LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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News Highlights

NATIONAL

Average import tariffs must reduce to below 10%’

The new government should look at simplifying the basic customs duty structure, increase exemption limit on Goods and Services Tax (GST), explore changes in Production Linked Incentive (PLI) scheme and put special focus on energy security and ease of doing business reforms, according to think tank Global Trade Research Initiative (GTRI).

The basic customs duty structure has not been reviewed in 20 years resulting in over 27 different duty rates and over 100 specific or mixed duty slabs. Currently, 85% of customs duty revenue comes from less than 10% of tariff lines, while 60% of tariff lines contribute less than 3% of revenue. “With some adjustments, the average import tariff could be reduced from 18.1% to below 10% without impacting important products. This will also counter international criticism of high customs duty in India,” a report by GTRI said.

It recommended an increase in the GST exemption limit from 40 lakh to 1.5 Crores as it will be transformative for India’s MSME sector, promoting job creation and growth. Firms with less than Rs 1.5 Crore turnover make up over 80% of registrations but contribute less than 7% of tax collected.

“The new limit would reduce the GST system’s load from 1.4 Crore taxpayers to less than 23 lakh, allowing for the introduction of invoice-matching for 100% compliance, eliminating fake invoices and tax theft. Increased tax collection will offset the 7% tax loss,” the report said.

GTRI also suggested simplifying the criteria for the PLI scheme as firms now must meet multiple conditions on investment, production, sales, localization, and input types. Many firms that have started production struggle to meet these criteria and miss out on incentives. As a result, less than 5% of the available funds have been used by the end of fourth year of the scheme. Review the criteria and provide incentives to firms that meet the core scheme norms. This will help firms that have invested in manufacturing in India.

It also called for evaluation of performance of Free Trade Agreements (FTAs) to identify areas of improvement and lessons for ongoing FTA negotiations which will ensure that the agreements meet the objectives and benefit the Indian economy. India has 14 FTAs with 22 countries and is negotiating new ones with 49 countries.

India has more than 20 Lakh firms that produce good quality products and services but less than a lakh of these export. Simplifying Reserve Bank of India, banking, Customs, GST and DGFT rules related to e-com export will help them to start exporting Handicrafts, jewellery, ethnic wear, decorative paintings, Ayurveda and many more products.

To cut the industry's reliance on China the report called for adopting a strategic approach. India relies on China for 30% of its industrial product imports, with imports soaring tenfold in the past two decades. China is also the top import supplier in each of the major industrial product categories. As Chinese firms expand their operations in Indian markets, imports are expected to rise further. This escalating dependence calls for a strategic approach to cut reliance on China.

GTRI report also talked of not incentivising the low value added electric vehicles.

Due to restrictions from the US and EU on Chinese EVs, China is shifting its focus to Southeast Asian markets, including India. In a few years, every third EV on Indian roads, as well as numerous passenger and commercial vehicles, could be made by Chinese firms, either independently or through joint ventures with Indian companies. Since current EVs rely heavily on Chinese batteries and parts, accounting for 60-90% of their cost, "It's crucial to balance increased EV adoption with the need to protect and develop the domestic auto industry."

In pharma also the dependence on China has to be curbed through domestic manufacturing as India imports 70% of its Active Pharmaceutical Ingredients (APIs) and over 80% of its biosimilars from its northern neighbour posing a significant risk to industry and national security .

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DGFT wants interest equalisation scheme for exporters to continue

In a move set to bring relief to exporters, the Directorate General of Foreign Trade (DGFT) has concluded that there is merit in continuing the interest equalisation scheme for the export sector and is in discussions with the Finance Ministry on the terms of its extension beyond the month-end, sources have said.

The scheme, which allows exporters of 410 identified products and all MSME exporters to access bank credit at a subsidised interest rate determined by the government, is set to lapse on June 30.

“The DGFT recently consulted export bodies and banks on the usefulness of the interest equalisation scheme. The study had been proposed by the Finance Ministry. It concluded that the scheme was being used by exporters to bring down their cost of credit and hence adding to their competitiveness. The DGFT is thus pushing for its continuation,” an official tracking the development told *businessline*. The DGFT is an attached office of the Ministry of Commerce & Industry.

FinMin may not extend

While the duration of the extension of the scheme is yet to be determined, the Finance Ministry is not in favour of increasing the rates of subvention which has been a big demand of exporters, the official added.

“Exporters want the interest equalisation scheme to be extended by 3-5 years to ensure continuity and predictability. It has to be decided whether the scheme will be extended till the end of the fiscal or beyond for a longer term,” the official said.

First implemented in April 2015 for five years, the interest equalisation scheme provides a 2 per cent interest subvention or subsidy on loans taken by exporters from 410 identified sectors and a 3 per cent subvention to exporters from the MSME sector. While the subsidy is provided by the banks, they are later reimbursed by the government for their lower interest earnings.

In its submission to the government, exporters body FIEO said the interest equalisation scheme for exporters provided much needed competitiveness to Indian exports and also made a case for higher subvention rates arguing that interest rate in India was much higher than the rates in competitor countries.

It also pressed for an increase in subvention rates by 2 per cent pointing out that the rates were reduced when repo rate was brought down to 4.4 per cent but it had subsequently increased to 6.5 per cent.

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Commerce Ministry Plans 100-Day Action Strategy To Boost Trade And Exports

The Commerce Department of India is formulating a comprehensive 100-day action plan aimed at boosting the country's trade and export capabilities, according to senior government officials.

One major element under consideration is allowing special economic zones (SEZs) to sell goods in the domestic market upon payment of applicable duties, reported ET.

This would address a longstanding demand from SEZs to promote value addition within these zones.

Another key proposal is the launch of a 'Trade Connect e-Platform' to serve as a centralized information hub for exporters. The platform would provide data on non-tariff barriers, product identification for exports, updated tariff schedules, and clarity on benefits available under India's existing free trade agreements (FTAs).

Officials state the e-Platform will be modelled after similar successful initiatives pioneered by the United States and Australia.

The 100-day agenda is also set to focus on developing standard operating procedures to streamline and bring efficiency to India's process of negotiating new free trade agreements.

This assumes significance as India has signed several new FTAs since 2021, including pacts with Mauritius, the UAE, Australia and the European Free Trade Association. Moreover, negotiations are ongoing for potential trade agreements with the UK and European Union.

To facilitate growth in ecommerce exports, which are currently valued at around USD 1.5 billion annually, the department is weighing the establishment of dedicated ecommerce export zones.

These zones would serve as aggregation hubs, aiming to capitalise on projections that global cross-border ecommerce could reach USD 800 billion by 2025 and USD 2 trillion by 2030.

The proposals under the 100-day plan come as Commerce and Industry Minister Piyush Goyal begins his second term leading the ministry.

A key goal outlined is driving India's combined goods and services exports to USD 2 trillion by 2030, building on the all-time high of USD 778.2 billion achieved in the fiscal year 2023-2024 – a marginal 0.23 per cent increase over the prior year. Officials state the 100-day initiative stems from Minister Goyal seeking innovative ideas and suggestions from stakeholders within the Commerce Department to bolster India's trade and export performance.

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Centre Approves ₹50 Lakh Grants Each For 7 Startups In Technical Textiles To Boost Innovation And Sustainability

The Ministry of Textiles has approved the startups in Technical Textiles to boost innovation and sustainability and to foster transformative developments that will shape the industry's future. Secretary of the Ministry of Textiles Rachna Shah has said this while chairing the 7th meeting of the Empowered Programme Committee of the National Technical Textiles Mission in New Delhi today. She said, the National Technical Textiles Mission's Grant for Research and Entrepreneurship across Aspiring Innovators in Technical Textiles encourages young innovators, scientists, technologists, and startup ventures in the field of Technical Textiles to translate their ideas into commercial products and make India self-reliant. It supports individual entrepreneurs or start-ups for functional prototypes or commercialization of their technologies for Technical Textiles. The Empowered Programme Committee has approved 7 startup proposals under the GREAT scheme. The Government is providing a maximum fund support of Rs 50 lakhs per startup. As of date, 8 startup proposals have been approved under NTTM, focusing on sustainability, composites, high-performance textiles, Meditech, and smart textiles, driving significant advancements in these crucial areas.

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India's Apr IIP 147.7; IIP Growth Rate 5% YoY; Manufacturing IIP 144.2

India's index of industrial production (IIP) with base 2011-12 stood at 147.7 in April this year against 140.7 in the same month last year, quick estimates by the National Statistics Office (NSO) show.

The IIP for manufacturing for April 2024 stood at 144.2.

The indices stood at 152.2 for primary goods, 95.3 for capital goods, 156.9 for intermediate goods and 183.3 for infrastructure/construction goods for the month.

Further, the indices for consumer durables and consumer non-durables stood at 118.7 and 151 respectively for April.

The IIP growth rate for the month was 5 per cent year on year (YoY). The IIP growth rate of the manufacturing sector for April was 3.9 per cent YoY, a release from the NSO under the ministry of statistics and programme implementation said.

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Exports From India's SEZs Up 4% YoY To $163.69 Bn In FY24

Exports from India’s special economic zones (SEZs) witnessed a rise of over 4 per cent year on year to $163.69 billion in fiscal 2023-24 (FY24) even though total shipments dipped by more than 3 per cent, commerce ministry data showed.
Exports from SEZs were worth $157.24 billion in FY23 and $133 billion in FY22.

SEZs contributed over a third of the country's total outbound shipments in FY24, a news agency reported.

India has approved 423 SEZs, out of which 280 were operational as of March 31 this year. Five thousand seven hundred and eleven units were approved in these zones till December 31, 2023.

As of December 31 last year, over ₹6.92 lakh crore have been invested in these zones and a total of 30.70 lakh people were employed there.

Major export destinations include the United States, the United Arab Emirates, the United Kingdom, Australia and Singapore.

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India's May YoY CPI Inflation Rate 4.75%, 2.74% For Clothing-Footwear

India’s year-on-year inflation rate based on the consumer price index (CPI) was 4.75 per cent in May this year, according to provisional official data.
Corresponding inflation rates for rural and urban areas were 5.28 per cent and 4.15 per cent respectively.

Country-wide inflation based on general CPI was the lowest this May after May 2023. It is less than 6 per cent since September last year, a release from the National Statistics Office (NSO) under the ministry of statistic and programme implementation said.

Among the groups, inflation corresponding to clothing and footwear decreased since last month.

The CPI for clothing and footwear in May was 191.3 (provisional), while the same was 191 (final) in April. The YoY inflation rate for the sector in May was 2.74 per cent.

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India's growth momentum intact, to remain fastest growing Asia-Pacific economy in 2024: Moody's

Ratings agency Moody's has said India will remain the Asia-Pacific region's fastest-growing economy in 2024, sustaining last year's domestically driven momentum.

In a report, Credit Conditions – Asia-Pacific H2 2024 Credit Outlook, released on June 13, the ratings agency said Indonesia, the Philippines and India led the way in terms of growth in first half of 2024 and should continue to outperform pre-COVID growth numbers on the back of rising exports, local demand and government spending on infrastructure.

"India will remain the region's fastest-growing economy, sustaining last year's domestically driven momentum. We anticipate policy continuity after the general election, and a continued focus on infrastructure development and encouragement of private sector investment," Moody's said.

According to the agency stronger portfolio inflows are likely in India and ASEAN economies, because of robust corporate credit metrics and appealing valuations.

Last month, Moody’s Ratings pegged the growth of the Indian economy at 6.6 percent in the current fiscal year. It said strong credit demand, coupled with the robust economic growth will support the non-bank finance companies (NBFCs) sector’s profitability.

"We expect India's economy to expand 6.6 per cent in the year ended March 2025 (FY25) and 6.2 per cent the following year, and this will lead to robust loan growth at NBFCs, mitigating the impact of rising funding costs on their profitability," Moody's Ratings said.

Moody’s FY25 GDP growth predictions are lower than the Reserve Bank of India’s (RBI’s), as well as other agencies, but is at par with Deloitte’s forecast. The RBI had projected a growth of 7 percent in the current fiscal for the Indian economy. Asian Development Bank (ADB) and Fitch Ratings have estimated growth at 7 percent each, while S&P Global Ratings and Morgan Stanley expect growth rate to be at 6.8 percent.

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India to remain fastest growing Asia-Pacific economy, says Moody's

Fuelled by domestic demand growth, India is expected to remain the region's fastest-growing economy in the Asia-Pacific region in the second half of the year 2024, said credit rating agency Moody's Ratings on Thursday.

“India will remain the region's fastest-growing economy, sustaining last year’s domestically driven momentum. We anticipate policy continuity after the general election, and a continued focus on infrastructure development and encouragement of private sector investment," the credit rating agency said in its latest report.

The report also noted that India, Indonesia, and the Philippines were the key growth outperformers in the first half of the year 2024.

"[They] led the way and should continue to outperform pre-COVID growth numbers on the back of rising exports, local demand, and government spending on infrastructure," the report reads.

On the banking front, the report noted that the Indian banking system is on a positive outlook because of good economic growth and healthy corporate credit quality. Regarding the possibility of rate cuts in the region, it notes that the pace of monetary policy normalisation will be uneven across Asia-Pacific (APAC) and the region's central banks are unlikely to move before the US Federal Reserve, meaning cuts will not come until the second half of 2024 or early 2025.

"Volatile commodity prices elevate risks to this time scale, given most countries in the region are net food and oil importers. The Bank of Japan will remain an outlier, but financial conditions will stay accommodative this year," the report says.

Earlier this week, the World Bank retained its growth forecast for India at 6.6 per cent for FY25, while maintaining that India is poised to remain the fastest-growing of the world's largest economies, although its pace of expansion is expected to moderate.

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India's involvement in global economy to remain strong; despite shock waves in the Indian Stock Market

The Lok Sabha elections 2024 results came as a surprise to the country, with the stock market fulminating excessively, sending shock waves across the investors and leading to losses that tumbled up to 30 lakh crores.
As the NDA government missed achieving the 400 paar goal, the economy was caught off guard as the investors, fuelled by positive exit poll results predicting a major win for the Modi government, put in a lot of money. The day of the result saw the Sensex, the Nifty's worst performance since the pandemic crash, while the Adani stocks faced the brunt of NDA loss. Despite low numbers, there is hope that the Indian economy will suffer

perpetually and will be able to recover the numbers, strengthening economic relations around the globe, as the new anticipated coalition government is expected to focus more on the execution of plans, whether domestically or internationally.

In conversation with Mukesh Aghi, President and CEO of USPF, we discovered that the shockingly low numbers of the Indian stock market on Tuesday does not necessarily harm foreign economic relations, especially with the United States, and is not scaring foreign investors.

“When you look at it from a broader perspective, India has a very strong position, both geopolitically vis a vis China and economically, as it is growing substantially from a 4 trillion dollar industry to a 5 trillion dollar one by 2027, and there is only hope for more growth”

The Indian economy attracts thousands of foreign investors every year, due to numerous tax concessions, industrial zones, ample workforce and labour availability combined with low labour costs and a relatively open market for direct investors. The companies seek to gain a market share of the growing economy, and looking at it from a Chinese perspective, US investors in particular are looking to de-risk the supply chain, which further attracts more investors to invest in India.
Aghi further commented that regardless of who comes to power in India, India will continue playing a critical role, from a market opportunity and a geopolitical perspective.

When asked whether he expected this result from the Lok Sabha Elections 2024, Mukesh Aghi told Geeta Mohan, “After Ram Mandir, there was a strong Modi wave, and everybody expected that number would be much, much higher. BJP brought a sense of comfort and complacency. Many people did not turn up to vote as they felt that BJP would have a strong hold regardless.

But that’s a democracy, one has to adopt and adjust to what the people want, it is crucial to understand that.”

India is the biggest democracy in the world, where people’s power is critical, and a coalition is needed to have a more centrist approach to the domestic agenda. While the economy will continue moving with fast momentum, critical reforms like agriculture need stability and the right direction to benefit the locals.

In terms of the economy, the markets correct themselves as they have knee-jerk reactions to instability, in this case the Lok Sabha election results. The stock market soared to an all-time high before the results started coming in when it quickly diminished and dropped extremely low. While equilibrium will be attained eventually, foreign investors like US companies are still looking at India as an investment hub and a market, as it's a competitive tool for them to compete globally.
There are 1600 global capability centres now in India. The largest number are by US companies themselves, with exports, technologies and services racking in 22 billion dollars.

This proves that the sentiment does not change, despite a change in power, neither does it reduce the importance of India.

Discussing the QUAD partnership, Aghi continues, “As the US is looking to de-risk the supply chain from China and China continues growing aggressively, India and the US had no choice but to come together, to benefit one another while also solving each other’s problems. Japan, India and Australia are key players in the QUAD squad and drive the agenda, which is moving further from just defence partnership.”

“Exploring the economical aspect, there is more focus on securing supply chain of critical minerals and technology”

The Quadrilateral Security Dialogue is an informal strategic forum comprising four nations, namely - United States of America, India, Australia and Japan. One of their key objectives is to secure a global order of liberal trading systems and offer alternative debt financing for nations in the Indo-Pacific regions. With growing Chinese hostilities on Indian borders, India can take the support of other quad nations to counter the communist nation and conduct strategic explorations in the Indo-Pacific regions. It plays a crucial role in Indian development as it counters China's economic and military rise.

As the new Indian government begins its tenure shortly after the swearing-in of Prime Minister Narendra Modi, who will be serving his third term, there are growing concerns amid an economy that has suffered in the past decade, while promises continue building up to fix the economy.
Currently, the fifth-largest economy globally, growth is expected by 2030.
The foreign investors are not deterred by who is in power but are rather keen to work with a new government, hoping they will benefit from newer policies and can hold a substantial influence over trade, taxes and the economy itself.

POST

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Nirmala Sitharaman may table Union Budget in Parliament on July 22, say sources

Finance Minister Nirmala Sitharaman is likely to table Union Budget 2024 in Parliament on July 22, sources told CNBC-TV18. The final decision on the date is awaited.

Sitharaman is set to become the first finance minister to present seven consecutive Union Budgets, surpassing the record of Morarji Desai, who had presented six budgets in a row.

Earlier this week, Parliamentary Affairs Minister Kiren Rijiju said the first session of the 18th Lok Sabha will begin on June 24. The session will conclude on July 3.

In this session, new members of the Lower House will take oath and the Speaker will be elected. President Droupadi Murmu will address a joint sitting of the Lok Sabha and the Rajya Sabha on June 27 and is likely to outline the new government's roadmap for the next five years.

The first three days of the first session will see the newly elected leaders taking oath and electing the Speaker of the House.

Rijiju said the 264th Session of Rajya Sabha will commence on June 27 and conclude on July 3. Prime Minister Modi is expected to introduce his council of ministers to Parliament after the President's address on June 27.

The prime minister will respond to the debate on the Motion of Thanks on the President's address in both the Houses of Parliament.

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Union Budget 2024: Industry association asks government to rationalise and simplify taxes

[Union Budget 2024: Industry association asks government to rationalise and simplify taxes - CNBC TV18]

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Rate Rejig May Come Back On GST Council Table

The all-powerful GST Council is scheduled to meet on June 22, the first meeting in eight months and the first after the NDA govt returned to office.
While several important issues, including review of the tax on online gaming, pushed by a vocal lobby, may be on the agenda, there may be some fireworks too, given that Opposition-ruled states are sensing a weaker Centre after the latest election mandate.This is despite the scales tilting further in favour of BJP and its allies after the saffron party swept to power in three states ruled by Congress - Rajasthan, Chhattisgarh and Odisha - and its ally TDP regaining control of Andhra Pradesh. With finance ministers from states and UTs in town, Union FM Nirmala Sitharaman will also seek their inputs for next month's Budget.
While the agenda for the meeting is yet to be finalised, there is speculation around rationalisation of rates coming back on the table, an issue on which a group of ministers under then Karnataka CM Basavaraj Bommai had made some recommendations, which were not implemented. Since then Uttar Pradesh finance minister Suresh Khanna has become the chairman of the panel.

"As far as GST is concerned, what we are saying there can be three slabs and there are areas like petroleum real estate that are outside the ambit... be included in the GST," said ITC CMD Sanjiv Puri, the newly elected president of industry chamber CII.
With the indirect tax regime completing seven years in a little over a fortnight, there have been calls to reduce the number of slabs and also rejig the rates, a decision that the Council had postponed.

"The next GST Council meeting comes after a significant interval from the last meeting and will need to take up the keenly awaited rate rationalisation discussion. In addition, a preliminary effort to include low impact petroleum products, such as natural gas, within the GST ambit would be highly beneficial to business. The stability established in GST collections together with the fact that GST changes are outside the Union Budget proposals should provide an impetus to the GST Council in addressing various issues that need to be addressed," said M S Mani, partner at consulting firm Deloitte India.
Industry has cited inverted duty structure, with the final product attracting lower levies, as

well as classification problems to seek rationalisation of rates.

"This meeting is expected to address a considerable number of issues. Multiple clarifications are being looked after to including taxability for the online gaming sector before October, taxability of ESOPs, corporate guarantee taxability, and various rate-related clarifications are also anticipated due to recent litigations. Another aspect which most businesses are looking forward to is the new regulations on Input Service Distributor and its implementation date," said Abhishek Jain, indirect tax head and partner at KPMG.

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India likely to attract up to Rs 4 lakh crore investments and generate 2 lakh jobs in PLI schemes

The production-linked incentive (PLI) schemes, announced under the leadership of Prime Minister Narendra Modi for 14 key sectors with an outlay of Rs 1.97 lakh crore (over $26 billion) to enhance India's manufacturing capabilities and exports, are likely to see investments worth Rs 3 lakh crore-Rs 4 lakh crore in the next couple of years.

The investments will likely generate 200,000 jobs in sectors like semiconductors, solar modules and pharmaceutical intermediaries.

The rating agency ICRA expects that over the near to medium term, private capex will ride on a general uptick in macroeconomic activity, as well as several supportive policy measures such as the PLI schemes.

The ICRA expects select sectors to face a stronger uplift in capex such as metals, specialty chemicals and automotive due to expansion plans and strong demand.

"Likewise, the regulatory push for a greener environment will spur investment in related infrastructure," said the agency.

The 14 sectors for the PLI scheme include mobile manufacturing and specified electronic components, drug intermediaries and active pharmaceutical ingredients, manufacturing of medical sevices, automobiles and auto components, telecom and networking products, electronic/technology products and high-efficiency solar PV modules etc.

According to the government, the aim is to attract investments in key sectors and cutting-edge technology; ensure efficiency and bring economies of size and scale in the manufacturing sector and make Indian companies and manufacturers globally competitive.

Union Commerce and Industry Minister, Piyush Goyal, has told officials of his ministry that the government needs to build on the success of past initiatives such as the PLI schemes and the recent foreign trade agreements (FTAs) to boost domestic manufacturing and exports so that more jobs are created in the country.

The minister said the PLI schemes must be utilised to their full potential to boost exports and domestic production.

When it comes to large-scale local mobile manufacturing, Apple is a shining example. The tech giant ended FY24 in India with a total iPhone production of around $14 billion (more than Rs 1 lakh crore).

Apple has managed to export iPhones worth more than Rs 16,500 crore (nearly $2 billion) in the first two months of the ongoing financial year (FY25), shows industry data.-

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GLOBAL

ADB, LPBank Sign $80 Mn Loan To Boost Women-Owned SMEs In Vietnam

The Asian Development Bank (ADB) and Lien Viet Post Joint Stock Commercial Bank (LPBank) have signed a financing package of up to $80 million to expand access to finance for a women-owned small and medium-sized enterprises (WSMEs) project in Vietnam.

The financing comprises a $30 million loan from ADB’s ordinary capital resources and $50 million syndicated parallel loans, with $30 million from the Export–Import Bank of China, a state-owned bank dedicated to promoting the People’s Republic of China’s trade, investment, and international cooperation and $20 million from the ILX Fund, an Amsterdam-based asset manager focused on supporting the Sustainable Development Goals in emerging markets. ADB acted as the mandated lead arranger and bookrunner for the entire financing.

"By providing access to finance and tailored advisory services, our partnership with LPBank will empower women entrepreneurs in Vietnam to thrive and contribute to the country's economic growth," said *ADB director general for private sector operations Suzanne Gaboury*. "Working with development partners like the Export–Import Bank of China, ILX, and We-Fi, we aim to mobilise capital for private sector development that makes a meaningful difference to women-owned businesses in Vietnam."

SMEs account for 40 per cent of Vietnam's gross domestic product and half of all employment. Access to commercial finance is a challenge, particularly for women borrowers who often face constraints such as lack of collateral, low financial literacy, higher risk perception by banks, and limited awareness among banks of the potential of the women's market.

The financial package will help LPBank design new products and procedures to enhance its support to WSMEs. A $750,000 performance-based grant funded by We-Fi will incentivise LPBank to expand its services to female borrowers and implement advisory support services for WSMEs, ADB said in a press release.

"Supporting SME customers in accessing capital is always an important strategy that LPBank prioritises. With this loan package, LPBank not only has more potential in providing effective financial solutions for customers but also shows the efforts in supporting the WSME, especially where they are in great need of capital to recover from the pandemic and to further to develop their business," said *LPBank vice-chairman Le Minh Tam*.

LPBank is one of the leading private joint-stock banks in Vietnam, with robust digital platforms that help meet the needs of its retail and SME customers using innovative and customised products. LPBank has the largest physical network among privately owned Vietnamese banks, with a nationwide network of 566 bank branches and transaction offices, as well as access to 513 postal transaction offices. This extensive network allows LPBank to reach customers in rural areas where other banks have limited presence.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region.

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USDA Raises Global Cotton Production & Stocks In Latest WASDE Report

The US Department of Agriculture (USDA) has raised global cotton production and ending stocks in its latest World Agricultural Supply and Demand Estimates (WASDE) report, released yesterday. It has also increased its projections for the beginning and ending stocks of US cotton. For the 2024-25 season, beginning stocks and consumption of cotton have increased, but the world trade projection remains unchanged.
According to the WASDE report, world ending stocks are projected to be 480,000 bales higher than in May, at 83.5 million bales of 480 pounds each. The forecast for production has been raised by 90,000 bales, to 119.14 million bales, based solely on higher area and yield in Myanmar. Consumption was raised by 80,000 bales, to 116.94 million bales, with increases in Vietnam and Myanmar offsetting reductions elsewhere. Revisions to the 2023-24 world balance sheet include higher beginning stocks and production, with reduced trade and consumption, raising ending stocks by approximately 500,000 bales. The ending stock was projected to be 83.49 million bales globally.

The 2024-25 US cotton projections show higher beginning and ending stocks compared to last month. Projected production, domestic use, and exports are unchanged. The 2024-25 season average upland farm price is down 4 cents from the May forecast to 70 cents per pound, following a decline in new-crop cotton futures. Ending stocks are 400,000 bales higher, at 4.1 million, or 28 per cent of use. Revisions to the 2023-24 US cotton balance sheet include a 500,000-bale reduction in exports, to 11.8 million, based on the slowing pace of export shipments, a 50,000-bale increase in domestic use, and a 450,000-bale gain in ending stocks.

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