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# INTERNATIONAL NEWS

## China's exports jump 11.4% in October, imports grow moderately

China's exports continued to expand in October, the growth rate reached 19 months high, and imports also showed stable growth, official data showed on Saturday, as the country's economy continues to recover from the pandemic.

China's October exports and imports increased 11.4 and 4.7 percent, respectively, from a year earlier, reaching $237 billion and $179 billion.

Exports in October continued to expand from an already solid increase of 9.9 percent in September, beating analysts' expectations of 9.3 percent. Imports however slowed down from September's big leap of 13.2 percent, and stabilized to 4.7 percent, still marking the second straight month of growth.

After bottomed in February this year when the pandemic just broke out and China imposed travel restrictions to control the breakout, China's exports quickly rebounded and have maintained resilient since, from the strong demand for medical supplies from the rest of the world.

The surge in exports pushed the trade surplus to $58.44 billion, increased 34.9 percent compared to the same time last year. The surplus stood at $37 billion last month.

"Exports growth quickened further and significantly exceeded expectations, indicating a relatively strong momentum," said Liu Xuezhi, an analyst at Bank of Communications in Shanghai.

China's exports could stay strong in the rest of 2020 as domestic firms resume production faster than global rivals and sell more COVID-19 related goods such as face masks, Liu said.

However, some analysts cautioned that China's robust trade performance could come under pressure in November, as the second wave of coronavirus is sweeping through the rest of the world, and many major economies in Europe went back to lockdown.

In the first 10 months of 2020, China exported more industrial and electrical products and textile products. The exports of clothing, shoes, bags, oil, and steel saw different degrees of reduction.

ASEAN became China's largest trading partner in the first 10 months of 2020, followed by the EU, the U.S., Japan, and South Korea.

China's trade surplus with the U.S. widened to $31.37 billion in October from $30.75 billion last month.

Source: news.cgtn.com– Nov 07, 2020

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## Joe Biden's trade policy will take aim at China, embrace allies

President-elect Joe Biden has pledged to work more closely with U.S. allies in confronting China on trade, and is seen as unlikely to roll back his predecessor's tariffs on imported steel, aluminum, Chinese and European goods any time soon.

"I've been told that if you close your eyes, you might not be able to tell the difference" between the Biden and Trump trade agendas, said Nasim Fussell, former Republican trade counsel at the U.S. Senate Finance Committee. "Biden's not going to be quick to unravel some of these tariffs."

Biden, who captured the presidency on Saturday after days of vote counting, was elected with the strong backing of trade unions and progressives who have been skeptical of past free trade deals, so he will face pressure to maintain protections for vulnerable industries, such as steel and aluminum.

His top economic priority will be to revive an economy slammed by the coronavirus pandemic, so trade agreements will likely take a back seat to stimulus efforts and infrastructure development.

Biden advisers say he will seek to end "artificial trade wars" with Europe and would immediately consult with U.S. allies before deciding on the future of U.S. tariffs on Chinese goods, in a bid for "collective leverage" against Beijing.

Former Trump and Obama administration trade officials say that in order to roll back tariffs on Chinese goods, Biden would likely demand the same basic concessions from China that Trump did: curbing massive subsidies to state-controlled firms, ending policies that force U.S. companies to transfer technology to Chinese counterparts, and opening its digital services markets to U.S. tech firms (another big Biden donor constituency).

"Any president will have these on their agenda, but they're going to be really difficult," said Jamieson Greer, who served until April as chief of staff at the U.S. Trade Representative's office.

**MORE PREDICTABLE**

A Biden administration will be more predictable on trade after Trump's abrupt shifts and tariff threats, said Wendy Cutler, a former USTR trade negotiators.

"The days of advisers scrambling to implement what they learn through presidential tweets will be in the past," said Cutler, vice president at the Asia Society Policy Institute.

Biden is not seen likely to try to revive the Trans-Pacific Partnership, the 12-country Pacific Rim trade deal negotiated by the Obama administration but abandoned by Trump in 2017.

Instead, reforming the badly damaged World Trade Organization with new rules against subsidies and other non-market practices is viewed as a bigger priority.

Source: economictimes.com– Nov 08, 2020

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# Some change in US-PRC trade war course likely under Biden

Joe Biden's win in the presidential elections has potentially offered hope for some change in the course of the US-China trade war, which has not shown any signs of ending. He is reportedly expected to immediately consult US allies before taking any decision on the future of US tariffs on Chinese goods and will seek to end 'artificial trade wars' with Europe.

Chinese experts predicted the outcome could usher in a 'buffering period' for the tense relations, and offer an opportunity for breakthroughs in resuming high-level communication and rebuilding mutual strategic trust between the two countries, official Chinese newspaper 'Global Times' reported.

Chinese observers also feel the change in US leadership won't change the overall direction of Washington's China policy and the US government is expected maintain its current approach towards China to some extent.

"I don't think the incoming Biden administration will agree on a full-scale decoupling with China," Da Wei, director of the Center for Strategic and International Security Studies of the University of International Relations in Beijing, told the 'Global Times'.

As both political parties in the United States now agree on a hard line on Beijing, any initiative by Biden to ease US tariffs may face significant opposition in the US Congress.

Despite being 'hawkish' on China, Biden's presidency could lead to a more rational approach to bilateral trade, wrote analysts at Swiss bank Lombard Odier recently.

Terming President Donald Trump's January trade deal with China as 'hollow', Biden had blamed the tariffs for accelerating the decline in US manufacturing, but he did not commit to either scrapping the pact or withdrawing the tariffs.

"I will use tariffs when they are needed, but the difference between me and Trump is that I will have a strategy—a plan—to use those tariffs to win, not just to fake toughness," Biden told United Steelworkers in May. "I will put values back at the center of our foreign policy, including how we approach the U.S.-China relationship," he said in a campaign statement in August.

Observers eagerly wait to see whether Biden will seek to rejoin the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which many experts believed as the best way for the United States to counter Beijing's economic might before Trump withdrew from it as one of his first official actions. Biden supported the deal as vice president earlier, but said during a Democratic primary debate last year that he would insist on renegotiating 'pieces' of the pact.

Biden is expected to be tougher with China than President Obama and seek more realistic solutions on trade.

Source: fibre2fashion.com - Nov 05, 2020

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## Foreign investment opportunities in Iran's textile industry

The textile industry is one of the most important industries of large industrial countries. In developed countries such as the United States, the United Kingdom, and Italy, much attention has been paid to the textile industry.

The textile industry is one of the main pillars of the powerful economies of these countries.

In Iran, the textile industry is also very important. Iran's textile industry has a long history. However, its development has not been as expected.

The textile industry is one of the oldest industries in the world. This industry is very productive and has played a decisive role in the industrial growth of different countries. One of the most important features of the textile industry is the practicality of its products.

Clothing has long been one of the basic human needs. Because of this, the products of the textile industry have been directly related to human life. Besides, the textile industry does not require complex knowledge and equipment. Therefore, the textile industry has been able to develop very quickly.

Iran, as one of the oldest human settlements, has a long history in the textile industry. Traces of the antiquity of Iran's textile industry can be found among the historical monuments found in the central regions of Iran. These signs indicate the high importance of clothing and textile production in Iran. However, Iran's clothing industry has developed less than expected.

One of the effective strategies for the development of Iran's textile industry is to attract foreign investors. Foreign investment in Iran's textile industry can accelerate its progress. Iran has a historical background in the textile industry and has the possibility of extensive exports of fabrics to neighbouring countries. For these reasons, Iran is a good option for investing in the textile industry.

In this article, we review the Iranian textile industry; we also take a look at the current state of Iran's textile industry and its opportunities and threats.

**History of Iranian textile industry**

In Iran, the textile industry is one of the oldest industries. In historical excavations, some traces of people's lives have been found in Kashan Sialk region. These monuments show that people were familiar with the textile industry at that time. The discovery of sewing tools and fabric production in the Silk region is one of the most important historical pieces of evidence of Iran's textile industry.

Also, by studying ancient coins, historical murals, and engravings on stones, one can get acquainted with the way the people of ancient Iran dressed. Historical evidence shows that the people of ancient Iran used leather, wool, and linen in their clothing.

The people of ancient Iran produced and consumed a variety of fabrics. During the Parthian and Sassanid eras, textile exports from Iran to other countries increased. Iran exported woollen and cotton fabrics to other countries such as China.

Iranian antique textiles that have survived from the distant past show the level of development of Iran's textile industry in previous centuries. During the Safavid period, cultural unity increased; Because of that, more attention was paid to works of art, handicrafts, architecture, and the textile industry. Some of the most important historical monuments of Iran's textile industry belong to the Safavid era.

## The current situation of Iran's textile industry

Iran is currently not one of the top countries in the textile and clothing industry. Various reasons have led to little development of the textile industry in Iran. One of the most important reasons for the underdevelopment of Iran's textile industry is the lack of appropriate plans and strategies. Iran's textile industry has received little attention; The plans and measures taken in this industry are not in line with the needs of the world market.

High imports of clothes and fabrics to Iran is another important reason for the lack of development of the country's textile industry. Iran is one of the major importers of textiles and clothing in the world. Many of the fabrics used in Iran are made in East Asian countries.

Iranian clothing manufacturers and textile factories are trying to make new and quality products. And Because of that, Iran's textile industry is on the path of development. The textile industry in Iran has a great potential for growth and development. However, problems such as the high cost of raw materials and the large imports of textiles and clothing have slowed its growth.

However, the efforts of textile factories in Iran have provided a good ground for the development of the textile industry. The expansion of the textile industry has several advantages; including the need for a minimal investment, job creation, high profitability, etc.

Investing in Iran's textile industry has a high probability of success. Due to the existence of skilled and inexpensive manpower, having a brilliant historical and cultural background, the innovation of industrial producers, Iran's textile industry is a very suitable option for investment.

The textile industry generates more employment and added value than any other industry. Besides, about 95% of the textile industry is owned by non-governmental investors. Foreign investors can make a lot of money by investing in Iran's textile industry. If the Iranian textile industry is considered and supported by foreign investors, it will have high profitability and can become one of the poles of the textile industry in the world.

Strengths, weaknesses, opportunities, and threats in the Iranian textile industry

Before making any investment, strengths and weaknesses must be carefully evaluated. You should also be fully aware of the opportunities and threats facing investment.

Iran's textile industry has many strengths; including:
• Having a historical and artistic background and high expertise in the production of textiles
• Low-cost employment
• Existence of academic centres related to textiles
• Existence of skilled labour
• The high production capacity of raw materials of the textile industry
• Numerous strong production units

At the same time, among the weaknesses of Iran's textile industry can be mentioned:
• High production costs of textile industry products in Iran
• Very traditional, inefficient, unorganized distribution network. This distribution network is one of the important reasons for the decline of Iran's textile industry.
• Cultural and social constraints on product design
• Lack of support for domestic brands and manufacturers of textiles and clothing
• Use of old and worn machines in many textile factories
• Lack of product design tailored to market demand
• Lack of proper strategy and measures

Nevertheless, valuable opportunities lie ahead for Iran's textile industry; Opportunities such as:
• Cheap labour compared to other countries. It is one of the best opportunities for foreign investors to invest in Iran's textile industry.
• Ability to export all textile and clothing goods to neighbouring countries
• Ability to export and access land as fast as possible
• Having a significant domestic consumer market. The young population of Iran consumes a lot of clothes.
• Possibility of rapid industrial growth

There are also threats to investing in Iran's textile industry; including:
• Lack of cotton production in Iran
• Restrictions on access to export markets due to sanctions
• Non-punishment of suppliers of smuggled products
• Existence of strong international competitors

Overall, Iran's textile industry has progressed over the past few decades. There are good opportunities for the growth of Iran's textile industry. For this reason, Iran's textile industry is a good option for foreign investors.

Source: kohantextilejournal.com– Nov 07, 2020

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## Bangladesh: What does Biden win mean for Bangladesh economy?

The Trump administration has weakened the multilateral trading system by focussing on general protectionist policy

Biden's win could stabilize the global trade system disrupted by Donald Trump's go-it-alone approach that was in-line with his "America first" policy, said economists, trade analysts and business people.

After a nail-biting suspense, Democrat Joe Biden won the 2020 US Election and is going to enter into the White House as its 46th president.

The win matters for the American people as well as for the global economy.

Since the US is the single largest export destination for Bangladeshi goods especially clothing products, it also matters for the country.

The Trump administration has weakened the multilateral trading system and focused on general protectionist policy. As a result, it engaged in trade conflict with China.

With the change in US leadership, it is presumed that the new administration will strengthen rules based multilateral and bilateral trade systems and defuse the tensions building within the global trading system.

### 'Biden admin better for Bangladesh'

As a country graduating from least developed country (LDC), the Biden administration could be better for Bangladesh in terms of bilateral as well as multilateral trading system.

“After the Second World War, architecture was developed in the world trading system. Multilateral trading system was rules based and it was under the supervision of the World Trade Organization (WTO),” former World Bank, Bangladesh lead economist Dr Zahid Hussain told Dhaka Tribune.

Being elected as the US president, Donald Trump made the multilateral trade system weaker and chose to take the go-it-alone approach instead of following the rule-based trading system, said the economist.

Later, the Trump administration engaged in trade conflicts with China, which made global trade unstable.

The disruption in global trade made by Trump would be removed with the takeover of Joe Biden and the WTO will be stronger further, said Zahid.

“Since we are not an economic superpower, we have to avail trade facilities under an international agency like WTO. Hence, Joe Biden would be better for Bangladesh as he honours the multilateral trading system,” Hussain argued.

“We hope there will be stability internationally, which would bring benefits also in bilateral trade,” he added.

Meanwhile, another economist opined that there will be an opportunity for Bangladesh to renegotiate the restoration of Generalized System of Preferences (GSP) with the Biden administration.

After the suspension of GSP in 2013 by [then] president Barack Obama, there was no development in negotiation with the Trump administration to restore the trade facilities,” Professor Mostafizur Rahman, distinguished fellow at Centre for Policy Dialogue (CPD), told Dhaka Tribune.

Under the Biden administration, there may be an opportunity for Bangladesh to restart negotiation for the withdrawal of GSP suspension, said Rahman.

The economist expressed hope that the global multilateral trading system and bilateral trading system would be favorable under the new administration.

On the other hand, the general protectionist policy emphasized by the Trump administration is not good for Bangladesh, he added.

In addition, if the rule-based trading system becomes strong it would be better for Bangladesh as an LDC graduating country as it will help to avail trade facilities such as Trade-Related Aspects of Intellectual Property Rights (TRIPS), and duty waiver in pharmaceutical products, said the economist. However, business people opined that Bangladesh has to gain trade facilities through negotiation.

From the previous experience, I think there will be no change in trade policies with the change in leadership," former president of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) Shafiul Islam Mohiuddin told Dhaka Tribune.

"We have appointed lobbyists for negotiation to restore GSP but could not gain. So, we have to gain through our negotiation," he said.

The US government offered a free trade agreement and we have to scrutinize the benefits. On the other hand, attracting US investment can help to gain benefits as they will negotiate for their benefits, Shafiul added.

**US-Bangladesh bilateral trade**

Bangladesh's trade with the United States rose to $5.91 billion during the first nine months of 2020, according to the latest US Census Bureau data.

Bangladesh imported goods worth $1.34 billion in the same period.

Meanwhile, according to the US Department of Commerce's Office of Textiles and Apparel (Otexa) data, Bangladesh's export earnings from the US saw a 13.32% fall to $4.10 billion during January-September period of 2020, which was $3.72 billion a year ago.

In the same period, apparel exports declined by 13.23% to $3.95 billion, which was $4.56 billion the previous year.

Source: dhakatribune.com– Nov 09, 2020

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## Bangladesh: Enabling a harmonious ecosystem of human beings and machines

Over the past decades, Bangladesh has surmounted expectations by transforming it into one of the largest apparel exporters in the world. Given the large-scale manufacturing capacity, the country is one of the most prospective testbeds for implementing technologies under the fourth industrial revolution.

A strategic transformation for this sector using the breakthrough technologies will push the boundaries of innovation in the country and increase efficiency over the coming decade – an era that is going to be shepherded by applied computational intelligence.

Industry 4.0 or the fourth industrial revolution is the age of digital connectivity which is defined by the interaction between technologies such as artificial intelligence (AI), internet of things (IoT), additive manufacturing (3D printing), virtual reality (VR), augmented reality (AR), decentralised ledger technology (Blockchain), robotics, genetic engineering, quantum computing, cybersecurity and 5G.

This transformation will have a substantial influence on various industries; one of them being apparel and fashion. In the corporate world, the first definition of industry 4.0 was 'smart manufacturing,' having factories at the core of digital transformation.

However, it was soon apprehended that making factories smart is not the only facet of this change. The network of interactions and interconnected devices can create a web of interoperability among businesses, assets, and its stakeholders; and create a supply-chain where the users can interact and exchange data with the cyber-physical systems directly.

Provided the practicalities of this transformation, the fashion industry is one of the critical contexts to analyse, as it will go through a direct change due to the industry 4.0 paradigm shift. Future factories are about to become smarter, creating synergy among human beings and technologies, diminishing errors in the process. A connected smart factory would enable the use of artificial intelligence for production of goods, use IoT sensors to improve operations and utilise big data to carry out self-diagnostics and optimisation.

Besides, robotics can be used to sort items in the supply chain or even perform essential human functions. Considering the long-term expenses, it is easier to train robots to perform repetitive tasks as machine learning techniques can be applied to improve the learning capabilities over time. For instance, fashion retailer GAP Inc. is using SORT, an item sorting robot in its distribution centres in California. VR/AR, on the contrary, is a front-end technology – primarily intended for use by consumers. However, VR/AR could also be exploited to radically improve designing processes and augment products in 3D before production.

Traditionally, when a large order is placed, thousands of copies of the same design are manufactured. Implementation of additive manufacturing will see the rise of this "fast fashion" approach. An article published on Springer Fashion and Textiles suggests that 3D printers can be used to offer customised products allowing greater merchantability. Moreover, by deploying and connecting multiple 3D printers in a factory, manufacturers would be able to develop a fast response approach driven by data analytics.

According to the researchers from the Federal University of Santa Catarina, Brazil, by employing machine learning algorithms, supply chain and logistics could also be made more efficient.

Embedding big data analytics and machine learning algorithms to understand patterns would allow efficient production of complex product portfolios, smaller design life cycles, reduce production waste and increase consistency of customer needs. Experimentations on full automation may lead to expensive mistakes; hence companies such as Tesla and Amazon are still using a combination of human workers and AI.

Every known global clothing brand such as Zara, H&M, M&S, Gucci, or Burberry produces a substantial portion of their goods in Bangladesh. Even though the export market was strongly affected due to Covid-19, according to the data compiled by the Export Promotion Bureau (EPB) and BGMEA, the country still managed to export $27.949 billion in 2019-20, compared to the total goods export of $33.674 billion the year before.

That is a colossal 83 per cent of all goods shipped in the last fiscal year. The United Kingdom is one of the largest importers of Bangladeshi RMG, purchasing goods worth $3.836 billion. Evidently, the 'Made in Bangladesh' tag is visible also in every single fashion retailer in the UK.

As international brands are increasingly dependent on Bangladesh, the country needs a sustainable and strategic approach towards adopting new technologies. Developing countries are trailing a few years behind in adopting such measures. Instead of supervising factory workers and equipment linearly, manufacturers should be open to learn from every step and feed the information back, leading to smarter decisions.

However, replacing humans with robots comes with a price tag. According to BGMEA, Bangladesh has 4600 factories in the country. Consequently, a large portion of the country's workforce is factory workers. Application of new technologies would render many people unemployed – therefore, a strategic approach for implementation, training and education is mandatory.

At an organisational level, the approach to adopting industry 4.0 in manufacturing requires specificity. The objectives could be enhancing productivity, market expansion or risk reduction. Technological enhancements are being carried out on a smaller scale; for instance, Envoy Textiles Ltd, a denim fabrics manufacturer, has been using robots in their manufacturing plant for a few years. Shimmy Technologies, an Industry 4.0 company, is carrying out upskilling and training programs for Bangladeshi factory workers.

Furthermore, small tests could lead to greater efficiency. For instance, deploying robots to move merchandise in a warehouse or conduct repetitive tasks such as sorting items or folding products could provide data on whether or not they are useful. Instead of completely overhauling a warehouse, a small part of it can be dedicated to plug-and-play technologies to comprehend the abilities of robots moving heavy items, making the process interoperable and modular. If the automation benefits the company, then more robots can be added to the system, slowly transforming the entire warehouse.

This is not conceptualisation of replacing humans with a spectrum of automated and connected devices. Countries like Bangladesh require a minuscule and tactical approach of having humans and AI working in harmony. Some tasks cannot entirely be performed by an AI. Hence, the factories eventually need humans for functions such as maintenance of robots and comprehend a sensical output from the data.

Therefore, having the most expensive technology for automation is not the answer. Instead, a 'trial and error' approach would allow pinpointing components that factor into enhancing efficiency.

Additionally, the government's intervention is crucial to train workers and make them competent in technologies by creating certified courses on subjects such as additive manufacturing. The High-Tech Park Authority seems to have taken a foundational approach towards such training programmes.

In this context, Mr Abrar Hossain Sayem, Managing Director of Merchant Bay, says, "In terms of apparel or RMG industry, it is ready to adopt technology, but the cost is high due to lack of technical intellectual capacity of users. We need to heavily invest in capacity building of our human resources to use technology, but other than that, the mindset and organisational culture has become a lot more ready than the last few years."

The world is currently experiencing a paradigm shift transforming modes of business operations and production. The large-scale deployment of breakthrough technologies will be the country's entrance to this new epoch. To begin with, companies in Bangladesh should prioritise adopting one technology that might solve their biggest problems. By testing proof of concepts, companies can start escalating dependency on data-centric devices, which will eventually lead to greater investments in these technologies.

The fashion industry in Bangladesh is at a mature stage of the business lifecycle, and to gain a competitive advantage to its competitors, the country needs to adopt efficient technologies. It is time to extensively dive into carrying out research and development to surmount the idiosyncrasies surrounding human dependency and stay ahead of the rising competitive pressure.

Source: thefinancialexpress.com.bd– Nov 08, 2020

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## Pakistan: Cotton prices down despite anticipated wide shortfall

Textile buyers are reluctant to build on lint inventory despite resurgence in export orders following the first wave of coronavirus lockdown as they fear a shutdown relapse, sending cotton prices down despite an expected wide shortfall this year, industry people said on Saturday.

Prices of lint dropped in the range of Rs100 to Rs400 per maund (approximately 37 kilograms) during the outgoing week. Cotton prices in Sindh remained at Rs8,800 to Rs9,700 per maund. Punjab's lint was sold at Rs9,400 to Rs9,700 per maund while Balochistan's cotton fetched price of Rs9,200 to Rs9,400 per maund.

Spot rate committee of Karachi Cotton Association reduced the spot rate by Rs400 per maund to Rs9,600 per maund.

Naseem Usman, chairman of Karachi Cotton Brokers Association, said international market witnessed a mixed trend during the week. New York Cotton futures fluctuated due to dollar rates, cyclone and presidential elections in the US. Prices in Brazil, Argentina and China remained stable while rates in India increased during the week. Trade activity in the cotton market declined during the week, as new wave of COVID-19 put the sellers as well as buyers on alert, traders said.

Although textile industry has seen export orders rebound after the lifting of lockdown globally and resilience in the market, there is fear of the second wave and subsequent lockdown with the UK – a main market for Pakistani textiles – re-imposing it for a month till December 2, they said.

Textile exports increased 3 percent during the first quarter of the current fiscal year as compared to the corresponding period of last year. Textile exports amounted to $3.5 billion in July-September as against $3.4 billion a year earlier, according to the latest data of Pakistan Bureau of Statistics.

Pakistan's cotton arrivals in the factories have dropped 43.4 percent to 3.45 million bales with total production estimated at 6 million bales this year, meaning at least the quantity of the same level needs to be imported to meet the local requirements.

Agriculture experts stressed need of revisiting the mechanism for cotton production estimates, as current mechanism is not providing the realistic estimates. There is need of the new survey of lands, as a large portion of cotton land is used for the cultivation of sugarcane now, they said.

Pakistan's cotton production has been static since 1990/91. In the last three decades, the only two better outputs of nearly 14 million bales were recorded in 2004/05 and 2014/15.

There has been a constant decline in yield in the country due to multiple factors and no serious effort has so far been seen to revive production.

Pakistan is among the top five largest producers of cotton in the world. About 1.3 million farmers cultivate cotton in the country. Cotton and cotton products account for nearly half of the foreign exchange earnings of the country and are the main input of the key textile industry.

The experts said cotton production declines due to substandard seeds and bad weather especially heavy monsoon rains, which affected the quantity and quality of the crop. Due to unavailability of standard seed and pesticides, growers are discouraged of cotton cultivation and are moving towards other crops.

Source: thenews.com.pk– Nov 08, 2020

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# NATIONAL NEWS

## India Inc looks forward to enhanced Indo-US ties as Biden wins

The US-India Business Council (USIBC) termed Biden's election as "truly a barrier breaking moment".

India Inc on Sunday hailed the victory of Joe Biden in the US Presidential election saying a "democratic process voted for a change" while hoping for enhanced ties and cooperation between India and the United States.

Congratulating President-Elect Biden and Vice President-Elect Kamala Harris, CII Director General Chandrajit Banerjee said, "CII looks forward to once again collaborating with President Biden and his incoming Administration."

Prior to the economic disruption caused by COVID-19, bilateral trade in goods and services in 2019, reached a peak of nearly $150 billion and CII hopes this will continue to rise in the years to come, he added.

"We can aim higher to our shared goal of $500 billion through a new era of revitalised economic cooperation, which would be comprehensive, complementary and collaborative," Banerjee said.

The key sectors to watch for enhanced business cooperation will be energy and the green economy, defence and manufacturing, especially providing a boost to small business cooperation, as well as pharmaceuticals and healthcare – all driven by India and the US' new age businesses and disruptive innovation and technologies, he added.

The US-India Business Council (USIBC) termed Biden's election as "truly a barrier breaking moment, and one that celebrates the diversity of America and the important contributions of immigrants who have made America their home".

Highlighting that President-elect Biden brings decades of experience advancing US-India ties and played a key role forging the US-India Strategic Partnership in the Obama Administration, the USIBC said, "under his leadership, we expect to see a continued bipartisan focus on India and a broad-based approach to India and the Indo-Pacific that touches strategic, security, and economic issues, alongside climate, health, education, science and technology".

The Council said it looks forward to working with the Biden-Harris Administration to help the US-India economic partnership achieve its full potential and bring opportunity to the citizens of both countries.

Hailing Biden and Harris as the new leaders of America, Chairman and MD of JSW Group Sajjan Jindal said in a tweet, "A democratic process voted for a change in a very defining year globally! Congratulations to the American community that ensured that the democratic process was not compromised in a tough external environment."

Similarly, congratulating Biden and Harris on their victory, JSPL Chairman Naveen Jindal in a tweet hoped "to see enhanced ties and cooperation between India and the United States".

Source: financialexpress.com.– Nov 08, 2020

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## India, Japan, Australia are planning to widen the ambit of proposed supply-chain pact to counter China

India, Japan and Australia are planning to widen the ambit of their proposed supply-chain partnership to include more like-minded countries in the Indo-Pacific region — a move seen as countering China's dominance in world trade.

ASEAN countries would be good candidates to reach out to next for bolstering this partnership, an official source told FE.

In September, trade ministers of India, Japan and Australia decided to launch an initiative later this year to achieve supply-chain resilience in the Indo-Pacific region.

The decision came at a time when China's expansionist agenda across the South China sea and its borders with India had rattled several countries in the region. The idea is also to reduce the reliance on China for supply of goods and services.

The initiative, currently limited to the government-to-government level, will also involve industries as well as academia of these nations, according to senior government officials. The partnership is important, as it currently involves three major players in the Asia-Pacific region, with combined gross domestic product of $9.3 trillion and trade (both goods and services) of $3.6 trillion in 2019.

Senior officials who are hammering out broad contours of the partnership are initially focussing on these countries' trade with the world — from the raw material to the finished goods stage — in 10 key sectors. Accordingly, supply-chains may be tweaked.

These sectors are petroleum and petrochemicals, automobiles, steel, pharmaceuticals, textiles and garments, marine products, financial services, IT services, tourism and travel services, and skill development. Of course, this list of sectors will go through further stakeholder consultations, according to the officials.

"The ministers reaffirmed their determination to take a lead in delivering a free, fair, inclusive, non-discriminatory, transparent, predictable and stable trade and investment environment and in keeping their markets open," according to a joint statement after a meeting of the ministers in September.

Commerce and industry minister Piyush Goyal, Japan's minister of economy, trade and industry Hiroshi Kajiyama and Australia's trade, tourism and industry minister Simon Birmingham had attended the virtual meeting.

The move, originally mooted by Japan, gathered speed after the Covid-19 outbreak exposed China's unreliability as a supplier, especially to those countries with which it shares lukewarm relations, said a source.

Addressing the meeting, Goyal had said the initiative couldn't have come at a more opportune time in the post-Covid scenario when "there is a likelihood of re-churning of supply chains in the Indo-Pacific region and it's incumbent on us to take the initiative".

Already, India, Japan and Australia make up the Quadrilateral Security Dialogue, or Quad, along with the US, to strengthen national security consultation.

The pandemic has not just posed an unprecedented health crisis but also caused a sharp contraction in economic activities, disrupting trade and investments.

The International Monetary Fund (IMF) has predicted as much as 4.4% contraction for 2020 global GDP, warning that the Covid-19 outbreak has plunged the global economy into its worst recession since the Great Depression in 1930s. The WTO, too, has in warned that global trade volume growth could crash by a steep 9.2% in 2020 from last year.

Source: financialexpress.com.– Nov 09, 2020

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## Commerce Ministry asks Shipping Ministry to reduce quarantine period for vessels arriving from China

The Commerce Ministry has asked its shipping and health counterparts to consider reducing the 14-day mandatory quarantine period for shipping vessels arriving from ports in China for faster turnaround time and increasing availability of containers, sources said.

The Commerce Ministry has asked to reduce the 14-day quarantine period to seven days as the 14-day period is impacting trade, they added.

“A communication regarding this was sent from the Department of Commerce on October 22,” one of the sources said.

In March, the Directorate General of Shipping had issued an advisory to ports for handling vessels, under which it had instructed that shipping vessels arriving from any port in China will have to mandatorily undergo a 14-day quarantine before touching an Indian port.

These guidelines were issued in the light of the coronavirus pandemic.

The Federation of Indian Export Organisations (FIEO) said cutting down the quarantine time to seven days would help in reducing freight cost and augmenting availability of containers.

“This is quite a logical move and would help both in reducing freight cost and augmenting availability of containers. Many shipping lines were not calling on Indian ports due to 14-day quarantine period. The reduction in quarantine period would send a positive signal to such lines," FIEO Director General Ajay Sahai said.

He added that CONCOR (Container Corporation of India) has been asked to release empty containers and shipping lines are also being asked to bring containers back from Middle Eastern countries.

Source: financialexpress.com– Nov 08, 2020

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## Surat: Polyester hub weaving new success in cotton fabrics

Traditionally famed as the world's largest man-made fabric (MMF) manufacturing hub, Surat is gradually shifting towards processing cotton fabric, something that is considered to be a forte of weavers in Bhiwandi in Maharashtra and Erode in Tamil Nadu.

A number of textile firms have started processing of cotton fabrics supplied from Bhiwandi and Erode due to cheap cost. The processing includes printing and dyeing of fabrics.

Industry experts say that cotton fabric processing has increased from just about 4 lakh metres per day to 25 lakh metres per day as unfinished fabric from Ichalkaranji and Bhiwandi in Maharashtra is making its way to the textile dyeing and processing mills in Surat.

Most of these fabrics are used in the manufacturing of suiting and shirting and women's wear including 'salwar suit' and other heavy fabrics.

Vice-chairman of Madhusudan Group, a leading textile manufacturer, Girdhar Gopal Mundra said, "The MMF hub is gradually moving towards natural fabrics (cotton)."


Mundra, who is also actively involved in the Southern Gujarat Chamber of Commerce and Industry (SGCCI) added, “The processing cost in Surat is cheaper compared to other centres in Maharashtra and Tamil Nadu. It is predicted that cotton manufacturing will capture about 40% share in the MMF centre in the next five years.”

Surat’s MMF sector manufactures 4 crore metre of polyester fabric per day. The industry employs over 10 lakh workers in the manufacturing and processing sectors.

Hiren Nagda, a cotton fabric manufacturer and trader from Bhiwandi told TOI, “Surat's textile processing units are offering more designing options than any other centre. Due to Covid-19, many textile mills in and around Bhiwandi are yet to reopen. Hence, we have started sending our cotton fabric to Surat for processing.”

Jitu Vakharia, president of South Gujarat Textile Processors’ Association (SGTPA) told TOI, “Of the total 350 textile processing mills, about 50 mills are processing cotton fabrics. The per metre cost of processing cotton fabrics is Rs 25, compared to Rs 35 per metre in other centres including Maharashtra and Erode.”

Vakharia added, “At present, the textile mills are processing about 25 lakh metre of cotton fabrics per day.”

Pramod Chaudhary, chairman of Pratibha Textile Group, added, “We are processing about 1 lakh metre of cotton fabrics per day. Majority of the fabric is supplied from Bhiwandi. We also get rayon fabrics from Erode for processing. The cotton and rayon fabrics have to be mercerized with caustic solution to improve their properties.”

Compared to other centres such as Ahmedabad, Surat’s processing mills have more advanced technologies related to the prints and the labour cost is cheaper.

Source: timesofindia.com– Nov 08, 2020

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## Textile Commissioner reopens document submission window for TUFS

The Office of the Textile Commissioner has reopened a window for online submission of documentation for subsidy claims under the previous versions of the Technology Upgradation Fund Scheme (TUFS) scheme.

In a public notice, the Textile Commissioner stated that the Competent Authority has decided to reopen window from November 23 to December 5, 2020 for uploading six prescribed documents in the i-TUFS software in respect of the cases under previous versions of TUFS such as MTUFS, RTUFS and RRTUFS.

The government has advised that only those lending agencies who have lodged/submitted at least one pending online subsidy claim for release will be able to upload the documents in i-TUFS software.

The prescribed documents include the term-loan sanction letter, actual amount disbursed against the sanctioned term loan amount and date-wise disbursal of amount, reporting formats, ECN certificate, subsidy calculation sheet based on actual disbursement and undertaking of the lending agency.

“Since sufficient advance notice is available to all lending agencies, it is expected that all-out efforts will be made by the banks to prepare in advance for uploading the mandatory documents and once the window is made operational from November 23, legible copies of all relevant documents will be uploaded in time,” the notice stated.

Source: thehindubusinessline.com– Nov 07, 2020

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## New labour codes may take effect in current fiscal itself

The Union labour ministry is eyeing early implementation of new labour codes, by finalising the rules thereunder. Soon after getting the codes passed in Parliament, the ministry had in October said that it intended to implement the rules under the three codes – on industrial relations, social security and occupational safety & health – from the beginning of the next financial year.

"That was the outer limit. Rules may be implemented even before that," labour secretary Apurva Chandra told FE.

The secretary said draft rules under the social security code and operational safety & health code will be notified in the next 10-15 days' time and will be put up in the public domain for comments for 45 days and then final rules will be prepared.

Draft rules under the industrial relations code have already been notified, so as the rules under the code on wages, which unversalises minimum wages. Labour code on wages was passed in November last year.

The labour ministry intends to implement rules all four codes at one go.

The IR code will consolidate and amend the laws relating to trade unions, conditions of employment in industrial establishments and matters governing industrial disputes; the OSH Code consolidates and amends the laws pertaining to occupational safety, health and working conditions of the persons employed in an establishment.

The social security code provides for social security benefits to workers in the unorganised sectors who form a significant part of the workforce but are not covered by any of the existing welfare schemes.

Chandra has already written to the chief secretaries of all states advising them to draft the rules, under the codes, that belong to their domain soon so that the rules can be implemented early.

Twenty-nine central labour Acts, one of which dated back to 1923, have been subsumed into four codes, with the aim of simplifying the laws and ensuring higher productivity and generation of decent employment.

The government is of the view that the labour Codes will establish transparent, answerable and simple mechanism reducing to one registration, one license and one return for all codes.

Source: financialexpress.com– Nov 07, 2020

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## GSTN infra upgraded to handle up to 3 lakh users concurrently

GST Network's infrastructure has been upgraded to handle up to 3 lakh logged-in users at a time, GSTN said on Sunday.

Besides, the Goods and Services Tax Network (GSTN) has introduced auto-populated sales return form GSTR-3B in PDF form which will be available from October 2020 tax periods onwards.

The complete PDF with auto-population of input tax credit will be available on the common portal (GSTN) from November 12, 2020, GSTN said in a statement.

GSTN said it has augmented the capacity of the gateway from 1.5 lakh to 3 lakh concurrent logged in taxpayers to handle the expected sharp surge in the indirect tax-related activities on the portal after easing of lockdown.

Further, the upgrade has enabled GSTN to handle and scale up to 5 lakhs concurrently logged-in taxpayers, if necessary, it added.

The number of active taxpayer numbers have effectively doubled since the launch of GST at about 1.3 crore.

As per GSTN data, September 2020 witnessed a sudden jump in filing of GSTR-3B, the monthly return filed by normal taxpayers.

This surge was also due to the backlog in filing of previous months' returns for which relaxations were provided to taxpayers in view of the COVID-19 outbreak.

The subsequent month also saw increased traffic which was successfully handled by the GST portal, it said.

GSTN said detailed breakup of various tables of GSTR-1 (supply return) and GSTR-3B which have been used to auto-populate GSTR-3B have also been provided in the PDF.

In the first phase, system has started auto-populating details from GSTR-1 to GSTR-3B from July 2020 period onwards for all GSTR-1s filed after August 27, 2020, GSTN added.

"All taxpayers are requested to go through their GSTR-3B (PDF) and provide feedback (if any) on any aspect by raising a ticket on the self-service portal," GSTN said.

The GST Council, in its 39th meeting on March 14, had recommended adopting and implementing an incremental approach of linking the present system of filing of GSTR-3B and GSTR-1.

Source: financialexpress.com– Nov 08, 2020

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## PM Modi renames Shipping Ministry as 'Ministry of Ports, Shipping and Waterways'

We want India's maritime sector to become an important component of India's mission for Atmanirbhar Bharat, says PM Modi

In order to broaden the purview of maritime policy making and bring clarity in functioning of the departments, Prime Minister Narendra Modi announced a proposed amendment in the name of the Ministry of Shipping to Ministry of Ports, Shipping and Waterways.

Stating that proposed change in the name would bring clarity in policy making and implementation, Modi hinted at strengthening water resources-based economy. "In developed economies, it is the job of Shipping

Ministry to look after ports, shipping and waterways. In India also Ministry of Shipping only works for these sectors. So changing the name will bring more clarity for work," the Prime Minister stated.

## Fuelling blue economy

In order to strengthen India's blue economy, Centre is looking to capitalise the nation's 21,000-kilometer of coastline. "It is only after 2014, we adopted a holistic approach for development of India's maritime sector. We want India's maritime sector to become an important component of India's mission for Atmanirbhar Bharat," the Prime Minister said in a video address after launching a ro-pax ferry service connecting Hazira in Surat to Ghogha-Bhavnagar in Saurashtra.

For cost-effective logistics across the country, Modi stated that the Centre is also working to develop a multi-modal logistics structure that will remove silos between road, rail, air and shipping and bring in better coordination for inter-connectivity.

Modi also stated that under the PM Matysa Sampada Yojana (scheme for fisheries development), the government will spend approx ₹20,000 crore in the coming years for fisheries business development, so as to fuel India's blue economy.

## Connecting Surat and Saurashtra

On Surat's ro-pax ferry service, Modi underlined the economic importance of the project for the farmers and animal breeders of Saurashtra, who will get access to a large market of Surat and South Gujarat.

"Traveling from Surat to Saurashtra takes about 10-12 hours through road journey. Which is not feasible for perishable commodities like vegetables, fruits and dairy products. But after this Ro-pax ferry service, the duration of travel between Bhavnagar and Surat will be reduced to just four hours, which will open new market for farmers in Saurashtra," Modi said.

The road distance of 370 km between the two locations will now be reduced to just 90 km through sea route.

The ro-pax ferry between Ghogha and Hazira will make three trips in a day.

At this rate, it is projected to carry about 5 lakh passengers, 80,000 passenger vehicles (cars), 50,000 two-wheelers and 30,000 trucks in a year.

This will potentially save about 9,000 litres of fuel every day, which will also reduce the carbon footprint. The estimates show that every three trips in a day could potentially save about 24 metric tonnes of carbon emissions.

Source: thehindubusinessline.com – Nov 08, 2020

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## Explained: In a mirror of economy, agricultural exports grow amid overall decline

India's agricultural exports are up 4.6% year-on-year in dollar terms during April-September. This comes even as the country's overall merchandise exports for the same period have registered a 21.2% annual decline. It also mirrors a larger trend — of the farm sector doing reasonably well amid an economy that, according to the Reserve Bank of India, is likely to contract by 9.5% in 2020-21 (April-March).

Commodity-wise foreign trade data from the department of commerce shows exports of farm goods from India during April-September at $18.12 billion, 4.6% higher than the $17.32 billion for the first half of 2019-20.

Rice on top

The star performer has been rice, with the value of shipments increasing by well over a third to $4.08 billion in April-September. The growth has come more from the non-basmati rather than basmati segment (see table). Total exports this fiscal are expected to surpass the previous record of 12.7 million tonnes ($7.8 billion) achieved in 2017-18.

Another agri-commodity that is on course to post all-time-high exports in 2020-21 is sugar. Indian mills shipped out almost $2 billion worth of the sweetener in 2019-20, whereas they have already done $1.4 billion during the first six months of this fiscal.

Both rice and sugar exports are being propped up by rising global prices. Prices of the most actively-traded raw sugar futures contract in New York are currently at 14.91 cents per pound, up 18.7% from the 12.56 cents per pound a year ago. Export prices of white rice with 5% broken grains content from Thailand are similarly at $472 per tonne, compared to $420 levels at this time last year. Indian rice of the same quality is quoting way lower at around $ 350 per tonne, enabled partly by diversion of cheap/free grain supplied through the public distribution system (bit.ly/2JODFGk).

A third commodity whose exports have done well this year, and the prospects also look good, is cotton. In the 2019-20 season (October-September), India exported 50 lakh bales of the natural fibre, compared to 42 lakh bales in the preceding year. There are projections by the trade of the new cotton year's exports hitting 70 lakh bales — the highest since 117 lakh bales in 2013-14. The driving factors here are the depreciation in the rupee and global prices (of the benchmark Cotlook 'A' Index) recovering to around 77 cents per pound, from their early-April lows of below 60 cents.

The broader trend

The general story in most agri-commodities is that world prices, which were hardening in the months just before the pandemic and then crashed with lockdown measures imposed by most countries, have since resumed their earlier trajectory.

Click here for more details

Source: indianexpress.com – Nov 09, 2020

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## Major ports' cargo traffic falls for 7th straight month in October; logs 12 per cent drop in Apr-Oct

India's top 12 ports registered a 12.43 per cent decline in cargo traffic during the April-October period of the current fiscal to 354.81 million tonnes (MT) amid COVID-19-related disruptions, according to ports' apex body IPA.

India has 12 major ports under the control of the central government — Deendayal (erstwhile Kandla), Mumbai, JNPT, Mormugao, New Mangalore, Cochin, Chennai, Kamarajar (earlier Ennore), V O Chidambarnar, Visakhapatnam, Paradip and Kolkata (including Haldia).

In the wake of the COVID-19 outbreak, sharp declines were witnessed in handling of containers, coal and POL (petroleum, oil and lubricant) among other commodities.

These ports handle about 61 per cent of the country's total cargo traffic. They handled 705 MT of cargo last fiscal. Cargo volumes at these 12 major ports have declined for the seventh straight month in October 2020.

During the April-October period of the last fiscal, these 12 major ports had handled 405.20 MT of cargo.

The 12 major ports handled 354.81 MT of cargo between April and October this fiscal, according to the Indian Ports Association (IPA) which said that the "percentage variation against previous year traffic during April to October 2020 vis-a-vis April to October 2019" has been 12.43 per cent.

Defying the broader trend, Mormugao saw an increase of 16.47 per cent in cargo handling to 10.17 MT during April-October period this year.

Cargo handling at Kamarajar Port (Ennore) nosedived 30.56 per cent during April-October to 12.53 MT, while ports like Chennai, Cochin and Mumbai saw their cargo volumes drop about 20 per cent during the said period.

JNPT and Kolkata ports suffered sharp declines of 18 per cent and 14 per cent respectively.

Deendayal Port saw cargo volumes dip by 11.5 per cent, while VO Chidambarnar recorded a dip of 10.8 per cent and cargo handling at New Mangalore and Visakhapatnam dropped by over 5 per cent. Paradip Port recorded a decline of about 4 per cent.

Shipping Minister Mansukh Mandaviya has recently said the cargo traffic at 12 major ports declined considerably from March onwards, adversely impacted by the COVID-19 pandemic.

The Minister, however, had added that recovery has started since June 2020.

Source: financialexpress.com – Nov 08, 2020

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## Tamil Nadu weaver introduces saree made of bamboo yarn

Going green is the buzzword here. After his success with banana sarees, 45-year-old TA Kumaran from Paramakudi in Ramanathapuram district is in the limelight again with his latest eco-friendly discovery - sarees made of bamboo fibre.

The 'bamboo sarees', which became an instant hit, has earned the handloom weaver a berth in the ongoing Deepavali festival at Poompuhar showroom in the district. Though the festival usually promotes crafts and lamps, the authorities have allotted a stall to the weaver this time, thanks to his latest innovation.

Speaking to TNIE, Kumaran said that he uses 20 per cent bamboo fibre and 80 per cent cotton to weave the sarees. "Weaving has been our family business for generations, and it is passed on to me by my father," he said, adding that he procures bamboo yarn from a co-operative society in Paramakudi and it takes nearly 10 days to make a 'bamboo saree'.

The sarees displayed at Poompuhar showroom ranges from Rs 1,000 to Rs 1,280. Terming the idea conceived by Kumaran as great, Manager of Poompuhar showroom C Ronald Selvestin said that a few more weavers from Paramakudi are likely to join the exhibition in the coming days.

Source: newindianexpress.com – Nov 09, 2020

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