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INTERNATIONAL NEWS

USA: Without Trade Renewal, Congress Will Thank PPE Producers With Taxing Tariffs

U.S.-based apparel and footwear companies have proudly done their part during the pandemic by transitioning to making personal protective equipment (PPE), particularly face masks for first responders and the American public.

I think we can all agree that producing this PPE, which has been in critical demand, is both commendable and resourceful; however—believe it or not—these same American companies are faced with high tariffs on these much-needed products. Yes, the U.S. government is collecting taxes on these emergency products despite the cost incurred on first responders, medical personnel, and the American people.

Face masks, for instance, are currently taxed 7 percent at the border. Prior to March, face masks from China were taxed an additional 7.5 percent due to the ongoing U.S.-China trade war. Although the U.S. government granted a reprieve for face masks from China once the pandemic hit until the end of the year, they will once again be charged a 14.5 percent tax on the first day of 2021. No matter where American companies source their face masks, these items should not be taxed at such a high rate at a time when the Centers for Disease Control and other health agencies recommend or require their use to stop the spread of highly infectious diseases, like Covid-19.

The pandemic is not the only challenge American companies are facing. The U.S.- China trade war is still going strong, and has been for three-plus years now. American imports from China have been hit with $550 billion in tariffs to date. Meanwhile, as American companies try to mitigate the impacts from the trade war on American consumers, the U.S. government has threatened new tariffs on the second largest supplier of apparel, footwear, and travel goods to the U.S. market–Vietnam.

Over the past several years, Vietnam has become even more important as U.S. companies have implemented diversification strategies away from China. Imposing new punitive tariffs on imports from Vietnam would cause extreme disruption, directly threatening those investments and increasing prices for hard-working American families at the register, while also adding costs on the supply chains that directly support millions of U.S. jobs.

This is not the time to impose new costs on U.S. supply chains, particularly on American job creators who are still recovering from the impacts of the COVID-19 pandemic. Further, new punitive tariffs could make it even harder to source the personal protective equipment that our communities need to safely manage COVID-19 and regrow the economy. Our critical partnership with suppliers in Vietnam would be threatened by the imposition of tariffs.

Aside from high tariffs, there are two critical trade programs that must be renewed by the end of the year to assist in helping American companies recover from the economic downturn:

The Generalized System of Preferences (GSP) program provides duty-free treatment for certain U.S. imports from eligible developing countries. This program allows American businesses to use duty savings to compete internationally, lower costs for American families, employ more American workers and invest in new products.

According to the Coalition for GSP, the program saved American companies over $1 billion, including $24 million on Covid-related products last year. Savings like this allow American companies to avoid further layoffs and reductions in wages and benefits.

The other program is the Miscellaneous Tariff Bill (MTB). The MTB allows American companies the ability to eliminate or reduce duties on nearly 2,500 inputs and finished goods not available or manufactured in the United States. As a whole, American companies and manufacturers stand to save more than $1.5 billion over the next three years if Congress passes the MTB legislation before the end of the year. If not, beginning on Jan. 1, the cost will be $1.3 million per day in tariffs on products not made or available in the United States.

Both of these trade programs have bipartisan support in Congress similar to the Caribbean Basin Trade Partnership Act, another trade program that AAFA championed in Congress and that was renewed last month. Congress has the ability to extend both the GSP and MTB programs before the end of the year, injecting some much-needed certainty back into the world of trade.

High tariffs imposed by the U.S. government, combined with Congress's lack of action thus far to renew two important tariff-saving trade programs, could fuel a very grim outcome for American companies trying to climb out of the economic downturn created by the pandemic.

If the high tariffs paid on imports were reduced or eliminated, American companies would be able to use those savings to increase wages and benefits for U.S. workers, avoid layoffs and store and factory closures, and prevent price increases on American families. It is time for the U.S. government to take a different approach to trade policy, one that does not punish American consumers, American workers, and the American communities they support.

Source: sourcingjournal.com– Nov 10, 2020

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What's Next for U.S. Trade Policy?

Presumptive President-elect Joe Biden is expected to take a more measured and multilateral approach to trade policy than President Trump, observers say, but is also unlikely to make significant short-term changes to the tariffs and other restrictions imposed by his predecessor.

Nicole Bivens Collinson, head of ST&R's government relations practice, will discuss trade policy under Biden in a Nov. 19 webinar. Click here to register or for more information.

Press reports, citing experts and analysts, indicate that a President Biden will have little political room to reduce or eliminate the Section 301 tariffs currently in place on hundreds of billions of dollars' worth of goods imported from China. Biden has criticized Trump for the manner in which he imposed the tariffs, which are widely acknowledged to have burdened the U.S. businesses and consumers who ultimately pay them.

However, he has also expressed a willingness to utilize tariffs when necessary, though he has pledged to consult with allies as part of that process. Considering that both Republicans and Democrats now appear to agree on the need for the U.S. to take a tougher line on trade with China, while Biden may not levy any new tariffs on China, at least in the near future, he also will likely maintain those already in place until a better solution to the problems the tariffs were designed to address becomes available.

Similarly, there is expected to be little to no change in the existing Section 232 tariffs on steel and aluminum products, industries that are typically sensitive to imports in the best of times and especially so now amid the pandemic-related economic uncertainty.

However, there could be room to adjust or eliminate the Section 301 tariffs on imports from the European Union if a Biden administration opts to negotiate a resolution to the two sides' long-running dispute over aircraft subsidies.

Biden is expected to focus primarily on domestic policy, particularly economic recovery and alleviating the pandemic, and so is unlikely to pursue any new trade agreements in the near term. Ongoing talks with the United Kingdom and Kenya will probably continue, but phase two agreements with China and Japan, as well as "mini-deals" with Brazil, India, and others, will likely be on hold for the foreseeable future. The U.S. is also unlikely to pursue membership in the Trans-Pacific Partnership, at least in the near term, and if it does so in the future it will be under revised terms.

On the other hand, a Biden administration is expected to be much more amenable to multilateral cooperation, including within international institutions such as the World Trade Organization. Biden has said he intends to enlist the help of major trading partners to resolve longstanding trade grievances with China.

Toward that end, the White House is likely to be more proactive in advancing efforts to secure reforms at the WTO that will enable that body to more effectively address not only China but also a raft of other 21st century trade issues.

The administration could also seek to increase engagement with others on the trade impacts of issues such as digital services taxes, worker rights, and climate change.

Source: strtrade.com– Nov 11, 2020

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Cotton Highlights from November WASDE Report

The November 2020 World Agricultural Supply and Demand Estimates (WASDE) report has been released by USDA. Here's this month's cotton summary:

This month's 2020/21 U.S. cotton estimates are virtually unchanged from October. The U.S. production forecast is marginally higher, at 17.1 million bales, while domestic mill use and exports are unchanged. U.S. ending stocks remain at 7.2 million bales and, at 42% of use, would be the highest stocks-to-use ratio since 2007/08.

The marketing-year average price received by upland producers is forecast at 64.0 cents per pound – 5% (3 cents) above the October forecast and 7% higher than 2019/20's price of 59.6 cents.

World 2020/21 cotton production is projected marginally lower than in October. But with slightly higher beginning stocks and slightly lower use, global ending stocks are up 300,000 bales from the previous month. Global 2020/21 beginning stocks are forecast 378,000 bales higher this month, largely reflecting an increase in Brazil's 2019/20 crop.

Production changes for 2020/21 include an 800,000 bale reduction for Pakistan, a 400,000 bale increase for Australia, and a 250,000 bale increase for China.

Smaller, offsetting changes occurred in estimates for Central Asia, and the global total is 160,000 bales lower than in October. World cotton use is also projected 160,000 bales lower this month, largely reflecting expected lower mill consumption in Pakistan.

World trade is projected 605,000 bales higher this month as Pakistan's imports increase in response to the smaller crop, with Brazil and Australia export estimates higher as well.

Source: cottongrower.com - Nov 10, 2020

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Preferential tariffs continue for eligible developing countries

British importers will continue to pay zero or reduced tariffs on everyday goods such as clothing and vegetables from the world's poorest countries now the UK has left the EU, Liz Truss will announce today (Tuesday 10 November).

The UK's Generalised Scheme of Preferences (GSP) will cover all the same countries that are currently eligible for trade preferences under the EU's GSP, allowing businesses to trade as they do now without disruption.

Imports from 47 of the world's least developed countries, including Bangladesh and Malawi, will not face any tariffs – supporting their economic development through business and trade. Low-income and lower-middle income countries will benefit from lower tariffs compared to the UK Global Tariff.

In 2019, the UK imported approximately £8 billion-worth of textiles and apparel products from countries which are part of the EU GSP. This accounted for 30% of all textile and apparel imports into the UK. We also imported approximately £1billion-worth of vegetables from eligible countries, accounting for around 8% of all vegetable imports.

The UK's GSP will also help to make products from developing countries more attractive to UK importers, enabling businesses in developing countries to grow and prosper and supporting jobs in those economies. Businesses that trade on these terms can now visit gov.uk and find the information they need in order to continue doing so. This includes:

- Import rates under the UK GSP.
- Customs requirements for businesses to claim the GSP tariffs.
- List of eligible countries including those that will receive GSP market access if they do not implement a trade agreement with the UK before 1 January 2021.

Click here for more details

Source: miragenews.com– Nov 10, 2020

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EU parliament, govts finalise 2021-2027 budget, £1.6 trn recovery package

Negotiators from the European Parliament and EU governments agreed the details of the 2021-2027 EU budget on Tuesday, in a crucial step for the activation of the bloc's 1.8 trillion euro (£1.6 trillion) recovery package to make the economy greener and more digital.

"A deal for Europe - Council and European Parliament negotiators reach political agreement on the EU budget & recovery package," the spokesman for the German presidency of the EU Sebastian Fischer said on Twitter.

The deal, which took almost four months to negotiate, now needs to be formally endorsed by EU governments and the European Parliament.

This may cause new friction because the deal links access to EU money with respect for the rule of law -- a condition Poland and Hungary strongly oppose because they are under EU scrutiny for undermining the independence of the courts and media.

Hungarian Prime Minister Viktor Orban has sent a letter to the European Commission and the chairman of EU leaders Charles Michel threatening to veto the 1.1 trillion euro budget if the link between the money and the rule of law is not removed.

But senior officials said they were not sure if Hungary would do that, because such action would derail money for all of the 27-nation EU, including Hungary and Poland themselves, both of which were net beneficiaries of EU financial support.

Poland especially is among the largest recipients of direct EU subsidies for farmers who are the electoral base of the ruling nationalist PiS party. If Warsaw and Budapest bloc the next budget, the subsidies for farmers will stop.

"We will have to see whether anyone is going to block anything at all," one senior EU official said.

NEW REVENUES

The deal between parliament and government negotiators raises EU spending on health, education and security by 16 billion euros compared to the agreement of EU leaders in July.

It also establishes new, dedicated revenues for EU coffers so the bloc can repay the 750 billion euros it plans to borrow to help the recovery after the COVID-19 pandemic.

"By 2026, we will have a basket of new revenues that should be sufficient to cover the cost of the Recovery Fund's debt with the aim of not having cuts in funds and programmes," said one of the parliamentary negotiators, Jose Manuel Fernandes.

Over the next weeks, talks between EU lawmakers and governments will continue on the details of the 750 billion borrowing, of which 672.5 billion is to be distributed among governments as loans and grants on the basis of their national recovery plans listing various projects and reforms.

The parliament wants more of that money to be paid up front, before the projects reach agreed milestones and more of the cash to be earmarked for projects that help reduce CO2 emissions.

Lawmakers also want the cash to be available longer -- for four years instead of three.

Once governments and parliament agree, the deal can be ratified by national parliaments in the EU's 27 countries and the money would start flowing in the second half of next year.

"The budget, the Recovery Fund, new revenues and the rule of law conditionality are one package for us," said Siegfried Mursan, a senior MEP responsible for budgetary issues.

"Parliament will ratify today's deal only if Member States stick to all parts of the agreement," he said.

Source: business-standard.com– Nov 11, 2020

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Pakistan: Five-year textile policy finalised, awaits approval

The government has almost finalised Textile Policy 2020-25 with cash subsidies and lower rates on utilities to boost production of textiles and clothing in the country.

The draft policy has already been submitted to the prime minister secretariat after which it will submitted to the cabinet for approval, Dawn has learned from knowledgeable sources on Tuesday. The last textile policy was announced in 2014 by the-then textile minister Abbas Khan Afridi.

The proposed package carries special duty-drawback rates, rationalisation of duty on textile value chain and subsidy on long-term loans and development subsidies.

Under the policy, it has been proposed to provide electricity at 7.5 cents for the textile sector, followed by RLNG at $6.5 per mmBtu and domestic produced gas at Rs786 per mmBtu. The policy aims to reduce the input cost of textile and clothing sector and make it competitive with the regional players.

It has also been proposed to continue the cash subsidy package for the value-added sector at the prevalent rates. The government had earlier announced special duty drawback rates of four per cent for garments, 3pc for made-ups and 2pc for fabrics under the PM's package.

In the first two years of the scheme, the government has doled out an amount of Rs97 billion to the industry.

It has been proposed to extend the scope and disbursement amount of Long-Term Financing Facility (LTFF) along with increasing project limit. More products will be brought under the ambit of LTFF while increasing the outstanding limit to Rs200bn from current Rs140bn.

The mark-up rate for the Export Refinance Scheme (EFS) of the State Bank of Pakistan and LTFF will be proposed to maintain at current position.

The policy also proposes to simplify the temporary importation schemes — Duty and Tax Remission for Export and bonded warehouse. It has also been proposed to establish three more garment cities in the country to promote the export of value-added textile products.

According to the policy, more garments cities can be established after consultation with relevant stakeholders. The focus of the policy is to enhance the productivity and competitiveness of the sectors.

Moreover, new effluent treatment plants will be set up in addition to announcement of a brand development scheme. The government will offer incentives for international buying offices opening their offices in the country.

Under the policy, incentives will be offered to encourage women employment in the textile and garment sectors. Moreover, labor laws will also be reviewed to facilitate women's entry into the job markets.

The policy will also provide assistant for skill development, dedicated textile exhibitions, establishment of world textile centres, weaving city, incubators, apparel house, and mega textile awards.

Source: dawn.com– Nov 11, 2020

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Myanmar exported garments worth $4.28 bn in Oct 1-Aug 31

Myanmar exported garments under the cut-make-pack (CMP) system worth $4.28 billion between October 1 and August 31 in fiscal 2019-20, according to data from the ministry of commerce. However, following the novel coronavirus pandemic, some CMP garment factories have shut down due to lack of raw materials, leaving thousands of workers unemployed.

Myanmar financial year from 1 October 2019 to 30 September 2020.

The export value of CMP garments was only $850 million in fiscal 2015-16, but has tripled over the last two fiscals. In 2016-17, about $2 billion was earned from such exports.

The figure increased to an estimated $2.5 billion in 2017-18Y and $2.2 billion in the 2018 mini-budget period (from April to September). It tremendously grew to $4.6 billion in the fiscal 2018-2019, the ministry said.

The CMP garment sector, which contributes 30 per cent to Myanmar's export sector, is bracing for a downward trend owing to cancel of orders from European countries and suspension of trade by Western countries amid the pandemic, according to media reports in the country.

Source: fibre2fashion.com– Nov 11, 2020

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Sri Lanka: Jan-Sept. trade deficit shrinks by 23% to $ 4.3 b

September exports grew 4.8% to $ 1 billion from $ 954 million a year earlier, despite the COVID-19 impact, assisting the trade deficit to continue its contraction, the Central Bank said yesterday.

Sri Lanka's external sector recovered further in September 2020, supported by the continued improvement in the trade deficit, a notable increase in workers' remittances and the resultant stability in the domestic foreign exchange market, the Central Bank said in its latest External Performance report.

The trade deficit improved in September 2020, compared to a year earlier, with a more than expected rebound in merchandise exports and a reduction in merchandise imports during the month. In September 2020, workers' remittances, recorded the highest year-on-year growth since end 2011.

A deficit of $ 525 million was recorded in the trade account in September 2020, which was significantly lower than the deficit of $ 757 million recorded in September 2019. The improvement in the trade deficit during the month was due to lower level of imports and higher level of exports in September 2020, compared to September 2019.

The cumulative deficit in the trade account from January to September 2020 narrowed by 23% to $ 4,337 million from the deficit of $ 5,612 million recorded in the same period in 2019. Meanwhile, terms of trade, i.e., the ratio of the price of exports to the price of imports, deteriorated by 1.1% in September 2020, compared to September 2019, due to export prices declining at a higher pace than the decline in import prices.

Exhibiting the resilience of the export sector in the midst of the current global market conditions and its V-shaped recovery since the initial outbreak of the COVID-19 pandemic, earnings from merchandise exports in September 2020 increased, both on a year-on-year basis as well as on a month-on-month basis.

Merchandise exports of $ 1,000 million in September 2020 were higher by 4.8% than the exports of $ 954 million in September 2019. This was also 5.6% higher than the exports of $ 947 million recorded in August 2020. The increase in exports of most agricultural goods and some industrial product categories, which surpassed the decline in other industrial exports and mineral exports, contributed to the overall increase in exports.

Export earnings from agricultural goods increased by 10.4% in September 2020 on a year-on-year basis, led by coconut exports (both kernel and non-kernel), spices (mainly cinnamon), tea, minor agricultural products (mainly betel leaves) and seafood. Increased earnings from tea exports (3.3%) were supported by higher prices (6.3%), as export volumes declined (2.8%).

As a combined effect of weaker performance in some export segments and higher performance in others, overall earnings from the export of industrial goods increased by 3.6% in September 2020 on a year-on-year basis.

The segments that marked a notable increase included Personal Protective Equipment (PPE) products such as plastic clothing, masks and gloves, which are categorised under plastics and articles thereof, other made up textile articles under textiles and garments, and rubber products. The total increase in these three categories surpassed the decline in earnings from garment exports.

Export earnings from food, beverages and tobacco also increased significantly, with exports of most of the value-added food items under this category growing, led by value-added coconut products. Export earnings from rubber products other than gloves, such as tyres, increased as well. Meanwhile, a notable increase in printing industry products was seen due to an increase in the export of currency notes of other countries printed in Sri Lanka.

Industrial export segments that recorded a decline in earnings include garments; gems, diamonds and jewellery; petroleum products; and base metals and articles. Earnings from the export of textiles and garments declined by 3.7% on a year-on-year basis, with exports to the USA reducing and exports to the EU increasing marginally.

Earnings from the export of petroleum products declined with a reduction in prices as well as the lower quantity of bunker fuel supplied. Meanwhile, earnings from mineral exports declined in September 2020, year-on-year.

The export volume index improved by 18.4%, on a year-on-year basis, while the unit value index deteriorated by 11.5%, on a year-on-year basis, in September 2020, indicating that the year-on-year increase in earnings from exports was, on average, driven by higher volumes.

Expenditure on merchandise imports declined by 10.9% to $ 1,525 million in September 2020, compared to September 2019, thus continuing the year-on-year declining trend observed since March 2020. Measures taken by the Government to restrict the importation of selected non-essential goods since March 2020 and lower fuel prices in the international market primarily caused this decline.

However, import expenditure in September 2020 was higher than import expenditure recorded in each month since March 2020, and the increase over August 2020 was 18.3%. This was mainly due to the increase in the importation of machinery and equipment in September 2020.

Expenditure on the importation of consumer goods in September 2020 was lower by 14.8% compared to September 2019 mainly owing to the decline in import of vehicles for personal use, clothing and accessories and other items restricted by the Government.

However, expenditure on food and beverages was substantially higher mainly due to greater imports of sugar, milk powder and coconut oil. Import volumes of sugar and milk powder significantly increased. Whereas import prices of sugar were somewhat higher in September 2020 than in September 2019, import prices of whole milk powder were lower in line with prices in the global market.

Imports of non-food consumer goods that are not under import restrictions or are under less stringent restrictions, such as pharmaceuticals (mainly medicaments), telecommunication devices (mainly mobile phones), home appliances, such as refrigerators and rice cookers, and toiletries, increased. On the other hand, import expenditure on other food items, such as vegetables, fruits, spices and beverages, declined in September 2020, compared to September 2019.

Expenditure on the importation of intermediate goods declined by 11.7% in September 2020, compared to September 2019, mainly owing to the 39.5% decline in expenditure on fuel imports, which in turn was an outcome of low petroleum prices prevailing in the global market as well as lower volumes imported.

The average import price of crude oil in September 2020 was $44.05 per barrel in comparison to $67.73 per barrel in September 2019. Other intermediate goods that contributed to reduce the overall import expenditure were textiles and textile articles, fertiliser, diamonds and unmanufactured tobacco. However, import expenditure on base metals (mainly iron and steel), wheat, plastic and articles in primary form and chemical products increased.

Two of the subcategories of investment goods, i.e., building material and transport equipment, saw year-on-year declines in import expenditure of 31.6% and 56.3%, respectively, with items under building material such as iron and steel and articles thereof; cement; ceramic products; aluminium articles; insulated wires and cables, and items under transport equipment such as buses, auto-trishaws, other commercial vehicles and railway equipment, showing a marked decline, mainly owing to import restrictions. The import of tractors, which is not restricted, increased.

The other subcategory of investment goods, namely, machinery and equipment, increased in September 2020 significantly, compared to September 2019 as well as monthly imports from February to August 2020, mainly due to the increase in import of cranes and parts for machinery and equipment.

In addition, most other items with small import shares, such as electronic and electric machinery and equipment, medical laboratory equipment, office machines and air conditioning machines also increased.

The import volume index and the unit value index declined by 0.4% and 10.5%, respectively, on a year-on-year basis in September 2020, indicating that the decrease in import expenditure was caused both by lower volumes and lower prices.

Source: ft.lk – Nov 10, 2020

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Bangladesh $2-bn e-com market rising at 50% per year: DCCI

The size of e- commerce market in Bangladesh is about $2 billion and is increasing at 50 per cent per year, according to Dhaka Chamber of Commerce & Industry (DCCI) president Shams Mahmud, who recently said e-commerce increased remarkably during the pandemic and recommended bringing the e-commerce sector under the government's stimulus package.

He suggested strengthening the Bangladesh Standards and Testing Institution (BSTI), reducing value-added tax (VAT) and supplementary duty on e-commerce businesses at a logical level, easing conditions of licensing to formalise e-commerce entities, introducing 5G technologies and arranging training for entrepreneurs of e-commerce-based small and medium enterprises.

Mahmud was speaking at a webinar organised by DCCI `e-commerce and consumer rights in the time of COVID-19: Challenges & Way Forward' recently.

For effective implementation of National Digital Commerce Policy-2018, capacity building of concerned stakeholders and their institutional capabilities need to be enhanced, he added.

Ghulam Rahman, president of Consumers Association of Bangladesh (CAB), said Facebook commerce (f- commerce) is also flourishing in the country. He said registration system for f-commerce is needed for monitoring, according to a DCCI press release.

Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services (BASIS), said the f-commerce market size in Bangladesh is worth taka 312 crore. He suggested bringing f-commerce traders under a registration process so that they could be monitored, regulated and financed.

Source: fibre2fashion.com– Nov 11, 2020

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NATIONAL NEWS

Momentum in economy from Sep; further stimulus needed: SBI

India's economy picked up momentum in September, according to a report by the State Bank of India (SBI), which said a further direct fiscal stimulus of 3-5 per cent of gross domestic product (GDP) might be required to offset gap between the equivalent fiscal stimulus hours and the loss in hours. India has handled the pandemic much better, SBI said.

A study by SBI on the working hours lost and equivalent fiscal stimulus value showed a gap of around 10 per cent exists for India vis-a-vis a gap of 11.6 per cent in the lower-middle-income group.

"Assuming no major second wave, our non-linear least square model on data from March 1 to October 6 shows COVID-19 is likely to subside around February 19," SBI said.

"Corporate results for Quarter 2 Financial Year 2020-21 show that companies producing essential goods have mostly witnessed strong results while those producing non-essential goods/services have mostly shown weaker results," it said.

Moreover, rating upgrades to downgrade ratio, though much below 1, has shown sign of improvement from Q1 (April-June) level," SBI said. The bank also said the rail freight earnings continues to increase across segments, except for foodgrain, flours and pulses in October 2020 compared to September 2020. Power consumption data also shows an improvement in October over last month.

"October 2020 GST revenue is 10 per cent higher than the GST revenues in the same month last year. The positive trend, which started from September 2020 has sustained. E-way bills, which hit a record high of 5.74 crore in September 2020 have further grown in October 2020 to 6.42 crore," SBI added.

Source: fibre2fashion.com.– Nov 11, 2020

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FM Sitharaman to banks: Link all A/Cs with Aadhaar by March 2021

Finance minister Nirmala Sitharaman on Tuesday directed banks to link all accounts with Aadhaar numbers of respective customers latest by March 31, 2021.

Addressing the 73rd annual general meeting of the Indian Banks' Association, the minister impressed on banks to focus on digital transactions and asked them to promote RuPay cards over others now that the card network has become global.

"UPI (unified payments interface) should be a common parlance word in all our banks," she said. "Whoever needs a card, RuPay will be the only card you would promote and I would not think it is necessary today in India when RuPay is becoming global, for Indians to be given any other card first than RuPay itself," she added. There were more than 600 million RuPay cards as of January.

India's financial inclusion story, which has witnessed fast progress in recent years, isn't over yet and it needs further push, the minister said. Digital transactions will have to be focused on and non-digital ones discouraged.

As for the Aadhaar-seeding of bank accounts, the minister said this should be done ideally by December and "if not then, then by March 31, 2021".

"The financial inclusion story is not over and you still have inclusion to carry forward. You still have so many out there who do not have a bank account. When I say bank account, it is Aadhaar-seeded and do not want to hear from any bank that it can do direct benefit transfer (DBT) because the government wants it to do but does not know how many accounts are not Aadhaar-seeded," said Sitharaman.

Highlighting the need for more large banks that can finance large projects, Sitharaman said: "There is a lot of amalgamation happening and I can always wish to have each of the amalgamated bank to be as big as SBI."

"We want large banks as much as we want smaller finance companies, smaller banks, NBFCs because they can reach out. I am glad that the RBI has already worked out the co-origination rules for you all to function," the minister said.

Speaking at the Idea Exchange programme of the Indian Express Group last week, chief economic adviser Krishnamurthy V Subramanian had for the entry of more banks in the financial system to ensure greater competition as well as credit penetration. While India has only about 500-600 banks, including the regional rural ones, the US houses some 26,000 banks even while having a fourth of India's population, he pointed out.

Although only half a dozen large banks dominate the American financial system, the smaller ones act as lenders to mostly MSMEs, thus, assuming an important role in the economy. Also, there is only one Indian bank (SBI) in the top 100 globally, against 18 in China.

Source: financialexpress.com.– Nov 11, 2020

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Exports show signs of improvement, up 22.47% during November 1-7: Official

Showing signs of improvement, the country's exports grew 22.47 per cent year-on-year to $6.75 billion in the first week of November, mainly driven by healthy growth in pharmaceuticals, gems and jewellery and engineering sectors, an official said on Tuesday.

The exports during the first week of November last year was $5.51 billion.

Imports in November (1st - 7th) this year too increased by 13.64 per cent year-on-year to $9.30 billion as against $8.19 billion, the official said.

Imports, excluding petroleum, jumped 23.37 per cent during the week, the official added. Trade deficit during the week stood at $2.55 billion.

Exports of pharmaceuticals, and gems and jewellery grew 32 per cent to $139.12 million and 88.8 per cent to $3,360.71 million, respectively.

Similarly, the outbound shipments of engineering goods increased by 16.7 per cent to $215.13 million during the week.

Sectors which recorded negative growth include petroleum, marine products and leather goods.

During the period, exports to the US, Hong Kong and Singapore rose by 53.91 per cent, 176.2 per cent and 90.76 per cent, respectively.

The country's export had also recorded positive growth in September but declined 5.4 per cent to $24.82 billion in October.

Source: economictimes.com– Nov 10, 2020

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Cotton Corp sees Bangladesh export deal by Dec; aims 1.5 mln bales

The much awaited and long delayed export agreement between Cotton Corp of India and Bangladesh government is now in its final stage and may materialise by December, said Pradeep Agarwal, chairman and managing director of the organisation.

"We are eyeing export of around 1.5 mln cotton bales to Bangladesh once the deal gets signed," said Agarwal, adding that the export price will include freight and handling charges.

India has a logistical advantage in exporting to Bangladesh as shipments to this country take the least time. Bangladesh's annual cotton consumption is 8.5-9.0 mln bales (1 bale = 170 kg), of which the country imports around 2.5-3.0 mln bales annually from India.

In June, Cogencis had reported that the agency was in touch with Bangladesh, China, Vietnam and Indonesia for exports of cotton bales.

"For Vietnam, the export quantity is less, so we may sell directly through global tenders. Currently, the response is weak as mills in Vietnam have already covered stocks up to December," said Agarwal told Cogencis.

Vietnam imports around 400,000-500,000 bales from India annually.

In the 2019-20 (Oct-Sep) season, the agency had procured around 10.5 mln bales of the fibre, of which 4.5 mln bales was unsold. In the current 2020-21 marketing year, the agency has procured around 1.1 mln bales so far. The agency is the government's nodal agency for procurement under the minimum support price scheme.

Source: cogencis.com– Nov 10, 2020

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India's new product origin rules may hamper trade relations with Bangladesh

As per the Export Promotion Bureau and Bangladesh Trade and Tariff Commission (BTTC), India's new rule to determine the country of origin of a product may have an adverse impact on its imports from Bangladesh. As per government agencies, these rules undermine its efforts to narrow the trade imbalance between the two countries.

According to BTTC, some provisions in these rules contradict with those of SAFTA RoO (rules of origin). Under the SAFTA, most of the exports from the least developed countries (LDCs), including Bangladesh, get duty-free entry to India based on a document termed as the certificate of origin (CoO) – and Operational Certification Procedures or OCP.

Coming into force in January 2006 to increase intra-regional trade in South Asia which accounts for about 5 per cent of the total trade of the region, SAFTA comprises eight members of the South Asian Association for Regional Cooperation or SAARC namely Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. BTTC scrutinized the new rule in light of SAFTA's RoO and the OC.

Source: fashionatingworld.com– Nov 10, 2020

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Maharashtra reports dip in production: 'Cotton exports expected to hit 60 L bales this season'

At the start of the new cotton season (October-September), the Cotton Association of India (CAI) has estimated that 60 lakh bales of cotton — each bail containing 170 kg of ginned cotton — are to be exported this year. CAI president Atul Ganatara has stated that China and Bangladesh are expected to be the biggest importers of Indian cotton for this season.

This year, the CAI has estimated a reduction in production of four lakh bales from the 360 lakh bales the country had reported the previous year. While loose kapas (raw unginned seed cotton) prices are not expected to cross the government-declared Minimum Support Price (MSP) of Rs 5,850 per quintal, traders have forecast that the prices will remain between Rs 5,200-Rs 5,300 per quintal in the open market. Since October, five lakh bales of cotton are supposed to have already been marketed, as per the CAI.

A dip in production has been reported mostly from the state of Maharashtra, where October rains and pink bollworm attacks have led to the destruction of the crop. Incidentally, the consumption of cotton is also expected to rise from 280 lakh bales last year to 330 lakh bales this season.

India's cotton season has started with a huge carryover of 107.50 lakh bales as against the 32 lakh bales last season. Consumption is expected to go up in the background of increased demand in the textile sector post the Covid-induced lockdown.

Cotton exports are expected to be 60 lakh bales as against 50 lakh bales last season. The majority of Indian cotton is expected to land in China and Bangladesh – traditionally the largest importer for Indian cotton. Imports are slated to be 14 lakh bales as against the 15.50 lakh bales in 2019-'20. Owing to higher consumption this season, the closing stock of 2020-'21, or the opening stock of 2021-'22, is expected to be 87.50 lakh bales.

Meanwhile, the Cotton Corporation of India (CCI) has started its cotton procurement under MSP in various parts of the country. More than 70 centres have opened so far, with the government body procuring around three lakh bales till last week. CCI Chief Managing Director PK Agarwal has said the corporation is stepping up their operations in the coming days.

Farm activist Vijay Jawandiya has asked for immediate government intervention due to the ongoing distress sales of cotton. "In many parts of the country, government procurement is yet to begin, which is causing farmers to sell their cotton at throwaway prices," he claimed.

Source: indianexpress.com– Nov 10, 2020

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Hunar Haat: 5 lakh job opportunities in 5 years for artisans created via govt's craft fair, says Naqvi

Skill, labour, talent for MSMEs: Government's craft fair Hunar Haat, which focuses on enabling micro-businesses involving artisans and craftsmen to sell and promote their products, has provided "employment and employment opportunities to over 5 lakh artisans, craftsmen, culinary experts and other people associated with them in the last 5 years," Minority Affairs Minister Mukhtar Abbas Naqvi said on Tuesday as the fair is set to resume after a seven-month hiatus due to Covid and the following lockdown. Vocal for Local-themed Haat will be organised in Delhi during November 11-22 with over 100 stalls.

The Minority fairs across India. Jaipur, Chandigarh, Indore, Mumbai, Hyderabad, Lucknow, India Gate, New Delhi, Ranchi, Kota, and Surat/Ahmedabad are other cities are the proposed locations for Hunar Haats in FY21, according to the Affairs Ministry, which had launched Hunar Haat in FY17 as a component of the Upgrading the Skills and Training in Traditional Arts/ Crafts for Development (USTTAD) scheme launched on May 15, 2015, to focus on preserving the heritage of traditional arts of minorities, has organised over 2 dozen such ministry's website.

Meanwhile, Prime Minister Narendra Modi had on Monday urged people to buy local products this Diwali towards supporting the government's Vocal for Local campaign to promote Indian small businesses. "Celebrating Diwali with local products will give a new boost to the economy," Modi had said while inaugurating various projects in his Lok Sabha constituency Varanasi.

Last month, traders' body CAIT had announced that Chinese exporters to India are likely to suffer Rs 40,000 crore business loss during Diwali season as the local traders are geared up to boycott the sale of goods from China. Out of around Rs 70,000 crore business done during Diwali season by traders, goods worth around Rs 40,000 crore were imported from China in the past years, according to National President B. C. Bhartia and Secretary General Praveen Khandelwal.

Source: financialexpress.com– Nov 10, 2020

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Jaimin Gupta builds new textile franchise model

India's textile industry, the second biggest employment generator after agriculture, has been dealt a devastating and crippling blow by the Covid-19 pandemic. With two percent contribution to GDP, the textile sector had accounted for 15 percent of export earnings in the 2019 fiscal.

With over six years of experience, Jaimin Gupta, owner and founder of Stitched Textiles Limited, is leading the way for the textile industries. Stitched Textiles Private Limited is the leading Men's apparels retailing company, which has an extensive pan-India presence with more than 50 stores and distributors.

Starting in 2015, the company has successfully marked his presence in cities like Ahmedabad, Vadodara, Mundra, Bhuj, and much more.

Jaimin Gupta, the dynamic entrepreneur, is spearheading multiple ventures with a vast business experience. He is the CEO of VatexCotFab Limited, an NSE Emerge Listed company, having its operations into Textile fabric manufacturing business with more than 14 Million meter Production capacity per annum.

Jaimin Gupta being insightful with his vision, is also a Director at Viru Retail Private Limited, which is a Joint Venture between "Stitched Textiles Private Limited" and "World of Viru" for business operations and development of the brand "VS" of legendary Indian cricketer VS – Virender Sehwag. With this joint venture, their vision is to transform the sportswear industry by the introduction of affordable and technical sportswear and equipment.

Under the business leadership of Jaimin Gupta, these companies run on the goodwill and patronage of many small business owners, who just love their garments and equipment. The products include men's wear, casual wear, sportswear, innerwear, suiting's and shirting's fabric, sports equipment and the like.

Looking ahead, the dynamic entrepreneur looks forward to expanding the geographical boundaries of his business

Jaimin Gupta, being in the textile industry for long, has made it his mission to establish an empire in the world of textiles and fashion brands by establishing a retail network of franchises and distributors as a launch pad for further growth.

Over and above he is looking forward to bringing international apparels brands into the Indian market with his expertise in developing sales channel networks.

Source: forbesindia.com– Nov 10, 2020

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AEPC launches virtual platform for exporters to exhibit garments round the year

Apparel Export Promotion Council (AEPC) has launched a virtual platform to exhibit garments made by Indian apparel exporters round the year where brands and buyers from across the world can visit and place their orders.

“Holding international exhibitions has become difficult due to travel restrictions related to coronavirus. To overcome this, we have set up a virtual platform to exhibit our products 24x7, 365 days a year,” AEPC Chairman Dr A Sakthivel said launching the platform.

AEPC held a webinar on Monday to showcase the features of the virtual platform and to let the apparel exporter-members understand how they could exhibit their products and interact with visiting buyers and strike a deal in their respective stalls at the exhibition.

We studied the virtual platforms of several international organisations and have come up with an improved version where buyers can have a near physical experience of the exhibition while navigating through the options in high resolution 360 degree avatars,” he added.

The platform offers free flowing two way communication between buyers and exhibitors through video call and WhatsApp chat facilities. Exhibitors have the real time flexibility to change their products on display and have the security feature of allowing only select buyers into their stalls. Buyers can collect products on their ‘Wishlist’ for discussion.

“Usually we have a set of buyers from a set of countries with whom we do business. But with this virtual platform, we can get orders from new buyers and fr0m new countries as it is open to everyone in the world. I expect at least 500 exporters to enroll for this virtual platform in the initial phase. We also have separate showrooms for medical textiles in the exhibition now that India is the second largest producer," Dr Sakthivel said.

Exporters gave an enthusiastic response to the virtual platform with several suggesting that the platform with an annual membership of just Rs 5,000 will become an easy and economical alternative to the physical fairs that generally used to cost above Rs 2 crore for one international event where 50 Indian apparel exporters participated.

AEPC Export Promotion Chairman Sudhir Sekhri said, "We will also be able to have country specific monthly or fortnightly events in which we will open a sub-platform or a sub-group for these fairs. There will be separate membership for these events."

Sekhri, instrumental in setting up the virtual platform, also said that the AEPC will write to Indian embassies abroad to contact local chambers of commerce and industries in various parts of the world for sourcing Indian apparels fr0m the virtual platform.

Source: knnindia.co.in– Nov 10, 2020

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