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IBTEX No. 240 of 2020 November 07, 2020

US 73.98| EUR 87.85| GBP 97.34| JPY 0.72

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INTERNATIONAL NEWS

Lockdowns Sweep Europe—Putting Fashion Chains at Risk

Fashion retailers battle new pressures in the face of fresh lockdowns, as the U.K., France and Germany roll out restrictions combatting a crush of coronavirus cases.

On Thursday, new national measures took effect in the U.K. through at least Dec. 2. Elsewhere, France, Germany, Italy and Spain all began tightening restrictions last month, while Belgium imposed sweeping measures on Sunday.

The impact on apparel and retail, considered nonessential, is substantial. Primark's parent Associated British Foods plc on Monday estimated that a second round of stores closures would drive 375 million pounds, or $484.9 million, in lost sales. That projection includes stores already under lockdown across Europe, such as in Ireland, Slovenia and the Spanish region of Catalonia.

Data analytics firm Springboard projects that the lockdown across U.K. retail destinations for the four-week period ending Dec. 2 could drive foot traffic down 78.8 percent, with high streets suffering a 87.3 percent falloff. An extended shutdown during the key holiday selling season from Nov. 22 to Dec. 26 could see foot traffic plummet 62 percent from 2019 figures across U.K. retail destinations.

Nick Bennenbroek, international economist for Wells Fargo Securities, noted that new coronavirus cases are rising by an average of 157,000 cases daily across the Eurozone over the past week. "Even if the restrictions do not prove as stringent as earlier this year, those new restrictions could lead to a renewed decline in GDP as they begin to gain traction," he said.

Headwinds from Europe's rising Covid cases spell bad news for retailers with a significant footprint in the region, according to Ike Boruchow, senior analyst at Wells Fargo Securities.

"Cooler temps driving people indoors and worse-than-ever Covid fatigue has resulted in a surge of cases across Europe in recent weeks, causing the region to once again become the epicenter of the global pandemic," Boruchow said.

“Lockdowns are planned for at least the duration of November—a key holiday shopping month—but could be extended depending on case counts.”

Ralph Lauren and Capri, both with a 25 percent to 30 percent European sales exposure, have aired the Covid issue in their recent earnings reports. Capri, which is prioritizing company-controlled retail stores, said its wholesale business would be impacted by department store closures and reduced retail travel.

Hanesbrands, which has a 15 percent sales exposure, also pointed to a $70 million to $80 million sales headwind as a result of the lockdowns, Boruchow noted. Canada Goose also said this week that its three European stores have temporarily closed, accounting for 15 percent to 20 percent of sales.

Other firms within Boruchow’s coverage group that also could face significant impact from another round of temporary closures in Europe include Adidas, which has a 36 percent sales exposure rate, PVH at 35 percent, and Nike at between 25 percent to 30 percent. Other firms he cited as having significant exposure, although not necessarily within his coverage group, include VF Corp. at 25 percent, Ugg parent Deckers Brands at 18 percent and Skechers at 15 percent.

Source: sourcingjournal.com.– Nov 06, 2020

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Shrinking US Denim Imports Surface Sourcing Winners and Losers

As they continue to work off inventory and wait for consumer demand to increase, U.S. jeans importers have held back on bringing in new goods.

For the year to date through September, U.S. denim apparel imports–97 percent of which are jeans–declined 29.93 percent to a value of $1.98 billion, according to the Commerce Department’s Office of Textiles & Apparel (OTEXA). This was a bit less than the 32.19 percent year-to-date decline reported the previous month.

"We continue to leverage our own manufacturing here in the Western Hemisphere to service our large customers with scale and speed," Scott Baxter, president and CEO of Kontoor Brands, told analysts on a conference call last week to discuss third-quarter financial results. "Our advanced manufacturing capabilities allowed us to aggressively align production with demand and with inventory levels down 20 percent in the quarter, we are well-positioned for the second half of 2020, and even more importantly, for 2021."

Among the Top 10 suppliers, only Vietnam and Cambodia were able to post increases in shipments in the pandemic-fueled economic environment. Imports from No. 3 supplier Vietnam rose 1.77 percent in the comparative nine months through September to $267.39 million, while Cambodia's shipments increased 16.63 percent to $99.58 million, OTEXA data revealed.

Imports from top supplier Bangladesh declined 5.57 percent to $395.88 million during the period, while No. 2 Mexico's shipments were slashed 48.58 percent to $321.98 million.

Epitomizing the dramatic decline was China, which has seen a longer-term decline due to sourcing shifts resulting primarily from companies seeking to reduce risk and tariffs from the trade war with the U.S. Jeans imports from China year to date through September plummeted 57.7 percent to a value of $238.76 million.

Rounding out the rest of the Top 10, Pakistan saw its shipments fall 13.38 percent to $168.85 million during the period and Sri Lanka slumped 14.11 percent to $37.7 million.

African suppliers Egypt and Lesotho's shipments declined 36.86 percent to $82.48 million and 19.38 million to $35.33 million, respectively. Imports from Nicaragua fell 27.76 percent to $68.04 million.

Source: sourcingjournal.com - Nov 06, 2020

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Sri Lanka to discuss GSP+ country of origin with EU

Sri Lanka will push for discussions with the European Commission to resolve issues pertaining to the country of origin criteria under the generalised scheme of preferences plus (GSP+) so that exporters can reap the maximum benefit. It has submitted a joint request with Indonesia to the Commission for cross regional cumulation for raw material origin from Indonesia.

“A high-level discussion with the EU Commission to get approval for this joint request of Sri Lanka and Indonesia on regional cumulation for apparel products is an important matter that will be attended to in the near future,” Sri Lankan department of commerce acting director general Ananda Dharmapriya said recently.

He was addressing a webinar titled ‘GSP+ for Enhanced Market Access’ organised by the International Trade Centre (ITC) in collaboration with the department of commerce.

He also said that they expected to make a formal submission to the EU Commission to source fabric from Vietnam, in the backdrop of its recently-inked free trade agreement (FTA) with the European Union (EU), according to Sri Lankan media reports.

Although there has been a gradual increase in exports to the EU after regaining GSP+ from 2017, the utilisation of EU GSP+ by Sri Lanka was only 62 per cent in 2019.

Despite the fact that GSP+ has generally been observed as a positive co-relation, with over 7,000 product lines eligible for duty-free under the GSP+, Sri Lankan exporters are concentrating only on a few sectors due to the cost of compliance included in country of origin criteria.

He pointed out that rules of origin were the key reason and it had nothing to do with awareness.

“It is very clear when you look at the average utilisation of GSP+ 62% and the sectoral utilisation. It is somewhat different—apparel 52 per cent, rubber 96 per cent, seafood 99 per cent, processed food 96 per cent, apparel accessories 77 per cent, bicycle 96 per cent, electrical 41 per cent, head gear parts 87 per cent and tea and spices 70 per cent. Considering these sectoral utilisation, can we say apparel sector is unaware of GSP+? No!" he said.

As a result of the COVID-19 pandemic, total apparel exports in the first nine months dropped by 21.97 per cent to $3.1 billion compared to the same period last year, when exports to the EU also fell by 21.36 per cent to $1.3 billion.

"The main reason for the underutilisation is due to the issue with Country of Origin criteria faced particularly by the apparel exporters. Utilisation of EU GSP+ by the apparel sector is only 52 per cent as Sri Lanka's apparel are made of fabric imports from outside the South Asian Association for Regional Cooperation (SAARC) and the EU region which are not eligible for EU GSP+ concession," he added.

Source: fibre2fashion.com– Nov 07, 2020

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Australia tells exporters to find other markets after rise in China tensions

Canberra has advised Australian businesses to seek new export markets and reduce their reliance on China as a worsening dispute threatens up to A$6bn in annual trade.

Government officials delivered the warning to exporters during a conference on Thursday to discuss informal threats relayed by Chinese importers to Australian exporters. The importers said Beijing planned to ban wine, lobsters, copper and other selected goods from Friday.

One industry participant on the call told the Financial Times that they had been advised by officials that bilateral relations with China were unlikely to recover in the short-term and they should start exploring other options.

The Australian government seems resigned to taking an economic hit . . . as they can hardly do an about-turn on foreign policy under such naked pressure The warning follows Beijing's decision to impose punitive tariffs on Australian barley, restrict beef imports and begin an anti-dumping inquiry into wine exports following Canberra's call in April for an inquiry into the origins of the Covid-19 outbreak in Wuhan.

Since then, diplomatic and trade relations between the nations have sunk to their lowest level in a generation and some Australian exporters have experienced difficulties in getting their products through Chinese customs. This week up to A$2m ($1.45m) worth of Australian rock lobster was lost at Shanghai airport when local officials ordered a series of new health and safety tests. Some coal exporters have said they have also faced delays.

Simon Birmingham, Australia's trade minister, said on Friday that the Chinese government had denied there was any co-ordinated effort to clamp down on Australian products. But the minister said there was a great deal of inconsistency in what Canberra had heard from Beijing and what exporters were experiencing.

"The ongoing reports that we're getting from industry and a range of different news sources are deeply troubling, and there's no denying or getting away from that fact," he told Australian radio.

Mr Birmingham said the trade-related problems over recent months had dramatically increased the risks for Australian exporters to China and suggested that some businesses would inevitably begin to look at alternative markets in Asia, such as Japan, Korea and Indonesia.

China is Australia's largest trading partner with two-way trade worth A$252bn last year, which makes any attempt to diversify to other markets difficult. The timing of the trade tensions is also causing exporters pain, as demand for certain products, such as wine, has fallen sharply during the coronavirus pandemic.

There appears to be little prospect of any rapid recovery in bilateral relations. The state-run China Daily on Friday published an editorial warning Australia that it would "pay tremendously for its misjudgement" in colluding with Washington in trying to contain China.

Richard McGregor, an analyst at the Lowy Institute in Sydney, said: "The Australian government seems resigned to taking an economic hit, even in the middle of a recession, as they can hardly do an about-turn on foreign policy under such naked pressure."

Canberra has admitted that phone calls to Chinese counterparts are no longer being returned, with Mr Birmingham saying on Friday that it was disappointing that Beijing was still refusing to engage at ministerial level.

Source: ft.com– Nov 07, 2020

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October marks record month for Turkish industrial exports

Turkey's industrial sector has had its best October on record after exporting $13.3 billion (TL 113.73 billion) worth of goods, according to Turkish Exporters' Assembly (TIM) data.

If the industry is able to maintain a similar performance in the remaining two months of the year, it is estimated it will recover most of the ground lost due to the coronavirus pandemic.

Foreign sales of the industry had dropped to as low as $6.2 billion in April, the lowest level since May 2009, after Turkey imposed pandemic-related lockdowns to stem the spread of the disease. Measures were mostly lifted as of June.

Turkey entered a recovery process after the difficult month of April when the first COVID-19 patient appeared in the country, Industry and Technology Minister Mustafa Varank said Friday.

New orders, capacity usage, investments and exports in the manufacturing industry are increasing, Varank said during the opening ceremony of a factory in northwestern Tekirdağ province.

Exports in the industrial sector managed to rebound to $11.5 billion in July, after increasing to $7.1 billion and $10.2 billion in May and June, respectively, the data showed. Sales surged to as high as $12.3 billion in September, before reaching an all-time monthly high in October.
Strong growth expected in Q3

Turkey will post strong economic growth in the third quarter of the year, Varank said, hoping the trend will continue in November and December.

Addressing a new round of restrictions in the European Union (EU), the country's top export market, amid an alarming spike in infections, the minister said, "I hope the closures (in the EU) will not affect us negatively. Of course, this is not in our control. Our main priority is to look for ways to preserve the strength of our industry at all times."

The industrial sector's exports from January through October have reached $102.2 billion, meaning the industry will have to achieve some $36 billion worth of foreign sales in November and December to reach last year's $138.2 billion, the highest-ever annual export figure.

If there is a similar performance in the remaining two months, the industry is expected to close the year with a loss of below $10 billion. Among subsectors, the automotive industry was the biggest contributor to the overall industry's exports in the January-October period, despite it being one of the areas hardest hit by the outbreak.

It managed to export over $20 billion worth of automotive products in the 10-month period, followed by chemicals and products with $14.83 billion, ready-to-wear and apparel with $13.98 billion and steel with $10.1 billion.

Among others were electronics with $8.73 billion and ferrous and nonferrous metals with $6.67 billion worth of exports.

The upturn in the Turkish industrial sector has also been solidified by the headline Purchasing Managers' Index (PMI) for the manufacturing industry, which continued in October with the headline rate hovering above the threshold level for the fifth consecutive month.

The PMI for the manufacturing sector rose to 53.9 in October from 52.8 in September, according to survey data from the Istanbul Chamber of Industry (ISO) and IHS Markit, remaining above the 50 mark that separates expansion from contraction.

The country's manufacturing industry used 75.4% of its capacity in October, according to the Central Bank of the Republic of Turkey (CBRT), up from as low as 61.1% in April, 62.6% in May, 66% in June, 70.7% in July, 73.3% in August and 74.6% in September. The PMI reading suggested a solid improvement in the health of the sector and indicated that the Turkish manufacturing sector continued its strong growth at the start of the final quarter of the year.

The rate of job creation accelerated to the fastest it has been in almost three years, as firms expanded production volumes to catch up with new orders.

Source: dailysabah.com– Nov 06, 2020

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Saudi Arabia's PIF to invest ₹9555 cr in Reliance Retail

The Public Investment Fund (PIF), which acts as the Kingdom of Saudi Arabia's primary investment arm, will invest ₹9,555 crore (approximately $1.3 billion) for an equity stake of 2.04 per cent into Reliance Retail Ventures Limited (RRVL), a subsidiary of Reliance Industries Limited (RIL), valuing RRVL at a pre-money equity value of ₹4.587 lakh crore.

The new investment will further strengthen PIF's presence in India's dynamic economy and promising retail market segment. The investment in RRVL follows PIF's earlier acquisition of a 2.32 per cent stake in Jio Platforms, the digital services subsidiary of RIL.

The transaction is in line with PIF's strategy as a leading global investor with a proven track record of investing in innovative and transformative companies globally and develop strong partnerships with leading groups in their respective markets. India's retail sector is one of the largest in the world and accounts for over 10 per cent of its gross domestic product (GDP) which presents meaningful growth potential.

"We at Reliance have a long-standing relationship with the Kingdom of Saudi Arabia. PIF is at the forefront of the economic transformation of the Kingdom of Saudi Arabia. I welcome PIF as a valued partner in Reliance Retail and look forward to their sustained support and guidance as we continue our ambitious journey to transform India's retail sector for enriching the lives of 1.3 billion Indians and millions of small merchants," said RIL chairman and managing director Mukesh Ambani.

"We are pleased to be furthering our trusted partnership with Reliance Industries, the leading player in some of India's most exciting sectors. This transaction demonstrates PIF's commitment to investing and partnering for the long-term with innovative businesses around the world that lead and transform their sectors," said PIF governor Yasir Al-Rumayyan. "This investment further demonstrates PIF's commitment to generating returns for the Saudi people and driving the economic diversification of Saudi Arabia."

Reliance Retail Limited, a subsidiary of RRVL, operates India's largest, fast-growing retail business serving close to 640 million footfalls at its ~12,000 stores across the country. Reliance Retail's vision is to galvanise the Indian retail sector through its new commerce strategy, serving millions of customers by empowering millions of micro, small and medium enterprises (MSMEs).

Source: fibre2fashion.com– Nov 06, 2020

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Pakistan-Iran urged to set up banking channels

Pakistan and Iran have exemplary trade and economic relations. Other countries have to spend billions of dollars to establish these kinds of relations, which Pakistan and Iran enjoy naturally, said Iranian Consul General Mohammad Reza Nazeri.

During his visit to the Lahore Chamber of Commerce and Industry (LCCI) on Thursday, Nazeri said that if someone wanted to travel to Iran, he could reach in less than three hours as a direct weekly flight from Lahore to Tehran would start from next week.

He said that Iranian and Pakistani businessmen had a strong relationship and the two countries along with the LCCI and Iranian Consulate should work more to further reinforce the relationship and cooperation. The Iranian consul general said, “Before the Covid-19 outbreak, our ambassador to Pakistan and the LCCI agreed to hold webinars to explore trade opportunities between the two countries,” but due to corona the plans were delayed.

“We hope that now as the situation seems better, these webinars will be held along with Persian language courses in the LCCI.”

Speaking on the occasion, LCCI President Mian Tariq Misbah said that both the countries had large domestic markets and unique geo-strategic competitive advantages but “we have yet to enhance our trade volume by making use of these opportunities”.

According to trade data available on ITC World Trade Map, Pakistan’s exports to Iran in 2019 stood at $4.6 million while its imports from Iran were $532.6 million, he added. “This put our total trade volume with Iran at around $537 million.”

Misbah said the potential sectors where Pakistan and Iran could enhance trade were value-added textile, pharmaceuticals and rice. Iran is one of the biggest consumers of denim in the region while Pakistani rice has a strong market in Iran.

“There is also a great potential for the pharmaceutical industry in Pakistan that can enhance its exports by tapping the Iranian market.”

LCCI Senior Vice President Nasir Hameed Khan noted, “We are well aware of the fact that the lack of sound banking channels is the prime cause of this low trade volume. Both Iran and Pakistan should collaborate to devise a specialised mechanism for enhancing trade.”

He said that the presence of an Iranian financial institution in Pakistan could greatly help in that regard. “It is also high time for both countries to make progress in barter trade mechanism for facilitating trade,” he added. LCCI Vice President Tahir Manzoor Chaudhry said that through strict vigilance on smuggling and undocumented trade on both sides, “we can improve the figures of bilateral trade”.

He added, “We are hopeful that once the Covid-19 situation improves, there will be regular exchange of export-oriented delegations, which will facilitate B2B interaction.”

He was of the view that it would help both sides in strengthening their knowledge about each other’s markets.

Source: tribune.com.pk– Nov 06, 2020

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Pakistan: Tracing the roots of cotton imports

Cotton imports spiked 2,249 percent year-on-year in September and 456 percent year-on-year for the first quarter of FY21, an increase of $170 million to the import bill compared to the same period of the previous fiscal.

This increase in imports is likely due to the surge in demand for Pakistani textile products as reported recently but also due to seven percent decline in domestic cotton production. As more than 85 percent of cotton unfinished goods imported into Pakistan were in the form of raw cotton, the imports of raw cotton have a significant implication on textile trade in Pakistan.

Although, local conditions in demand and supply of cotton have influenced the import pattern, it is imperative to understand the changing dynamics of cotton imports as the diplomatic relationship between Pakistan and India worsened in 2019.

Borrowing data from ITC's Trademap.org, it can be observed that India became an important source of raw cotton for Pakistan after 2005 as the relationship between the two countries improved. It replaced the United States as the largest source in 2007. Apart from a small blip in 2009 due to the straining of ties after the Mumbai attacks in 2008, India remained a dominant supplier of raw cotton to Pakistan.

But in 2019, Pakistan imported just $55 million worth of raw cotton from India which was slightly less than the amount imported from Afghanistan. Pakistan has historically been reliant on either Indian or US origin raw cotton.

Even though the share of imports from the United States has drastically increased since 2016, Pakistan is now importing a larger value from relatively newer trading partners such as Mexico and Argentina. The varieties of raw cotton also differ across regions and can have implications on the quality of output produced.

Could it be that the trading restrictions between Pakistan and India are forcing Pakistani textile producers reliant on imported varieties to seek newer trading relationships and tap into more distant markets? What implications will this have on the consequent textile and apparel exports?

Bangladesh is a powerhouse in exporting textile products. Its rise in prominence is more exemplary given that it has little domestic production of raw cotton and relies heavily on imports. A comparison with Bangladesh's import of raw cotton shows that it is dependent primarily on Indian raw cotton.

However, it too is diversifying with Brazil, Benin and Ivory Coast becoming important suppliers of raw cotton. In an industry where small margins in import values per unit matter significantly to an exporter, the competitive prices offered by other sources of raw cotton can be critical for Bangladeshi exporters.

In essence, as the demand for imported raw cotton increases in Pakistan, it will have to tap into different sources of raw cotton. Western African countries such as Benin, Ivory Coast and Burkina Faso are becoming important sources of raw cotton. Interestingly, Pakistan's own exports of raw cotton have decreased from $373 million in 2012 to $22 million in 2019. Pakistan has been overly reliant on natural cotton for its production of downstream products.

Further, it is important to state that Pakistan is heavily dependent on natural cotton as input for downstream textile products, while the global trend suggests a preference for artificial and synthetic inputs. Can this changing trend in the imports imply an opportunity to shift the ratio of natural cotton and artificial material towards one that is in line with the global trend? The textile producers and the relevant policymakers must take advantage of the changing dynamics if the exports of textile products from Pakistan is to have a favorable outcome.

Source: brecorder.com– Nov 06, 2020

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NATIONAL NEWS

India-US partnership has strong bi-partisan support in America: MEA

The Centre has indicated that the US presidential election results, which now seem to be heavily tilted towards a Democratic victory, will not adversely affect Indo-US ties, whichever way it goes, as the partnership has strong bi-partisan support in the US.

"The (India-US) comprehensive global strategic partnership has very strong bi-partisan support in the US.

And successive presidents and administrations have raised the level of this relationship even higher," said MEA spokesperson Anurag Srivastava at a press briefing on Friday.

Srivastava was answering queries on whether Prime Minister Narendra Modi's support for US President Donald Trump during his visit to America last year could have a bearing on Indo-US relations if Democratic candidate Joe Biden becomes the next president, among other questions.

Srivastava said that India-US relations rest on strong foundations. "Our relationship encompasses cooperation in every possible sphere extending from strategic to defence to investment to trade to people to people ties," he said underlining the importance both countries attach to the partnership.

During the India-US 2+2 ministerial held in New Delhi earlier this month, senior officials from the US Department of State also indicated that India-US partnership had bi-partisan support and would not be dictated by which party was in power.

Source: thehindubusinessline.com.– Nov 06, 2020

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Cotton futures slide to Rs 19,630 per bale on weak global cues

Cotton futures eased to Rs 19,630 per bale on November 6 as participants increased their short position as seen from open interest. Cotton futures in the domestic market gained 0.6 percent on November 5 to settle at Rs 19,770 per bale on the MCX.

The Cotton Association of India expects Indian Cotton exports to increase by 40 percent in 2020-2021 season to 70 lakh bales (170 kg) amid weak rupee and rally in global cotton prices.

It said active Indian Cotton contract on the MCX traded at a discount of 7 percent from Cotlook A prices of 77 cents on November 5.

In the futures market, cotton for November delivery touched an intraday high of Rs 19,820 and an intraday low of Rs 19,550 per bale on the MCX. So far in the current series, the commodity has touched a low of Rs 16,440 and a high of Rs 20,150.

Cotton futures for October delivery slide Rs 140, or 0.71 percent, to Rs 19,630 per bale at 14:46 hours IST on a business turnover of 1,319 lots. The same for December contract declined Rs 160, or 0.80 percent, to Rs 19,800 per bale with a business volume of 131 lots.

The value of November and December's contracts traded so far is Rs 8.68 crore and Rs 0.54 crore, respectively.

Mohit Vyas, Analyst at Kotak Securities, said uncertainty over the US Presidential elections and impact of the second wave of the lockdowns in European countries may keep Cotton range-bound with positive bias for the near future.

At 09:19 (GMT), US Cotton futures were down 0.77 percent quoting at 69.53 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com– Nov 06, 2020

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Virtual summit: India, Italy to ink trade, investment agreements

India and Italy are set to sign about a dozen agreements in areas ranging from trade and investment to infrastructure when Prime Minister Narendra Modi and his Italian counterpart Giuseppe Conte hold a virtual summit on Friday.

The meeting, the latest in a string of virtual engagements by Modi after his successful summits with Australia and the European Union (EU), is part of New Delhi's enhanced focus on Europe against the backdrop of a global rebalancing in the post-Covid-19 scenario. Leading EU players, such as Germany and France, have also signalled a greater interest in the Indo-Pacific region.

People familiar with developments said on condition of anonymity that around a dozen agreements and MoUs covering areas such as trade, investment, infrastructure, environment, fisheries, media and filmmaking, are expected to be signed at the summit.

The two sides will explore the possibility of increasing Italian investments in India and enhancing defence cooperation and manufacturing under the Make in India initiative, the people said.

Both countries are keen to firmly put behind the 2012 killing of two Indian crew members of a fishing boat off the coast of Kerala by Italian marines guarding an oil tanker Enrica Lexie, an incident that took bilateral ties to an all-time low.

"Barring the brief hiatus caused by Enrica Lexie incident for some time, the two countries have always enjoyed a cordial relationship since they established political ties in 1947," said one of the people cited above.

Referring to a UN arbitral tribunal's ruling this year that the Italian marines are entitled to immunity in relation to their acts, the person said, "Following the arbitral tribunal's verdict, Italy wants to build robust economic relations on the foundation of the political relationship."

India sees Italy, the third largest EU economy after Brexit with robust manufacturing, technological and design capabilities, as a strong partner for the Make in India and Atmanirbhar Bharat (self-reliant India) initiatives.

From January, India will also join the G20 troika along with Italy and Saudi Arabia. India and Italy will be part of the troika for 2021 and 2022, when New Delhi will take over as the G20 chair.

Italy is currently India's fifth largest trading partner in the EU, and bilateral trade was worth 9.52 billion Euros in 2019. India, however, ranks 16th as country of origin for Italian imports, and experts believe there is potential for considerable growth.

About 600 large Italian companies are active in India, while some 4,000 Indian students and 250,000 workers, mainly in the agricultural sector, are in Italy.

Italy has traditionally been supportive towards India at multilateral forums, and the two countries are currently working towards a roadmap for a more substantive engagement, including a migration mobility partnership agreement, the people said.

Source: hindustantimes.com– Nov 06, 2020

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India, Japan and Australia to boost trade, investment

India, Japan and Australia are likely to set up a trilateral framework to address trade and investment barriers along with trade and investment promotion. As part of the Supply Chain Resilience Initiative (SCRI), they are also finalising Track 1.5 dialogue wherein industry and academia would be involved apart from government to strengthen trilateral ties.

The three countries are considering setting up industrial parks, a mechanism to address resolution of trade and investment barriers, a streamlined risk management system, improved sea and air connectivity among them, digitisation of trade documents and exchange of regulatory information to improve transparency.

The initiative, first proposed by Japan, aims to reduce dependence on China amid a likelihood of rechurning of supply chains in the Indo-Pacific region. It seeks to build upon the existing bilateral frameworks like the Asean-Japan Economic Resilience Action Plan and India-Japan Industrial Competitiveness Partnership.

"The initiative is planning to finalise Track 1.5 participants to involve industry and academia," said an official, adding that like-minded countries are being explored in the region to build secure supply chains.

In 2019, the cumulative gross domestic product of the three countries was $9.3 trillion, and their merchandise goods and services trade $2.7 trillion and $0.9 trillion, respectively.

The three countries are also deliberating action plans on digitisation of trade documentation, activities for promotion of trade and investment, capacity building and identification of sectors for cooperation.

At least 10 product and service categories have been identified from the perspective of the volume of trade in all categories of goods—raw material, intermediates, capital goods and consumer goods, and services for collaboration.

These include bulk drugs, pharmaceuticals and medical devices, auto and auto components, petroleum and petrochemicals, steel, tourism, IT and financial services.

However, as per the official, intense stakeholder consultations would be required to fine tune this list.
Source: economictimes.com– Nov 06, 2020

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Maharashtra: Damage to cotton crop crosses 'economic threshold level' due to pest attack, monsoon rains

The cotton crop in Maharashtra is facing a double whammy of pink bollworm (PBW) attack and boll rot because of excess monsoon rains. In some districts of Vidarbha and Marathwada region, the preliminary survey suggests that the crop damaged has crossed the Economic Threshold Level (ETL).

ETL means the pest density has risen to such a level that spraying should be taken up immediately to prevent the pest population from increasing further.

District Collector of Wardha, Vivek Bhimanwar told BusinessLine over 50 per cent of the cotton crop has been damaged in the district. Still, these are preliminary estimates; the losses could even as high as 80 per cent. Orders have been given to the Agriculture and Revenue Department to start damage assessment. The Cotton Corporation of India has also been asked to begin procuring the undamaged cotton from farmers immediately, he said.

Cotton Framer, Gangadhar Muthe from Wardha said that this year he had planted almost 98 per cent cotton over 40 acres of farmland. But the crop has been badly damaged by pink bollworm. The excess of rainfall has led to the plant growing to almost seven feet, but the bolls, holding the cotton have been rotten as excess moisture has triggered a fungal attack on the crops.

The farmers cannot enter the fields and spray fungicides and pesticides due to high and dense vegetative growth. This year the crop loss could be 50 per cent to 80 per cent, he lamented.

Framing expert and cotton farmer from Vidarbha, Milind Damle said that crop losses are pushing farmers to sell their cotton to private traders at ₹5,000 per quintal (100 kg) while the MSP is ₹5,825 per quintal.

Agricultural scientist and entomologist, Pramod Magar who works for the Krishi Vigyan Kendra (KVK) in Yavatmal district, said that since the crop losses have crossed ETL, therefore farmers should use fungicides such as Copper oxychloride along with streptocycline for boll rot management. For pink bollworm management farmers should avoid mixing pesticides and fungicides along with other agrochemicals, he said.

In must be remembered that in 2017 several farmers and farm workers had died, as they had used a deadly cocktail of pesticides and insecticides. Such combinations, while spraying in the fields create aerosols, which are toxic to humans. The toxins cause respiratory distress and impact the nervous system.

Source: thehindubusinessline.com – Nov 06, 2020

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Surat textile biz hit by stir in northern states

After a long lull Rajnish Lilah, a textile trader was hoping to recover his losses during lockdown with the demand for saris and dress material picking up ahead of Diwali festive season.

However, his hopes were short-lived. The ongoing Gurjar agitation in Rajasthan and the farmers' agitation in Punjab and Haryana has cast a dark shadow on his plans. The buyers in Delhi, Haryana, Rajasthan and Punjab have started cancelling orders fearing the agitation and also the transporters are not willing to take risk of delivering goods.

Lilah is not an isolated case. The Gurjar and farmers' agitation have taken sheen out of the country's largest man-made fabric (MMF) wholesale market in Surat.

Industry experts said that the Northern states including Delhi, Haryana, Punjab and Rajasthan account for nearly 45% of the total turnover—Rs 36 crore per day--of the textile fabrics supplied from Surat.

Pankaj Goyal, a textile trader dealing in low-cost saris and kurtis in Raghukul market of city told TOI, "In the last four days, our half a dozen-odd buyers in Punjab and Haryana have cancelled orders to the tune of Rs 10 lakh due to the farmers' agitation. They don't want to take any risk with the goods supplied in transport vehicles. This year's Diwali looks bleak."

Narendra Saboo, president of Surat Mercantile Association (SMA) told TOI, "Diwali festive season was the only hope to recover business lost due to coronavirus pandemic. But, the farmers' protest and Gurjar agitation has literally destroyed the textile trade. Only few days are left for the festival and the supply of goods from Surat has almost stopped."

Champalal Bothra, secretary of Federation of Surat Textile Traders' Association (FOSTTA) said, "Had there been no protests in Rajasthan and Punjab, textile traders would have done brisk business during Diwali. Transporters in Surat have completely stopped taking the delivery orders to the northern states due to the ongoing agitations, roadblocks and protests."

Source: timesofindia.com – Nov 07, 2020

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