said Uma Talreja, chief marketing and customer officer of Shoppers Stop.

With several consumers shying away from malls to avoid crowding, online channels are driving bulk of the growth in demand.

“With the rising demand for faster deliveries, M&S has started implementing buy-online-ship from stores,” said James Munson, managing director of Marks & Spencer Reliance India. “It's too early to speculate full recovery,” he said.

Source: economictimes.com – Nov 04, 2020

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