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INTERNATIONAL NEWS

World trade in goods rebounds in Q3 , but pandemic shadow looms

WTO's Goods Trade Barometer expands after plunging in Q2

World trade in goods bounced back in the third quarter of calendar 2020 with a surge in export orders, after dropping 17.2 per cent (year-on-year) in the second quarter though certain components indicate that the resurgence of Covid-19 may hit performance again, according to the latest reading of the Goods Trade Barometer released by the World Trade Organization (WTO) on Friday.

Pent-up demand

"The latest reading indicates a strong rebound in trade in the third quarter as lockdowns were eased, but growth is likely to slow in the fourth quarter as pent-up demand is exhausted and inventory restocking is completed," said the latest report of the quarterly Goods Trade Barometer released by the WTO.

But it added that the second wave of Covid infections happening in Europe and North America may lead to more lockdowns, closure of businesses and financial distress. The Goods Trade Barometer rose to 100.7 points in the third quarter, from 84.5 recorded in August.

A reading greater than 100 suggests above-trend growth. The reading in August reflected collapsing trade and output in the second quarter as lockdowns and travel restrictions were resorted to in the fight against the virus.

The latest reading is consistent with the WTO's revised trade forecast of October 6, which predicted a 9.2 per cent decline in the volume of world merchandise trade in 2020, the report said.

This outcome would require a sharp rebound in the third quarter following the 17.2 per cent year-on-year decline registered in the second quarter, it added.

The report pointed out that while normally the Goods Trade Barometer anticipated turning points in world trade by a few months, new sources of uncertainty related to the pandemic may have reduced the predictive value of its component indices.

The indicators point to a stalled recovery of international flights and container shipping in October, but improved economic sentiment as reflected by copper futures and press reports, it added.

Source: thehindubusinessline.com– Nov 21, 2020

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China's Export Growth May Upstage The Economy – Analysis

China's double-digit export growth has surprised analysts, lifting hopes for a faster recovery as the COVID-19 crisis continues to slow down economies throughout the world.

The October trade gains have been followed by largely positive results for industrial output last month with more moderate growth in retail sales as consumer demand continues to advance on a slower track.

The reports by the General Administration of Customs (GAC) and the National Bureau of Statistics (NBS) point to a gradual recovery that may produce mixed results before growth rates accelerate next year.

In October, China's exports jumped 11.4 percent from a year earlier, topping economists' forecasts of a 9-percent gain, The Wall Street Journal reported. The surge outstripped the 9.9-percent increase in September's shipments from a year before. Exports have now exceeded expectations for seven months in a row, the paper said.

But October imports were less favorable as growth slackened to 4.7 percent in dollar terms after climbing 13.2- percent the month before. The sharp falloff from record import levels in September was partially the result of pre-buying, the Financial Times suggested.

"The (September) increase was driven in part by one-off purchases of technology parts ahead of U.S. sanctions on telecoms group Huawei, as well as demand for commodities," the FT said.

Analysts had counted on 8.3-percent growth last month, raising doubts about the strength of domestic demand. A Reuters poll had called for import growth of 9.5 percent.

A closer look at the GAC data for October may stir greater concerns about the pace and extent of China's recovery, as month-on-month comparisons presented a murkier outlook.

China's total exports actually fell 1.1 percent from September levels in dollar terms, while imports plunged 11 percent, the data said. Ten-month growth rates were also milder and less impressive than the reported year-to-year gains in October trade.

Exports so far this year are up only 0.5 percent from the comparable 2019 period, while imports have dropped 2.3 percent.

COVID resurgence

The unpublicized month-on-month readings for October stand in contrast to the year-earlier comparisons and may challenge China's case for a V-shaped recovery while the government struggles to contain sporadic COVID-19 outbreaks.

"My guess is that the year-on-year Chinese export surge reflected the fact that Chinese factories and ports got back to work faster than other countries," said Gary Hufbauer, nonresident senior fellow at the Washington-based Peterson Institute for International Economics.

"I don't expect the surge to last, and the October numbers may be a harbinger," Hufbauer said. In a possible sign of a pause in demand, bank lending in October slid nearly 64 percent from September to 689.8 billion yuan (U.S. $104.2 billion), the People's Bank of China (PBOC) reported.

"Credit demand dropped in October, while the aggregate financing growth may continue to slow in the coming months. The government's fiscal spending might have lagged, as indicated by the higher funds in the national treasury," CITIC Securities analyst Ming Ming told the official English-language China Daily.

On Wednesday, the Ministry of Finance reported that fiscal revenue dipped 5.5 percent from a year earlier through October. Fiscal spending was down 0.6 percent, the official Xinhua news agency said.

Selected import data may also suggest a hitch in China's recovery trajectory. China's crude oil imports averaged 10 million barrels per day in October, down 15 percent from September and 6.7 percent from a year earlier. Reuters cited expiring import quotas for independent refiners as a factor in the decline.

Price pressures may also be playing a part in import decisions. Through October, crude imports rose 10.6 percent by volume but dropped 24.5 percent by value. Exports of petroleum products fell 3.4 percent by volume and 28.7 percent by value from a year before, GAC data said.

Other products and commodities painted a mixed picture of the recovery outlook. Reports on China's trade growth have frequently noted its ranking as the world's leading exporter of surgical masks, which are grouped under textiles rather than medical devices, according to Xinhua.

In the first 10 months, textile exports were up 31.9 percent in value, while garments and clothing fell 8.6 percent. Medical devices have soared 43 percent, but the combined value of textiles and medical gear accounted for only about 1 percent of China's export value last month.

A more telling reflection of economic activity may be seen in trade growth of electrical-mechanical and high-tech products. Through October, imports have grown 2.6 percent and 5.3 percent by value in the two categories respectively. Exports in the two sectors have increased 1.9 percent and 2.7 percent in dollar value, suggesting modest expansion of manufacturing in established supply chains.

October shipments of mobile phones lost 27.3 percent from a year earlier, while 10-month exports declined 22.1 percent, the China Academy of Information and Communications Technology (CAICT) said.

China's trade performance is in line with projections of gross domestic product growth this year, said Hufbauer. The latest forecast from the International Monetary Fund is 1.9 percent. "China's import numbers are consistent with its expected GDP growth in 2020. I wouldn't expect more," Hufbauer said.

The 10-month growth of China's total goods trade stood at a tepid 1.1 percent, up from 0.7 percent in the first three quarters of the year. Industrial production rose 6.9 percent last month from a year earlier, matching the September margin. Retail sales added 4.3 percent, beating the September increase of 3.3 percent but falling short of expectations for a 5-percent gain, the South China Morning Post said.

In the first 10 months, retail sales remained 5.9 percent below year-earlier rates, the NBS said. Last month, the IMF forecast called for a stronger rebound in 2021 with GDP growth of 8.2 percent, barring a resurgence of the virus.

Dual circulation

But the jury is still out on President Xi Jinping's "dual- circulation" strategy for China's future expansion, relying on domestic consumption as the "mainstay" for the economy while assigning a lesser role to traditional export-led growth.

Online shopping on Singles Day, Nov. 11, delivered some relief with sales reported by Alibaba up 26 percent to 498.2 billion yuan (U.S. $75.4 billion). The country's consumption recovery "has generally lagged behind industrial sectors," Xinhua said.

The weaker growth rates for imports cast doubt on the strength of domestic demand, while the differing monthly and yearly readings on exports pointed to uncertain progress.

So far, the results seem to be in conflict with Xi's economic theory, which is expected to become the basis for the government's 14th Five-Year Plan for 2021-2025 to be presented in March.

Last week, China's cabinet-level State Council issued a series of guidelines for the "innovative development" of trade, signaling that trade growth remains a top priority for the government. Most of the guidelines were either familiar or impenetrably vague.

They included "searching for new ways to explore the international market, optimizing the domestic layout of foreign trade, and enhancing the competitiveness of foreign trade firms," Xinhua said.

Despite the dangers of the pandemic, the government heavily promoted the China International Import Expo in Shanghai last week, but the official value of one-year deals signed rose only 2.1 percent from a similar event last year.

China has also announced plans for 10 demonstration zones to promote imports, piloting "innovative regulatory systems and flexible trade models," Xinhua said.

Source: eurasiareview.com– Nov 21, 2020

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Twin Storms Seen Denting Central America's Apparel Exports

Tropical storms Iota and Eta could cost Central America up to $200 million in garment exports and see shipments delayed by one to two months as clothing factories are forced to idle production, industry observers told WWD.

They added the region, which sent nearly $7 billion of apparel to the U.S. last year, will need billions to rebuild and finance new infrastructure projects to make it more resilient to adverse weather events stemming from global warming.

"It's a tragedy," sighed Mario Canahuati, president of the Honduran Manufacturers' Association (AHM) and member of the Canahuati texiles family conglomerate in the nation, whose maquila sector saw the most damage from nearly two weeks of storms as Eta hit Nov. 3, followed by Iota on Nov. 16. Both were Category 4 storms.

Eta affected 3.6 million people across the isthmus, pummeling Nicaragua, Honduras and Guatemala with catastrophic winds, rain and flooding. Meanwhile, Iota is said to have displaced 400,000 people in Nicaragua, though its apparel supply chain was understood to have been left largely unscathed by the storm.

Canahuati declined to estimate how the storms damaged Honduras' textiles pole, a major supplier of basic T-shirts and underwear to the U.S., noting that only two large unnamed mills in the industrial San Pedro Sula area idled production for two days in response to Eta and this week to cope with Iota. Honduras' key apparel shipments port Puerto Cortes was saved, however, but roads to transport goods to it were damaged. Key infrastructure in Honduras' Sula Valley industrial strip on the northeast Atlantic was severely damaged including roads, bridges, floodgates and river channels, according to Canahuati.

"The reconstruction process is going to be very delicate," he said. "Floodgates were broken so we need to do a lot of work to build new ones and on river channels which overflowed."

Sula Valley is home to many agricultural crops which were mostly ruined, Canahuati said, noting that the hurricanes' toll was more concentrated on agriculture than manufacturing, at least in Honduras.

Still, roughly 67,000 families lost their homes and are now stuck in shelters around the country. Canahuati noted the industry is working to provide food, shelter and rescue aid for these families, some of which worked in apparel mills.

In the U.S., Steve Lamar, president of the American Apparel & Footwear Association (AAFA), echoed views of the devastation.

"It's terrible," he said. "It's clear that the hurricanes have disrupted production and critical transportation links. In Honduras, operations have been impacted as well as the port and the airport. Roads are flooded or washed out so transporting containers is challenging both within the country and between Honduras and other countries."

Miguel Ruiz, who heads regional union Coordinadora Regional de Sindicatos de Maquila, said the damage to Honduras' apparel supply chain looked more severe than Canahuti estimated.

"The main factories in Honduras have been closed because of flooding, including Gildan and Tegra plants, and this is having a cascading effect around the region," he said, adding that Nicaraguan mills are now missing feedstocks as they are integrated with Honduran counterparts and can't export their clothes as the Cortes Port remains inaccessible.

Ruiz noted most Nicaraguan plants sit on the Pacific Coast so were not as severely hit as those in Honduras, centered along the Atlantic and

Caribbean strip. He noted the region's customs and logistics infrastructure was also hit.

Based on $6.8 billion in exports last year, Central America ships nearly $570 million to the U.S. each month. The coronavirus was expected to dent shipments by up to 30 percent before the hurricanes made landfall — but with them, exports could now decline another 10 percent, cutting monthly output by nearly half, Ruiz predicted.

"It's too early to estimate how exports will be affected but I would say a preliminary estimate would be $100 million to $200 million," he noted.

The Coordinadora has added flood compensation demands to a $20 million "social responsibility" fund it is working to negotiate with U.S. fashion labels to help Central American workers cope with COVID-19 and now the hurricanes' toll.

He said Gildan has "changed its posture and become more accommodating" to unions' demands that it compensate 100,000 Honduran sewers who lost their jobs amid widespread lockdowns. "They already agreed to pay workers in Nicaragua and are now showing a willingness to do so in Honduras, which is a very positive thing."

Dante Mossi, president of the Central American Bank for Economic Integration (Cabei), told WWD that the bank will provide $2.5 billion in "soft" or low-interest loans to help countries rebuild and install more climate resilient infrastructure to guard against future storms or floods. Another $1.7 billion will come from co-financing activities with other multilateral lenders while a $2.5 billion existing COVID-19 aid facility has been extended for another year.

The storms came as Central America was beginning to recover from the pandemic with infections tapering off and rising hopes that the economy would begin to recover. "Countries like Guatemala were surprisingly quick at resuming exports [amid rising U.S. demand] but now these storms will delay shipments, no matter the condition of the actual factories, because a lot of roads and bridges are damaged," Mossi said.

He said Guatemala's apparel export supply chain, centered inland in capital Guatemala City, was spared from the hurricanes. The country makes garments for many U.S labels including Disney, Under Armour, Walmart and Nike.

Source: wwd.com - Nov 21, 2020

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H&M Taps Renewcell to Create Circulose Fibers for Millions of Garments

Fast fashion titan H&M Group is continuing to take steps toward a more sustainable future through an expanded partnership with Swedish textile recycling company Renewcell.

On Thursday, the retailer announced that the working relationship would supply H&M with thousands of tons of virgin quality Circulose fibers, which are made from unusable textile waste like old jeans, T-shirts, and other clothing discarded at an industrial scale. The development brings the brand closer to its goal of achieving circularity, H&M said in a statement, while helping to drive the agenda for sustainability across the industry by supporting material innovation.

One reason that the fashion sector's adoption of circular fibers has been lagging, the group said, is because of the low availability of these solutions at scale. The partnership between H&M and Renewcell will give the supplier a significant boost, as the fiber maker is slated to create enough Circulose over the course of the next five years to produce millions of garments across H&M's different brands.

"In continuing our long-term partnership with Renewcell, this agreement is an important milestone not only for H&M Group, but also for the wider industry in terms of having a circular product like theirs available at scale," H&M's head of sustainability, Pascal Brun, said in a statement.

"To become fully circular and achieve our 2030 goal that all our materials should be either recycled or sourced in a more sustainable way, we need to ensure materials such as Circulose are a core part of our material portfolio going forward," Brun addef.

H&M has been a longtime partner to Renewcell, having first partnered with the startup upon its inception in 2012. In 2017, the retailer's investment arm, CO:LAB, committed to funding the textile recycler's advancement and expansion, and H&M became the first retailer to use Circulose fibers in March when it debuted its Conscious Exclusive collection. A blue day dress inspired by the French Riviera was the introductory H&M product made with Circulose.

“This is the piece that finally proves—recycling finally works,” Circulose head of brand Harald Cavalli-Björkman said at the time.

“We are proud to have taken the next step in our long relationship with H&M Group, a global industry leader that once again puts its words into action to change fashion,” Patrik Lundström, Renewcell’s CEO, said of the partnership. “I believe that this kind of partnership will become a model for how fashion brands integrate innovations to reduce their negative impact on climate and the environment.”

In December, H&M will release its newest Conscious Collection, containing a number of eco-friendly textiles and materials—some debuting on the market for the first time.

Circular Systems’ Agraloop Biofiber, which is made from oil-seed hemp waste, and Naia Renew, a closed-loop cellulosic fiber made with 60 percent wood pulp and 40 percent recycled plastic waste, will both be used in the construction of taffeta and jacquard evening gowns. We aRe SpinDye’s SpinDye technology, an environmentally friendly dyeing method, and Made of Air, a carbon-negative plastic, are also used in apparel and sunglasses from the line.

Source: sourcingjournal.com – Nov 22, 2020

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Iran-Pakistan online business forum to be held on Dec. 8

The conference will hold bilateral talks on cooperation in energy, tourism, transportation, food, agriculture, pharmaceuticals, health, clothing, textiles and leather fields.

Expansion of trade with Pakistan, and boosting exports to this neighbor is one of Iran's priorities.

In a recent visit to Pakistan, Head of Iran’s Trade Promotion Organization (TPO) Hamid Zadboum met with Pakistan’s deputy economic affairs minister to discuss the expansion of trade ties with the neighboring country.

In the meeting, the officials reviewed important axes of trade, investment, and transportation between the two countries, and decided that the next meeting of the Joint Economic Committee of the two countries will be held in Tehran next month.

To be hosted by the Industry, Mining and Trade Ministry, the fifth meeting of the two countries' Free Trade Committee was also decided to be held on the sidelines of the joint economic committee meeting.

Iran's exports to Pakistan in the past Iranian calendar year (ended on March 19) was $1.18 billion, but in the meantime, financial and banking problems have still created obstacles in the way of trade relations with this country.

And although due to the banking and financial problems, barter trade with Pakistan is still emphasized by Iran; experts and those active in the economic fields believe that Iran should seriously pursue the idea of a bilateral joint bank with Pakistan, while taking trade facilitation measures in line with signing agreements.

Last month, in a meeting with the Pakistani ambassador to Tehran, the head of Iran's Trade Promotion Organization stressed his country's desire to have a free trade agreement with Pakistan.

Referring to the existence of a preferential trade agreement between the two sides, Hamid Zadboum stressed Iran's willingness for a free trade agreement with this country.

Emphasizing the need for Iranian and Pakistani officials to pay serious attention to removing obstacles to expanding trade relations between the two countries, the official said: "According to the studies, Pakistan has the highest potential among Iran's 15 neighbors and is the first country with which Iran is willing to develop trade."

Expansion of border trade between the two countries is another issue that Iran is seriously pursued.

The value of Iran's exports to Pakistan through the border in the southeast of the country has risen 26 percent during the first quarter of the current Iranian calendar year (March 20-June 20), compared to the same period of time in the previous year.

More activities of Iran-Pakistan Joint Chamber of Commerce especially in the border areas is the other important approach to be adopted in line with the expansion of bilateral ties.

Source: tehrantimes.com – Nov 22, 2020

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Bangladesh home textile export witnessing a boom

Recent data from the Export Promotion Bureau (EPB) showing that in the July-October period the home textile export climbed 47.86% to $354.25 million this year from $239.59 million last year.

The export number also indicates an 18.24% growth than the quarterly target of $299.61 million set by the government earlier.

In the previous fiscal year, Bangladesh's home textile sector earned $758.91 million.

Besides the everyday items such as bedsheets, curtains, kitchen linen, napkins and covers for quilts, blankets, comforters and cushions; items like hospital bed sheets and gowns have skyrocketed amid the COVID-19 pandemic worldwide.

As more and more people are staying home, and even at hospitals, is resultant in a thriving trade for the seemingly inobtrusive fabric.
Rashed Mosharraf, General Manager for Marketing and Head of Operations of Zaber & Zubair Fabrics said, “The shipments from Bangladesh increased mainly because its use has increased.”

Because of the COVID-19 pandemic, people are staying inside for extended periods, and this has augmented the use of home textiles a lot, said the official of the country's major home textile exporter with annual figures reaching some $200 million.

Though sales of garment items declined in retail stores in the European and American markets, that of home textiles improved, he said.

As the tourism industry came to a halt with hotels shut – decreasing the home textile with it – but this, in turn, is countering the reduction in sales of fabrics and sheets used in hotels and airplanes during the pandemic.

Industry experts say Bangladesh has become the main source for home textile because of massive investments made by local entrepreneurs. As a consequence, Bangladeshi manufacturers can also supply a massive quantity of requirements of buyers.

According to Monsoor Ahmed, secretary of the Bangladesh Textile Mills Association (BTMA), more than Tk 25,000 crore has been invested in the homes textile sector over the last couple of decades in Bangladesh.

Monsoor also said local exporters would end up shipping more than $1 billion worth of home textile from the country in a year.

The dyeing and other businesses associated with the home textiles sector are employing thousands of workers across the country, said Ahmed.

Source: textiletoday.com.bd– Nov 22, 2020

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Bangladesh: Second wave starts taking a toll on garment export

Buyers place 30pc fewer orders

Just as Bangladesh's main foreign currency-earning apparel sector had begun recouping from shocks to its exports, a second wave of the coronavirus pandemic has started inflicting damages again.

This is because international clothing retailers and brands have placed 30 per cent fewer work orders year-on-year for the next four months starting December.

The figure on the export season came up as preliminary findings of a survey carried out last week among 50 out of 350 major factories by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Research by The Daily Star revealed similar findings of local suppliers receiving fewer work orders.

Buyers have been taking a lot of time to decide and place work orders and are not seeking the same volumes of the last export season due to the second wave that has already jolted the Western world and economy.

The fear of contracting Covid-19 has kept buyers from travelling freely, a practice aimed at checking proper work environments, product quality, compliance and establishing better business communication.

Since they cannot come on visits to factories in Bangladesh, they have currently reduced the volume of work orders for factories here.

For instance, a buyer was supposed to come to the factory of Shahidul Haque Mukul, managing director of Adams Apparels, from France last week but could not because of the second pandemic wave in France.
Though the buyer assured that an order would be placed, Mukul was still in the dark as to when.

Similarly, a Brazilian buyer of Mukul was supposed to reissue an order for 60,000 pieces of trousers previously suspended for the first wave of the pandemic.

"However, my buyer could take only 20,000 out of 60,000 pieces so far with the recovery from the first wave. But this buyer again put a halt on the orders," Mukul told The Daily Star over the phone.

"The inflow of work orders is slow, and the buyers are confused because of the current Covid situation in the Western world," he said.

Like Mukul, almost all suppliers have been facing similar kinds of problems arising from the buyers because of a second wave of the coronavirus pandemic. Unfortunately, the buyers are also offering lower prices to the suppliers, Mukul said.

Mahmud Hasan Khan Babu, managing director of Rising Group, a leading garment exporter, said the second wave was already having an effect on his factory.

In the case of knitwear, the buyers had placed 20 per cent fewer work orders compared to the last season because of fresh lockdowns in some places in Europe, his main export destination.

But, in case of woven, his buyers placed the same volume of work orders as that of the last season, he said.

"Buyers are delaying in placing the projected work orders, but they are pushing us for quick catering to the orders which have already been placed," Khan said over the phone.

He said although the buyers were promising to come back with work orders with improvements to the Covid situation, the suppliers would by this time face a gap in production and associated sales, which posed a danger to the sustenance of the business.

The small and medium enterprises are the main victims from the overall pandemic as they have a lesser capacity to cope up with work order losses.

For instance, Ahmed F Rahman, managing director of Kappa Fashions which employs nearly 1,000 workers, received 30 per cent fewer work orders.

On an average, he churns out one million t-shirts and polo shirts every month from his factory, but this month he received work orders for only 700,000, as buyers were very cautious about placing work orders fearing that they would not be able to sell those for the second wave.

A company in German already owes him over $150,000 and is citing excuses of being under the process of liquidation. Other buyers are even negotiating over prices in work orders that have already been placed, he said.

"This time I am very cautious (about which people to do business with) so that I do not face any work orders cancellation and non-payment from my buyers," said Rahman.

Data of the July-September 2020-21 period shows that exports to non-traditional markets suffered the most while that to the European Union and the US maintained stable growth, which actually helped Bangladesh make a turnaround in its exports.

"Now since Europe has entered into a fresh wave of COVID infection, emergencies and lockdowns are being declared in many countries including France, Germany, Belgium and Greece, and more are feared to follow the trail...," said BGMEA President Rubana Huq.

"...it would be difficult for us to cope up if the EU's demand for clothing and its sourcing is troubled further. This is worrying for us since Europe is our major market," she told The Daily Star a few days ago.

Huq in an audio message yesterday said the retailers and brands were making delays in placing work orders.

The factories will have to suffer if the retailers and brands delay the placing of work orders because the factories will have to keep the capacity idle if there is no work order from the buyers.

The World Trade Organization (WTO) yesterday said world merchandise trade appears to have rebounded strongly after plummeting in the midst of the Covid-19 pandemic, but whether growth can be sustained going forward was unclear.

A sharp rise in the barometer of trade index was driven by a surge in export orders, but mixed readings in other components and the resurgence of Covid-19 could weigh on trade in the coming months.

Trade-related uncertainty remains high. The second wave of Covid-19 infection is already underway in Europe and North America, leading to renewed lockdowns that could trigger another round of business closures and financial distress, said the WTO.

On a more positive note, progress has been reported in the development of a vaccine, but when and how it might be deployed is not yet known, according to the WTO.

Source: thedailystar.net– Nov 22, 2020

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Pakistan: Knitwear exporters expect 5pc share in global trade

Pakistan can increase share of knitwear exports in the global trade to 5 percent from the existing 1.2 percent if the government ensures smooth supply of raw materials and addresses other concerns of businesses, industry's association said on Saturday.

Pakistan Hosiery Manufacturers and Exporters Association (PHMA) said Knitwear exports rose 12.3 percent to $1.2 billion during the first four months of the current fiscal year.

Global exports of knitwear stood at $237 billion in 2019 with share of Pakistan standing at 1.2 percent or $2.8 billion.

"We feel that this share needs to be increased to 4 to 5 percent with mutual planning of exporters and government," PHMA said in a statement.

"If the government genuinely considers proposals of knitwear sector, addresses all their problems, and assures smooth availability of basic raw materials, knitwear garment sector can further enhance its export by approximately 30 to 50 percent annually."

Cotton production fell from 6.85 million bales to 4.02 million bales, down 41.3 percent, according to a latest report.

"This shortfall will bring dreadful effects on textile exports specially knitwear (hosiery) sector, which is labour-intensive and provides approximately 40 percent of urban employment particularly to female workforce," PHMA said. "Therefore, government should allow duty free import of cotton yarn much like duty free import of cotton."

PHMA said temporary import / export facilitation schemes, such as duty and tax remission for exports need to be simplified to enable small and medium exporters to avail the benefits of these schemes to enhance productivity and capture more share of world exports.

The government was also urged to provide a level-playing field and benefits / relief that exporters of competing countries get to compete in the international market.

Exporters of knitwear achieved the milestone of increasing exports despite COVID-19 challenges. The government took measures for enhancement of exports by according priority to export sectors and introducing separate tariff of gas and electricity for five zero rated export sector enabling them to enhance the export.

Source: thenews.com.pk– Nov 22, 2020

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Pakistan: Textile sector facing raw material shortage

Textile exporters have urged the government to abolish customs and regulatory duties on the import of cotton yarn, citing that apparel and home textile sectors are facing shortage of basic raw material, which may lead to a drastic decline in textile exports.

A huge number of export orders are being received by the value-added knitwear industry, however, exporters are unable to finalise them due to unavailability of cotton yarn at competitive prices in the country.

It was stated by Pakistan Hosiery Manufacturers and Exporters Association (PHMA) Zonal Chairman Faisal Mehboob Sheikh and Chief Coordinator Adil Butt in a joint statement on Friday.

Sheikh requested the government to remove restrictions on duty-free import of cotton yarn from all neighbouring countries in order to encourage exporters to compete in the international market.

“Our value-added knitwear sector is facing immense pressure from high cost of doing business, rising utility rates and several other problems,” he said.

Sheikh lamented that a huge number of weaving units had already closed down and higher prices coupled with unavailability of cotton yarn would damage value-added textile exports, which would result in closure of a large number of export-oriented units.

He stressed the need for amending rules, simplifying tax laws and automating business processes to steer transparency in the system to facilitate small and medium businesses in the value-added knitwear industry in a bid to boost exports. He called for implementing the vision of Prime Minister Imran Khan in a true spirit by simplifying export schemes.

Source: tribune.com.pk– Nov 21, 2020

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Pakistan: ‘50pc fall’ in cotton production rattles growers, textile industry

A massive decline in cotton production has severely impacted the industry associated directly and indirectly, leaving growers, ginners, the textile industry and others with no option but to face the tough situation.

This, coupled with inflation, has resulted in a rise in prices of the locally manufactured garments, hosiery, fabric, finished fabric and other products by 20 to 25 per cent.

“Pakistan continues facing a massive decline in cotton production for some years, dropping to almost 50pc. At present, our cotton bales production ranges between seven and 7.5 million bales that was at least 13 million previously. This has left us with no option but to import raw cotton from the US, Brazil and Egypt,” All Pakistan Textile Mills Association (Punjab) Chairman Adil Bashir told Dawn on Saturday.

The textile industry (the single major buyer of the locally produced cotton) imported cotton each year irrespective of the increase or decrease in local production. The industry is of the view that since the local cotton quality is declining fast besides a fall in production, it had no option but to import.

“The rates of imported and locally produced cotton are almost the same now, and sometimes we feel the cost of imported cotton is a bit less than the local one. But frankly we wish to first buy our own cotton (if available) since its shortage is disturbing the entire chain,” Mr Bashir added.

He said the situation was very tough for the small textile exporter, who was unable to import and dependent on local production.

Pakistan Textile Exporters Association Secretary General Azizullah Goheer told Dawn that the massive decline in cotton production had disturbed the small exporter as well as the end user.

"While you have no capacity to import cotton, you will have no option but to buy the locally produced cotton that is already very costly due to a shortage. Moreover, if you buy the cotton from abroad through commercial exporters, it will also cost you very high. Ultimately, it will increase the cost of production of various finished goods for local consumption," he maintained.

Pakistan Kissan Ittehad President Khalid Khokhar termed the farmer and end user "losers" in the whole scenario. He criticised the government for doing nothing to upgrade the existing mechanisms from cotton sowing to production to selling at good price.

"In the whole world, there is a support price for cotton. But unfortunately not us," he deplored.

He said most countries, including India, preferred research, use of innovative technology related to germination and sowing of best seed and other methods to avert various environmental and other impacts on the cotton crop. "But the situation is quite opposite in Pakistan."

He dispelled the impression created by the millers of low quality and accused them of blackmailing the growers by not buying their produce despite its availability.

"I admit that cotton production has reduced to at least five million bales due to various issues (seed, pesticides, technology). But that doesn't mean it is either not available or substandard. Our cotton is handpicked and of good quality. But they (the millers) prefer to import to force growers to sell cotton at a low price."

Khokhar urged the government to immediately announce a fair support price of cotton, and help growers use innovative technology for sowing and production.

Cotton Commissioner Khalid Abdullah was not available for comment.

Source: dawn.com – Nov 22, 2020

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NATIONAL NEWS

RCEP Without India Paves Way For USA-India Free Trade Agreement – Analysis

The Regional Comprehensive Economic Partnership (RCEP) is ready for launching. Fifteen nations (ASEAN 10, China, Japan, South Korea, Australia and New Zealand) signed the trade deal in Vietnam on November 15, 2020. For its part, India, even though the trade block is Asian based, opted out of the agreement in 2019. It will be the biggest trade block in the world, until USA joins TPP under the new regime of President Joe Biden.

India viewed RCEP as an obstacle to its export and a new gateway for imports from China. Xenophobia loomed large as India will act as a buying market. It is the fourth largest market in the trade block. As it is a China-backed free trade block, it will have larger stake in decision making. India has its widest trade deficit with China. India's participation in the trade block would accelerate China's export with the duty free entry facilities.

China does not have an FTA with India. RCEP would have been a new gateway for China's duty free entry in India, had India joined it. So far, China made backdoor entry through its ASEAN-China FTA. India alleged that the Rules of Origin in RCEP was loose and has not taken much care to check the abuse of value addition norm, which is likely to be perpetuated by China. Trade deficit is another issue which was not addressed. India was disappointed for not opening the IT sector in the block.

India has FTAs with many of the member countries in RCEP, such as ASEAN, Japan and South Korea. But, in none of the deals, India could enjoy windfalls. Evidences show that India faced larger flow of imports from these countries, in particular ASEAN in the post FTA, which damaged its domestic industries. This triggered vehement protests against RCEP.

For years, India shot down the FTA with USA. USA was eager and India was cool. Former US Ambassador to India Kennth Juster mulled an FTA with India. Situation made a volte-face, after USA became the biggest trading partner of India in 2018-19. Hitherto, China was the biggest trading partner of India for over five years. The difference was that while trade buoyancy with USA was driven by India exporting more and importing less, in case of China it was more import by India and less export to China.

This demonstrates that FTA with USA would be more beneficial for India. Export has become imperative to rejuvenate the economy in Modi 2 period. India targets US$5 trillion economy by 2024-25. To achieve this, India targeted export at US $660 billion by 2024-25. To this end, Commerce Minister Piyush Goyal's endeavor to embrace a new trade deal with the USA is justified, despite several niggling issues. In US-India Strategic Partnership Forum, he decoded that both countries have agreed to broad contours of proposed trade packages, after closing the pending gaps.

India was embroiled in trade confrontation during Trump regime. The USA's withdrawal of GSP benefits and high tariffs on steel and aluminum were hyped to dent the heyday of India-US trade relation. Notwithstanding, its exports to USA rose in 2019-20.

Basket of exports to USA is another important parameter which edge out the other nations with whom India has FTAS. USA is the biggest importer of ready made garments, marine products, diamonds, which generate big employment in the country. Both World Bank and Peterson Institutes studies have predicted significant gains for both USA and India, if a free trade agreement is concluded. In addition, the USA is the biggest importer of India IT services.

Given these, ethical wisdom suggests that India should advocate FTA with USA. This will not only bring two countries closer to each other, but will also dilute the trade confrontation which erupted during Trump administration. Further, USA- India FTA will leverage a greater scope for India's exports to USA against stiff competition from member countries, had USA rejoin FTA. Export of garment is a case in point.

Textile, including garment, is the single major item of India's export. The USA alone accounts for 40 percent of India's total export of textiles. Vietnam, as a member of TPP, is the toughest competitor to India. It is the second biggest exporter of readymade garments to the USA (after China). Against this backdrop, India's FTA with USA will largely dilute Vietnamese trade competitiveness to USA.

With tariffs done away under FTA, trade related investment will witness a better scope. The USA has the advantages of technology and financial muscles and India has an edge in providing low cost production base and big domestic demand. FTA will encourage US investors to invest in India in lure of low cost production, while importing high tech products duty free as inputs. Eventually, it will help in reducing trade deficit.

Even though President-elect Joe Biden did not mention any plan to rejoin TPP (Trans-Pacific Partnership) during his Presidential election campaign, it does not mean that he may not have a second thought on it. During the Obama Presidency, Biden, as Vice President, was an active promoter of TPP. In his election campaign he warned that, "either China is going to write rules of the road for 21st century on trade or are we". President Donald Trump too, after a year of exiting from TPP, pondered rejoining the trade block.

Source: eurasiareview.com– Nov 22, 2020

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India set to resume talks on free trade agreements with EU, US

India, which has not signed any trade agreement since 2012, will soon revive talks on the possible free trade agreement (FTA) with the European Union and the US.

Even as the Narendra Modi government opted out of the Regional Comprehensive Economic Partnership (RCEP), it is keen on inking trade deals with other economic blocs, a highly placed source said, adding that India could gain significantly amid a growing anti-China sentiment in many parts of the world.

The EU is India's largest trading partner accounting for 11.1 per cent of total Indian trade, on par with the US and ahead of China (10.7 per cent)."We are positive that FTAs with the EU and US will benefit India and talks will be resumed," Gopal Krishna Agarwal, the Bharatiya Janata Party's national spokesperson on economic affairs, said.

"India is not opposed to trade agreements with other countries, though now that seems to be the popular notion after we exited the RCEP, we understand the need to remain globally and regionally integrated," Agarwal added.

After intense negotiations for an FTA with the EU, talks have been stalled since 2013 after differences on various issues could not be ironed out.

Other Asian nations looking at trade deals with the west, Vietnam has already inked one, which is emerging as a formidable competition to many economies, has already signed at a trade pact with the EU.

“The European economy needs now every opportunity to restore its strength after the crisis triggered by the coronavirus,” Ursula von der Leyen, President of the European Commission, said in a statement.

“India should not waste time now. It must act fast before other countries seal the deals,” Federation of Indian Export Organisations (FIEO) president S.K. Saraf told Indianarrative.com. “We must revive talks on the stalled FTAs and other trade pacts to cash in on the changing geopolitical order. The current anti-China sentiment in Europe could help India at this point and we must not waste an opportunity.”

Typically, trade agreements including the one with Association of Southeast Asian Nations (Asean) have not worked in India’s favour but experts opined that New Delhi must remain engaged with other countries not only to boost trade but also to be heard in the global community.

Foreign Secretary Harsh Shringla’s seven-day trip to Europe just a few weeks ago is being seen as an important development in this direction. On Thursday the first stand-alone India-Luxembourg summit between Prime Minister Narendra Modi and his counterpart Xavier Bettel was held via video conferencing, where the former underlined the need to expand trade and economic co-operation between India and the EU.

The RSS-affiliated Swadeshi Jagran Manch has not been in favour of multilateral trade agreements. It instead said that India must focus on strengthening the Atmanirbhar India plank.

“India cannot afford to have the Bombay Club which existed in the early 1990s, there is need to remain connected with other countries and that includes trade and economic co-operation,” Sanjaya Baru, economist and media adviser to former Prime Minister Manmohan Singh had said earlier. The Bombay Club, comprised eminent Indian industrialists who while supporting the process of economic liberalisation in 1993 sought protection and measures for a level-playing field.

Source: business-standard.com– Nov 22, 2020

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How does India solve a problem like RCEP?

The world's largest trading bloc, Regional Comprehensive Economic Partnership (RCEP), which was signed into existence a week back, may skew the way global supply chains work in favour of South East and East Asia forcing India and other emerging economies to scramble to sign up new trade pacts to avoid being left out in the cold.

The mega trade pact, concluded between China, the Asean nations, Australia, New Zealand, Japan and South Korea, delivers a single set of rules covering all countries, making trade simpler and reducing costs for businesses.

The rules RCEP has carved out also allows trade in components produced by any member country to be treated equally by others. Global credit issuance giant Euler Hermes calculates this could boost merchandise exports among RCEP members by nearly $90 billion a year on average, incentivising firms to locate their supply chains within the trading bloc.

"The RCEP trade pact with its tariff reduction plan and rules of origin will make it very attractive in many cases for companies to source much of their global supply chain from within the region, which could place others at a disadvantage," said Dr Arpita Mukherjee, professor at Indian Council for Research on International Economic Relations (ICRIER).

The average tariff of Asean countries on imports from RCEP partners had already dropped from 4.9 per cent in 2005 to 1.8 per cent currently. The low tariff within the trading bloc and treatment of components sourced from each other would, analysts feel, make the region attractive to firms to source products for the world market, besides giving them access to a market which represents 30 per cent of world GDP.

India has been trying to woo firms moving out of China for a variety of reasons including higher costs, the US-China tariff war and desire to be less reliant on one country for supplies. It has slashed corporate taxes, introduced productivity linked incentives and changes investment rules to make itself a more attractive destination.

But, this hasn't been a very successful exercise till date. Most of the Japanese and European firms moving out of China have preferred to shift to Vietnam, Taiwan and even Bangladesh, especially in textiles, food processing and light engineering. Manufacturing as a percentage of India's GDP had fallen to 13.72 per cent in 2019 from 17.30 per cent in 2006, despite India's attempts to attract investments through 'Make in India' programs.

"The other problem is that the tariff structure which has been put in place (in RCEP) will encourage RCEP member states to seek new terms of trade from partners like India if they review their trade agreements or enter into new ones," said Dr Mukherjee. India has free-trade agreements with Asean, Japan and South Korea and is in the process of renegotiating an existing pact with Asean.

While it will be hard for India to now join RCEP given her hostility with China, other free-trade pacts including with India's largest trade partners – European Union and the US – and possible multilateral pacts such the Trans-Pacific Partnership may come India's way and help it join global value chains on its own terms.

However, India will need to negotiate hard and yet be flexible enough to strike deals, or risk being isolated in a world where economic growth depends on membership of 'trading clubs'.

Source: newindianexpress.com– Nov 22, 2020

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Forex reserves increase by over $100 billion since March lockdown; hit lifetime high at $572 billion

Amid a severe hit to the Indian economy by the Covid pandemic in the past eight months, the country's foreign exchange reserves increased by more than $100 billion since the Covid-induced lockdown was enforced in March-end. From $469.9 billion in the week ended March 20, 2020, the forex reserves jumped by $102.8 billion to a lifetime high of $572.7 billion in the week ended November 13, 2020, according to the data released by the Reserve Bank of India.

Importantly, the reserves grew by $4.277 billion from the week ended November 6, 2020. The jump was on account of Foreign Currency Assets (FCA), a major component of the country's reserves, that increased by $5.526 billion to $530.2 billion from $524.7 billion in the preceding week.

However, the gold reserves reduced by $1.233 billion from $37.587 billion to $36.354 billion in the week. On the other hand, the special drawing rights with the International Monetary Fund (IMF) were unchanged from the preceding week at $1.488 billion, the data showed.

Foreign portfolio investors (FPI) have invested Rs 49,553 crore in Indian markets in November so far on the back of high liquidity along with improving global indicators and clarity after the US presidential elections, PTI reported. The investment stood at Rs 44,378 crore in equities and Rs 5,175 crore in the debt segment between November 3-20 while FPI's October investment was Rs 22,033 crore. On the other hand, India saw its highest ever Foreign Direct Investment (FDI) during the first five months April-August of the current financial year. The total inflow was $35.73 billion, according to the Ministry of Commerce and Industry that was also 13 per cent up from the year-ago period.

Meanwhile, bank credit grew 5.67 per cent to Rs 104.04 lakh crore in the fortnight ended November 6, 2020, according to the RBI data. The bank credit stood at Rs 98.46 lakh crore in the fortnight ended November 8, 2019. Moreover, deposits had jumped 10.63 per cent to Rs 143.80 lakh crore from Rs 129.98 lakh crore during the said period.

Source: financialexpress.com– Nov 22, 2020

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Plans afoot to cut imports by a fourth

A strategy to trim imports of as much as Rs 10 lakh crore or more than a fourth of India's annual purchases from abroad is in the works, sources told FE. They added the government is also working on a plan to boost exports in two dozen "priority sectors" through elevated local output. The plan is in sync with the Aatmanirbhar Bharat initiative.

A concerted push to step up local manufacturing of quality products will be made, mainly through two schemes — production-linked incentives (PLI) and phased manufacturing plans (PMP). These schemes will not just help create extra capacities by luring large firms and cut imports but also improve exports substantially, a source said. At the same time, as reported by FE, both tariff and non-tariff measures will be put in place, wherever required, to target low-grade imports, which will likely hurt China.

If properly implemented, it will be the biggest drive for import substitution in decades.

The 24 priority sectors include electronics, auto components, textiles, steel, aluminium, marine products, ready-to-eat and processed fruit & vegetable (mango, potato, citrus), agrochemical, electric vehicles and integrated circuits, toys, furniture, ethanol, ceramics, set-top boxes, robotics, televisions, close-circuit cameras, drones, medical devices, sporting goods and gym equipment.

Already, the government this month launched PLI schemes for 10 sectors, on top of the three announced in the wake of the Covid-19 outbreak. The total fiscal incentives are estimated to be close to Rs 2 lakh crore over a five-year period. Most of these 13 sectors — such as auto components, electronics, steel, textiles and processed food — where PLI is rolled out are part of the 24 priority ones.

While boosting local manufacturing, the government is also planning to raise tariffs on a host of items. Earlier this year, industry executives had drawn a list of 1,173 items — ranging from auto parts, compressors for AC and refrigerators to select steel and aluminium products and electrical machinery — for the government to zero in on products/sub-products on which the import duties can be hiked. These items are mostly imported from China and can be substituted with local production without much hassles, sources had said earlier.

Imports of these 1,173 items from China were worth $12 billion in FY19, making up for just 2.3% of India's total imports that year but 17% of New Delhi's purchases from Beijing.

While the move won't be Beijing-specific, it will hurt China the most, as it's the biggest supplier of such low-grade products to India.

However, realising that duty hikes alone won't deter low-grade imports, the commerce and industry ministry is undertaking a drive to harden a crackdown on such products by formulating standards for 371 key products, in the first phase. These products encompassed imports of about $128 billion, or a fourth of the total purchases from overseas, in FY19. Of these, technical regulations for 150 products have already been firmed up. Imports of these 150 products were to the tune of $47 billion in FY19.

India's imports rose by more than 10% year-on-year to $514 billion in FY19, although the purchases from overseas contracted by almost 8% in FY20 and close to 40% in the first half of the current fiscal, mirroring demand compression in the economy before and after the Covid-19 outbreak.

However, once the pandemic is behind us, imports are going to rise, exacerbating trade balance once again. A credible plan to curb "non-essential" imports, therefore, comes in handy, according to the sources.

Merchandise trade deficit widened from $119 billion, or 18.5% of the overall goods trade, in FY16 to $161 billion (20.4% of such trade) in FY20. This is despite the fact that global oil prices mostly remained within the government's comfort zone during this period.

Source: financialexpress.com– Nov 23, 2020

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Only 24% manufacturing units report higher July-Sept output; 18% may invest in capacity addition: FICCI

The share of manufacturing units reporting an uptake in output increased to 24 per cent during the second quarter (July-September) of the financial year 2020-21 up from 10 per cent in Q1, according to FICCI's latest quarterly survey.

As per the responses drawn from more than 300 manufacturing enterprises including both large and MSME units with a combined annual turnover of around Rs 3 lakh crore, the percentage of respondents seeing low or same output stood at 74 per cent during Q2 down from 90 per cent during Q1 of FY21.

The percentage of respondents witnessing higher output had peaked at 61 per cent in Q2 FY19 since Q3 FY17 when it hit 63 per cent. The share had increased slightly from 27 per cent in Q2 FY20 to 38 per cent in Q3 FY20 before falling to 10 per cent in the quarter ended September FY21.

Moreover, the future investment outlook was also subdued as only 18 per cent respondents reported plans to invest for capacity additions for the coming six months vis-à-vis 22 per cent in the preceding quarter.

Among the major constraints impacting expansion plans for manufacturers were "high raw material prices, high cost of finance, shortage of skilled labor and working capital, high logistics cost, low domestic and global demand due to imposition of lockdown across all countries to contain the spread of coronavirus, excess capacities due to high volume of cheap imports into India, etc," according to the survey.

However, on the positive side, the percentage of respondents seeing a rise in exports during the quarter has increased to 24 per cent in comparison to only 8 per cent during Q1 FY21. The hiring outlook, though marginally, also improved from 85 per cent respondents in Q1 not looking to hire an additional workforce to 80 per cent in the said quarter who may hire additional manpower in the coming three months.

Interest rate too has reduced a bit for manufacturers to 9.2 per cent per annum in Q2 versus 9.4 per cent per annum in Q1. "The recent cuts in the repo rate by RBI has not led to a consequential reduction in the lending rate as reported by 55% of the respondents."

Importantly, except medical devices segment, all the sectors are expected to see low growth in Q2 2020-21 based on expectations in multiple sectors primarily due to "the imposition of lockdown, subdued demand, restricted exports and other guidelines in place as a response towards Covid outbreak," the survey added.

Also, among major sectors, leather & footwear and textiles machinery witnessed lowest – only 46 per cent of their active operations post easing of the lockdown. On the other hand, in terms of workforce attendance in factories, leather & footwear again has only 50 per cent of the total workforce engaged in existing operations leading to labour shortage while chemicals, fertilizers & pharmaceuticals saw as high as 88 per cent workers attendance at factories.

Source: financialexpress.com– Nov 22, 2020

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Indian economy to normalise faster than expected: Barclays

India's growth forecast for fiscal 2021-22 was recently raised by Barclays to 8.5 per cent from the earlier 7 per cent. "The prospect of an effective vaccine in the near future and high seroprevalence of antibodies across the population support the case for a more durable economic recovery," Barclays said in a note. India would return to normal faster than expected as the COVID-19 curve starts flattening.

The brokerage, however, revised down its gross domestic product (GDP) forecast for the current fiscal to minus 6.4 per cent from minus 6 per cent earlier. It expects GDP to fall by 8.5 per cent in the second quarter of the current fiscal, almost in line with the Indian central bank's forecast.

The Reserve Bank of India (RBI) recently projected GDP to contract by 8.6 per cent in the July-September quarter. Barclays said it expects growth in GDP will resume in the third quarter of the current financial year, a quarter earlier than the RBI's projection, according to Indian media reports.

Source: fibre2fashion.com– Nov 23, 2020

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Logistics challenges hit exports, imports

Uncertainty over schedule of feeder vessels that come to Thoothukudi and Kochi ports for the last few weeks has hit exports and imports from Coimbatore region.

From garments and food items, a wide range of products are exported and imported from this region and these are mostly through the Kochi and Thoothukudi ports.

Coimbatore Custom House and Steamer Agents Association president P. Subramaniam told The Hindu that the problem started last month because of second wave of COVID-19 spread in Sri Lanka.

Several handling workers at the Colombo port were affected by the disease. Further, there was a labour strike, too, at the port. Only earlier this week, Sri Lanka brought port service under Essential Services so that its operations are not affected.

"A vessel that left India on November 13 is yet to get berth in Colombo port," he said. This has led to uncertainty over arrival and departure schedules of Colombo feeder vessels at Thoothukudi, Chennai, and Kochi ports.

Exported goods are lying in containers and imported products are yet to reach the Indian shores. Transhipment to the European countries and the US are also affected. Further, there is shortage in availability of empty containers. "Last week, about 6,000 containers that should have come to Thoothukudi were not available," he said.

With problems at Colombo, shipping lines are diverting vessels to other ports. This has led to congestion at Singapore port, resulting in delays there too.

Vessel operators and shipping lines are revising their rates. The situation may return to normal only after a few days and this is resulting in higher logistics cost for exporters and importers, he said.

Source: thehindu.com– Nov 22, 2020

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Extend financial, technical support to TN infra projects: CM to Shah

Tamil Nadu Chief Minister K. Palaniswami on Saturday requested Union Home Minister Amit Shah to provide Central government's support for major infrastructure projects in the state in the form of financial and technical aids.

Palaniswami in a letter to Shah requested his intervention for early approval of the Chennai Metro Rail Phase II project with the participation of the government of India on 50:50 equity sharing model, as was done for Phase I of the project.

On Saturday, Shah laid the foundation for the Chennai Metro Rail Phase II project here.

Palaniswami also told Shah that the state government has conveyed to the Central government its willingness to set up mega textile parks and has identified two sites - one each in Dharmapuri and Virudhunagar districts.

He said the Union Ministry of Textiles has proposed to set up mega textile parks in the country in partnership with the states.

Palaniswami also said that Tamil Nadu has proposed to set up a bulk drug park and a medical devices park near Chennai.

"Necessary proposals have been sent to the Department of Pharmaceuticals, government of India. Industry partners and investors have shown keen interest to invest in these parks in Tamil Nadu," Palaniswami said.

The Chief Minister also requested Shah for the central government's financial sanction for the Cauvery-Gundar river linkage project, and expedite the detailed project report for the Godavari-Cauvery linkage project.

Source: daijiworld.com– Nov 21, 2020

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SBI setting up e-commerce platform for MSMEs

Right strategy, governance and technology need to be adopted to mitigate the problems of Micro, Small and Medium Enterprises (MSMEs) said, SBI Managing Director CS Setty.

He said this during a virtual conference-cum-exhibition with the theme ‘Connect with World of Opportunities’ on Friday organised by the Confederation of Indian Industry (CII), Andhra Pradesh.

“SBI is planning to set up an e-commerce portal Bharat Craft to market the products manufactured by MSMEs with the facility of financing options to meet their business requirements,” he added.

AP MSME Development Corporation Chief Executive Officer R Pavana Murthy said the MSME sector has emerged as a highly vibrant one of the Indian economies and in recent years it has achieved a higher growth rate.

He further said that MSMEs play a crucial role in providing large scale employment with a comparatively lower capital and help in industrialisation of rural and backward areas, thereby reducing regional imbalances, assuring equitable distribution of national income and wealth.

Murthy also mentioned that the Andhra Pradesh government has laid emphasis on development of infrastructure by setting up three major seaports, an international airport, and upgrading airports in the state, which will generate huge business opportunities for MSMEs.

Referring to the vision of Prime Minister Narendra Modi to make India a manufacturing hub, Visakhapatnam Special Economic Zone (VSEZ) Development Commissioner A Rama Mohan Reddy said VSEZ provides a single-window clearance and encourages MSMEs to set up units in the SEZ at very reasonable land cost.

CII AP chairman D Ramakrishna felt that industries need to take advantage of digital trade fairs, exhibitions and conferences to explore the business opportunities in the current scenario.

Source: maritimegateway.com– Nov 23, 2020

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Erode Corpn. completes nine Smart City projects

Under the Smart City Mission projects, the Erode Corporation has so far completed nine projects worth ₹ 233.75 crore, while 14 projects are being executed at ₹ 576.33 crore. Other projects are under various tender stages.

The civic body was selected by the Ministry of Housing and Urban Affairs for implementing projects worth ₹ 912.92 crore under Round 4 in 2018-19. In January this year, the civic body bagged 18th rank for showing best performance in implementing projects among 100 Round 4 cities in the country.

Scores in various categories were as follows: 32.61 in project implementation, 7.87 in fund transfer, 13.48 in fund utilisation and 8.5 in compliance. Thus, the civic body with a total score of 62.46 bagged 18th rank in the country. Salem with 70.66 score bagged eighth rank in the country while Erode stood next to Salem among the cities in the State.

A senior engineer in the Corporation said micro compost centres, smart classes, street lights, water supply distribution system and green space development works were completed at ₹ 233.75 crore while underground sewerage scheme, bio-mining, smart roads, development of Perumpallam

Canal, construction of modernised textile market on Gani market premises, shopping hub, incineration plant and installation of CCTV cameras, all at ₹ 576.33 crore, are under execution.

Likewise, tender has been floated for modernisation of bus terminal and providing Integrated Command and Control Centre at ₹ 49.75 crore. Detailed Project Report is being prepared for modernisation of vegetable market and its improvement works, installation of cold storage and the second incineration plant, all at ₹ 18.50 crore.

Source: thehindu.com– Nov 21, 2020

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KVIC Inaugurates Khadi Exhibition in Varanasi; High Altitude Honey from Kashmir and Uttarakhand & Woolens Hog Limelight

A range of exquisite Khadi products including the premium High Altitude Honey from Jammu & Kashmir, handcrafted silk, cotton and woolen clothes and herbal medicines have been put to display at the state level Khadi Exhibition in Varanasi organized by Khadi and Village Industries Commission (KVIC).

The exhibition was inaugurated today by KVIC Chairman Shri Vinai Kumar Saxena. Hundreds of empowered Khadi artisans from 8 States – Uttar Pradesh, J&K, West Bengal, Uttarakhand, Bihar, Jharkhand, Rajasthan and Punjab – have set up 90 stalls in the exhibition, the second such event organized by KVIC since the Covid-19 lockdown.

The exhibition will continue for 15 days, i.e. from November 22 to December 7. In October this year, the first Khadi exhibition after the lockdown was organized in Lucknow.

A number of Khadi institutions and PMEGP Units from J&K with products like high altitude honey, Kashmiri woolen and shawls have been a major attraction at the exhibition. Apart from Kashmir, High altitude honey from Uttarakhand is also attracting a large number of customers who otherwise do not easily find this honey in Varanasi.

Owing to its premium quality and taste, high altitude honey is immensely popular across the country. Prime Minister too has urged beekeepers to increase the production of high altitude honey which has a huge global demand. KVIC has distributed thousands of bee boxes in high altitude areas of Kashmir to local youths that has increased honey production in the Union Territory.

A number of fine products like Muslin fabric from West Bengal, Pashmina shawls and woolens from J&K, Koti Shawls from Punjab, leather products from Kanpur, terracotta pottery from Rajasthan and Uttar Pradesh and pickles, Murabba and Herbal medicine from Rajasthan are the major attractions. A variety of Silk and cotton fabric and readymade clothes from Bihar and Punjab too have been exhibited. A special discount of 30% is being offered on Khadi Fabric and readymade clothes during the exhibition.

KVIC Chairman Shri Saxena said the state level Khadi exhibition at Varanasi was Khadi artisans' stride towards "Aatmanirbhar Bharat" who kept the Charkha spinning during the difficult times to overcome the financial distress.

"This exhibition is a unique platform where people in Varanasi and adjoining areas can buy handmade Khadi products from states like J&K, Rajasthan, West Bengal, Punjab, Uttarakhand and others. This will be a big boost for the 'Vocal for Local' initiative and also promote Khadi," Saxena said.

Notably, Varanasi which is also the Parliamentary Constituency of the Prime Minister, has rolled out a number of activities to promote Khadi and support the artisans. As any as 134 Khadi Institutions are currently working in Varanasi where women comprise nearly 80% of the total workforce.

Source: pib.gov.in– Nov 22, 2020

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