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ASSOCIATION NEWS

An Interactive Session on Business Opportunities in Sharjah Airport International Free (SAIF) Zone, UAE was organized by Associated Chambers of Commerce & Industry (ASSOCHAM) on 14th March, 2022 at Indore Marriot Hotel. It was supported by our Association, Federation of Madhya Pradesh Chambers of Commerce & Industry (FMPCCI) and others. H. E. Saud A IMazrouei, Director, Sharjah Airport International Free Zone (SAIF), Government of Sharjah speaking on the occasion said "We are looking to facilitate industries from India to increase trade relations between both the countries. Micro, Small and Medium Enterprises (MSMEs) of Madhya Pradesh will see extensive growth owing to the Free Trade Agreement (FTA) signed recently between India and United Arab Emirates (UAE). The Agreement will be enhancing agri products, textile and food processing exports from MSMEs of Madhya Pradesh. They are improving infrastructure to suit requirements of industries and hoping to attract investments from Madhya Pradesh, which is known as the hub for MSMEs." Speaking at the occasion, our Chairman Shri Akhilesh Rathi, who is also Vice Chairman, ASSOCHAM Madhya Pradesh State Development Council said, "The Free Trade Agreement (FTA) is a great advantage for Industries of Madhya Pradesh involved in exports of textile and food processing products, who have lot of exposure to the UAE. The Free Trade Pact will further help in reducing competition from rival countries and boost exports from local industries." Shri Irfan Alam Dy. Director, ASSOCHAM said "The trade relations between both the Countries are growing and with this FTA business will further aggravate. This trade will also boost the Government of India's Make in India and Atmanirbhar Bharat initiative by supporting MSMEs. Key areas, where SMEs of Indore can invest are pharmaceuticals, food processing, textiles and so on so forth. Location of SAIF is quite strategic and exports to any part of the World can be made from there.

RAW MATERIAL

1. As per International Cotton Advisory Committee (ICAC) release of 1st March, 2022 the global cotton production for cotton season 2021-22 is projected at 26.11 million tons, the global consumption at 25.67 million tons. The current price forecast of the season Average A. Index for 2021-22 ranges from 101 cents to 120 cents with a midpoint at 109 cents per pound.



2. The latest USDA Report featured a small decrease in 2021-22 World cotton production by 3,00,000 bales to 119.9 million bales and a small increase in global mill-use by 1,11,000 bales to 124.5 million bales. Historical revisions, primarily due to additions to Indian mill-use in 2019-20

and 2020-21, lowered global 2021-22 beginning stocks by 1.3 million bales to 87.3 million bales. The net result was a 1.7 million bales decrease to 82.6 million bales to the forecast for 2021-22 ending stocks.

At the Country-level, the biggest changes to production included those for India (-5,00,000 bales to 26.5 million) and Mexico (+1,50,000 bales to 1.2 million bales). For 2021-22 mill-use, the only revision of 100,000 bales or more was for Mexico (+1,00,000 bales to 2.0 million).

The global trade forecast was lowered by 164,000 bales to 46.3 million. In terms of imports, the largest changes included those for Pakistan (-2,00,000 bales to 5.3 million), Malaysia (-1,00,000 bales to 600,000), and Turkey (+100,000 bales to 5.3 million). In terms of exports, the largest changes included those for Malaysia (-2,50,000 to 2,00,000), Brazil (-2,00,000 bales to 8.0 million), India (-2,00,000 bales to 5.5 million), Australia (+1,00,000 bales to 4.4 million), and Greece (+1,00,000 bales to 1.4 million).

3. World cotton prices are galloping in a horse race style of gambling. There is no shortage any where simply prices move up and down like human pulse rates. A index 136.95 and New York futures @ 123.04 on 15th February, 2022 still peeping out to climb up further. But the persistent demand for textile goods encourages buying spirit to somehow buy, else idling of plant and 3Ms not imaginable. So cotton craze to continue for some more time.

4. Cotton production has been pegged at a three-year low by the Committee on Cotton Production and Consumption (CCPC). The lower closing stock and firm demand will likely keep cotton prices higher in the coming days. In its cotton estimates for 2021-22 (October-September), CCPC has estimated closing stocks at 45.46 lakh bales (of 170 kg each), the lowest after 44.41 lakh bales in 2018-19. CCPC has estimated cotton production at 340.62 lakh bales, also the lowest since 2018-19. The estimates are in line with those of the Agriculture Ministry but below that of Cotton Association of India (CAI) at 343.13 lakh bales. The closing stock estimates are also lower than the 48.13 lakh bales projected by CAI last month. The opening stocks at the start of the current season 2021-22 were 71.84 lakh bales. The CCPC pegged imports at 18.00 lakh bales and exports at 40.00 lakh bales, lower than last season. According to trade sources, 33 lakh bales of cotton have been exported until third week of March, 2022. The overall supply of cotton has been projected at 430.46 lakh bales against consumption of 345.00 lakh bales.

5. With anticipated shortage of cotton in India, Southern India Mills Association (SIMA) has requested the Centre to allow 40 lakh bales duty free import of medium-level staple cotton to avoid job losses and appealed to Prime Minister Shri Narendra Modi for his intervention in cotton policies. The Country has been so far producing surplus cotton and exporting to different countries, including Bangladesh. As per SIMA Chairman, Shri Ravi Sam during the current season, owing to substantial increase in demand and export of around 50 lakh bales, the Country is likely to face 30 to 40 lakh bales cotton shortage.

6. The Confederation of Indian Textile Industry (CITI) organized a virtual



Meeting of all stakeholders in cotton on 28th March, 2022 for discussion on shortage of cotton and prices being quoted around Rs. 90,000 per candy. From the discussion the following points emerged:

- Immediate Removal of 11% Import Duty on Cotton
- Curbing hoarding and speculation by revamping trade under MCX and NCDEX.
- Allow duty free import of 40 lakh bales of cotton to stabilize the prices.
- Impose mandatory declaration of cotton stock with all stakeholders.
- The steep increase in cotton price and its impact on prices of yarns and fabrics is severely impacting the potential growth of the cotton textile value chain.
- It is feared that the industry might face a cotton shortage during August to October resulting in industrial unrest.

POWER

1. The Madhya Pradesh Electricity Regulatory Commission (M.P.E.R.C.) has approved recovery of FCA Charges @ Six Paise Per Unit for April-June, 2022 billing quarter.

2. The Madhya Pradesh Electricity Regulatory Commission has issued Tariff Order for 2022-23 on 31st March, 2022. The Tariff applicable to Textile Industry (HV 3.1) w.e.f. 8th April, 2022 is as under:



Fixed Charges KVA of Billing Demand per Month	2021-22		2022-23	
11KV	Rs. 347.00		Rs. 372.00	
33KV	570.00		597.00	
132/220KV	660.00		682.00	
Energy Charges per unit	Up to 50% LF	Above 50% LF	Up to 50% LF	Above 50% LF
11 KV	Rs. 710	Rs. 6.10	Rs. 7.20	Rs. 6.20
33 KV	7.05	6.00	7.16	6.11
132 KV	6.62	5.65	6.75	5.76
220 KV	6.20	5.20	6.30	5.30

Rebates/incentives applicable to new and existing HT/EHT have been continued without any change.

3. State Power Distribution Companies will get Rs.15,000 crore for improving operational efficiencies and financial sustainability under reform based and result linked Revamped Distribution Sector Scheme (RDSS). Out of the total outlay 60% amount will be borne by the Centre and remaining 40% by the State. The Scheme will be available till 2025-26.

4. The State Energy Minister informed the Assembly on 11th March, 2022 that during last five years the State Government has paid Rs. 12,731.93 crore (including Rs. 2,767.77 crore to Private Companies) to Power Producing Companies under Power Purchase Agreements without purchasing a single unit from them.

MAN POWER

1. Minimum wages payable to various categories of workmen in our State for the period April-September, 2022 are increased by Rs. 325.00 per month due to rise in Consumer Price Index for Industrial Workers and are as under :



Category	Monthly			Daily Wage Rs.
	Basic Rs.	D.A. Rs.	Total Rs.	
Unskilled	6500	2625	9125	351
Semiskilled	7057	2925	9982	384
Skilled	8435	2925	11360	437
Highly Skilled	9735	2925	12660	487

2. The Ministry of Labour & Employment has issued a Gazette Notification on 7th March, 2022 amending Rule 55(1) of Employees Sate Insurance (Central) Rules, 1950 by inserting a new proviso, according to which an insured woman, who is in receipt of maternity benefit and due to reason of which a shorter contribution period is available to her in the contribution period in which the maternity benefit falls, she will be qualified to claim sickness benefit in the corresponding benefit period, if the contribution in respect of her was payable for not less than half the number of days available for working in such contribution period. The amendment is applicable from 20th January, 2022.

3. On 21st March, 2022, Lok Sabha was informed that 27, 23, 21 and 18 States/Union Territories have pre-published Draft Rules under the Code on Wages, 2019, the Industrial Relations Code, 2022, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 respectively.

4. Under the Madhya Pradesh Lok Sevaon ke Prabandhan ki Guarantee Act, 2010, a Notification has been issued on 10th March, 2022 whereby the time limit for issuing various certificates under Factories Act, Contract Labour (Regulation & Abolition) Act, etc. have been prescribed to be 30 days.

5. As per Economic Survey 2021-22 of the State presented in the Assembly on 8th March, 2022 Per Capita Income in the State for 2021-22 has increased by 18.87% to Rs 1,24,685, while it was Rs 1,04,894 in the year 2020-21

LEGAL & TAXATION

1. As per reports, GST Council in its next Meeting may suggest changes to the GST rate structure and may propose a single 15% levy by merging the 12% and 18% slabs, but is wary of proposing an increase in the threshold rate to 8%, from 5%, given growing inflation concerns. The Group of Ministers (GoM) is likely to meet shortly to take a final call on rates and firm up its recommendations.



2. The State Government in its Budget for 2022-23 presented in the State Assembly on 9th March, 2022 has announced relief in levying of Stamp Duty ranging from 0.25% to 0.75% on renewal of Bank Guarantee and transfer of loan from one Bank to another. Now the Government will take charge of the Stamp Duty by fixing a certain amount in place of percentages. Orders awaited.

EXPORT & IMPORT

1. According to the preliminary data on India's merchandise trade for the month of February, 2022, released by the Ministry of Commerce & Industry, exports of cotton yarn/ fabrics/ made-ups, handloom products showed growth of 32.84% in February, 2022, over the same month of the previous year. Man-made yarn, fabric, made-ups, etc. exports increased by 18.54% and apparel by 18.66%.



2. As per information available from the Confederation of Indian Textile Industry (CITI), the exports of Textiles and Apparel during the period April-February, 2021-22 have increased by 42.94% as compared to the exports during the period April-February, 2020-21. The comparative figures of exports of various items are as under:



Value in US\$ Million

Exports	Apr.-Feb. 2020-21	Apr.-Feb 2021-22	% Change
Cotton Yarn/Fabrics/ Made-ups, Handloom Products, etc.	8,772.84	13,950.89	59.94
Man-made Yarn/Fabrics/ Made-ups, etc.	3,346.31	5,083.92	51.93
Jute Mfg. Including Floor Covering	326.84	458.35	40.24
Carpets	1,334.24	1,634.67	22.52
Handicrafts Excluding Handmade Carpets	1,530.81	1,915.88	25.15
Textiles	15,261.04	23,043.71	51.00
Apparel	10,846.26	14,274.83	31.61
Textiles & Apparel	26,107.30	37,318.54	42.94
All Commodities	2,56,551.88	3,74,806.51	46.09
% of T&C to total	10.18	9.96	

3. The import of raw cotton and waste decreased by 40.26% and textile yarn/fabric/made-up articles increased by 6.06% during the month of February, 2022 as compared to the imports during the same month of the previous year. However, the details of imports of these products during April-February, 2022 as compared to same period of previous year are under:

Value in US\$ Million

Imports	Apl-Feb 2020-21	Apl-Feb 2021-22	% Change
Cotton Raw & Waste	345.47	497.26	43.94
Textile Yarn/Fabrics/	1,333.53	1,902.67	42.68

4. Speaking at the Man Made Fibre Conclave – 2022 on 9th March, 2022, the Union Textiles Secretary Shri U. B. Singh said, "I am not too comfortable". "We would not only touch USD 40 billion exports target, (but) we should be crossing the USD 40 billion mark this year as far as exports are concerned."

5. The Cotton Textile Export Promotion Council (Texprocil) made a statement that export of cotton textile products - made-ups (including home textiles), fabrics and yarns - reached \$13.95 billion between April 2021 and February, 2022, surpassing the target of \$ 12.5 billion fixed by the Government. There is an increase in export of all the products in the cotton textiles value chain and in different geographies such as Egypt, the U.S., Bangladesh, Vietnam and China. According to Shri Manoj Patodia, Chairman, Texprocil "Exports of cotton textiles have exceeded the target by 102% in 11 months, which is a landmark achievement in the history of cotton textile exports. Several factors contributed to the growth of exports - pent-up demand, ban on Xinjiang cotton, extension of the RoSCTL Scheme for Made-ups and Garments for three years till 31st March, 2024 and coverage of the entire value chain under the RODTEP scheme.

6. Apparel Export Promotion Council (AEPC), Chairman Shri Narendra Goenka said that India crossing \$400 billion merchandise exports marks the beginning of an era of exponential growth and dominance in world trade. "Indian exports crossing \$400 billion is not just a remarkable achievement but will prove to be a landmark in the history of India's global trade. From here, the growth rates are going to be exponential all thanks to the visionary leadership provided by Pradhan Mantri Shri Narendra Modi,". Congratulating the Government, the industry and the workers in achieving the ambitious goods export target of \$400 billion nine days ahead of the schedule for fiscal 2021-22, the Chairman said that it was all possible due to the various Government incentives to boost manufacturing across sectors and the policy of Made in India for the World. "India has comfortably surpassed its highest-ever exports of \$330 billion in 2018- 19.

7. According to Shri Piyush Goyal, Union Textile Minister- Export of Cotton Yarn/Fabrics/Made-ups, Handloom Products, etc. Gems and Jewellery, Other Cereals and Man-Made Yarn/Fabrics./Made-up, etc. have registered a growth rate between 50%-60%. The smooth roll out of RoDTEP and

RoSCTL even in the midst of the pandemic reflects the strong resolve of the Government to walk the talk. The Interest Equalisation Scheme has been extended to exporters and is likely to benefit a large number of MSME exporters.

8. Textile exporters may soon get a fresh set of incentives to expand their business in European and other markets, according to proposals being considered at the Commerce Ministry. The proposed incentives are being discussed at a time when the European Union's proposed Carbon Border Adjustment Mechanism can see higher tariff on Indian goods. Government is opposed to the proposed levy, as it might make it more difficult for Indian companies to compete against China and other manufacturing hubs.

9. In a Meeting with Commerce and Industry Ministry on 8th March, 2022, the exporters said that freight support is much required. With crude oil prices soaring to their highest since 2008 at \$139 per barrel amid the Russia-Ukraine conflict, container rates have risen ten-fold in less than a fortnight, while war insurance premiums are up 3-5 percent.

10. As per reports, the Government's preoccupation with the fall outs of the Russia-Ukraine war and the lingering disruptions caused by the Covid-19 has delayed the new five-year Foreign Trade Policy (FTP) by another six months as Inter-Ministerial consultations are not over yet. By an Order dated 31st March, 2022, the Foreign Trade Policy 2015-2020 has been extended till 30th September, 2022.

11. The Reserve Bank of India has issued on 8th March, 2022 a Circular regarding Extension of Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit till 31st March, 2024. The interest equalization rates under the Scheme will now be 3% for MSME manufacturer exporters, 2% for manufacturing exporters and merchant exporters.

STATE OF THE INDUSTRY

1. The quick estimates of Index of Industrial Production (IIP) for the month of January, 2022 released on 11th March, 2022 with base 2011-12 stands at 138.40 as against 136.60 for January, 2021. The Index of Textile Sector are as under:

Items	For the Month		Cumulative		% Growth
	Jan 2021	Jan 2022	Apl-Jan. 2020-21	Apl-Jan. 2021-22	Apl-Jan. 2021-22
Textiles	115.3	123.5	86.0	118.3	37.6
Wearing Apparel	129.4	157.6	101.7	130.4	28.2

2. Inaugurating a Virtual Conference on '\$450 Billion Global MMF Textiles Trade: Growth Beacon for the Indian Textile Industry', organised by the Confederation of Indian Textile Industry (CITI) on 9th March, 2022, the Union Minister of State for Textiles Smt. Darshana Vikram Jardosh said India had a long way to go to emerge as a leading manufacturer of MMF textile products globally. While the industry would face stiff competition from established players in the sector - China, Taiwan, South Korea, etc. Increasing labour and manufacturing costs in these countries would give ample opportunities for Indian players. The Indian industry could attract global investments to produce high value-added MMF products. Industry captains should give thrust to the MMF sector by investing in it and taking maximum advantage of schemes such as Production Linked Incentive, PM MITRA, etc. It will not only increase India's share in the global trade but also provide huge employment opportunities for the Indian youth.

3. Ministry of Textiles in partnership with Confederation of Indian Industry (CII) organized the International Conference on Technical Textiles on 12th March, 2022 with the theme 'Creating the Winning Leap in Technical Textiles'. In addition, there was an exclusive CEO session chaired by Hon'ble Minister of State for Textiles. The Hon'ble Minister of State of Textiles Smt. Darshana Vikram Jardosh speaking at the Conference highlighted the importance of technical textiles for boosting the economy of

the Country and its potential to contribute to the Hon'ble Prime Minister's Mission on 'Atmanirbharta' and emphasized that it is the right time to maximize investment, employment, and women's participation in the industry. The flagship Conference focused on various sessions including



Growth & Investment potential in Technical Textiles, Waste material applications in technical textiles, Geo-textiles, Agro-textiles, Specialty Fibres, Protective textiles, Sports textiles, and Medical textiles.

4. Shri Piyush Goyal, Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, on 12th March, 2022 said the next Textile Sector Unicorn should come from the Institute of Chemical Technology (ICT). Addressing the e-Summit 2022 of the Institute at Mumbai on Atmanirbhara Renaissance, he called upon the ICT students to take the leadership in Tex-preneurship, the Textiles sector entrepreneurship. Shri Goyal said the ICT has one of India's best Fibres & Textile technology Department in the Country. The ICT has a distinguished alumni like Shri Mukesh Ambani of Reliance Industries, Shri Indravadan Modi of Cadila Pharmaceuticals, Shri Nilesh Gupta of Lupin Limited and Shri Ashwin Dani of Asian Paints.

5. According to reports, the Government is considering a proposal to extend the validity of its flagship capital investment scheme TUFS for the textiles and garment sector beyond 31st March, 2022 until a new programme, which is in the works, is finalized.

6. As per reports, the Government is firming up a Rs 16,635 crore programme that will not just replace its decades-old flagship incentive scheme for capital investments in textiles and garments but also promote integrated manufacturing facilities and technology adoption in a big way to enable India to regain its lost share in the global market. The Textiles Technology Development Scheme (TTDS), will substitute the Technology Up-gradation Fund Scheme (TUFS) that is valid until March 31, 2022. However, beneficiaries of Rs 10,683 crore Production-Linked Incentive (PLI) Scheme for textiles won't be able to tap the new Scheme. The Government aims to draw large-scale investments of about Rs 1.1 trillion through the Scheme over five years through March 2027. The draft scheme has two main parts. The first one aims to promote textile machinery manufacturing in India and substitute imports. It proposes to extend incentives of Rs 5,120 crore over the next five years. The second part of the Scheme proposes incentives of Rs. 4,780 crore for investors willing to set up integrated modern manufacturing facilities. Rs. 2,000 crore for incentivize technology upgrade of existing clusters and MSMEs. Rs. 4,615 crore is reserved for clearing all pending claims under MTUFS, RTUFS, RRTUFS and ATUFS. The New Scheme proposes to reimburse 30% of capital investment under textile machinery and 25% of capital investment in plant and machinery by integrated units.

7. Polyester-cotton (PC) yarn prices increased by ₹ 10-15 per kg. in the last week of March, 2022. It is because major spinning mills have raised their offer prices owing to the continuing upward trend in the price of natural fibre. Polyester spun fibre (PSF) prices have also increased due to price rise in crude oil, which is the basic raw material.

Market sources said that price of cotton continued to rise in domestic market, and it neared to ₹90,000 per candy of 356 kg each. ICE cotton noted some respite in early trade of previous session, but it ended with gentle gains.

8. Madhya Pradesh Trade Promotion Council has been constituted to explore international trade opportunities for the State. The objective of the Council is economic development of the State by increasing the State's share in the National and International trade and to improve production quality and value addition to create export and employment opportunities. The Chief Minister would head the Council while its members would be Ministers of Finance, Micro, Small and Medium Enterprises, Forest, Industrial Policy and Investment Promotion, Transport, Science and Technology, Tourism, Horticulture, Cottage and Village Industries,

Agriculture, Technical Education, Skill Development and Labour. Other members would be Vice Chairman MP State Planning Commission and Chief Secretary. Also, there are representatives of State Committees for agriculture and food processing, pharmaceutical, textile and garments, automobiles, engineering and IT. Principal Secretary Industrial Policy and Investment Promotion is the Member Secretary, while Managing Director, MPIDC would be the Member of the Council.

TEXTILES IN PARLIAMENT

In reply to certain questions, the following information was provided to Lok Sabha/Rajya Sabha in respect of Ministry of Textiles this month:



1. According to Hand-loom Census 2019-20 about 35,22,512 handloom workers were employed across the Country, out of which 25,46,285 were women with a share of 72.79% of the total handloom workers. Number of women handloom workers from Madhya Pradesh were 9,269.

2. The estimated production of Man-made fibre, Filament yarn, and Spun yarn for last three years and current year was as under:

Figures in Million Kgs.

	2018-19	2019-20	2020-21	2021-22
M MFibre	1,442	1,898	1,299	1,803
MM Fil. Yarn	1,160	1,688	1,266	1,676
Cotton Yarn	4,208	3,962	2,950	3,410
Blended & 100%Non cotton Yarn	1,682	1,702	1,225	1,462
Total Spun Yarn	5,890	5,664	4,175	4,872

3. The global pandemic of Covid-19 affected the textile sector initially due to restriction on social gathering. However, the situation has improved in recent months and the production and exports have looked up. The exports of textiles and apparel during April-January, 2021-22 is US \$ 34.459 billion posting a growth of 49% over the same period in 2020-21 (US \$ 23.137 billion). Direct employment in the Textile sector is estimated at 45 million. As per latest figures from National Accounts, the contribution of textile industry as % of Industrial Production during 2017-18, 2018-19, 2019-20 has been 7%.

4. A total of 17 Preliminary Project Proposals have been received from 13 State Governments for PM MITRA Parks, which include four proposals from Madhya Pradesh for Ratlam, Dewas, Dhar and Katni.

5. The Ministry has been implementing Scheme for Integrated Textile Park (SITP) to support setting up units of textile value chain, viz. spinning, weaving, processing and garmenting, etc. Under the Scheme 1947 units are operational across the Country.

6. India is currently in the process of negotiating FTAs with EU, Australia, U.K., Canada, Israel and other Countries.