LETTER

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ECONOMISTS RAISING FY25 GROWTH FORECAST ON GOOD 9-MONTH SHOW

Read more at : Economists raising India's FY25 growth forecast on good nine-month show - The Economic Times

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Grasim consolidates gain: How curbs on a key input for textiles helped one industry, and hurt several small players

Read more at : Grasim consolidates gain: How curbs on a key input for textiles helped one industry, and hurt several small players | Business News - The Indian Express

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SIMA urges textile mills to not buy cotton in panic

The Southern India Mills' Association (SIMA) has urged textile mills in the southern States to not buy cotton in panic.

S.K. Sundararaman, chairman of the Association, said in a press release that the prices of domestic cotton saw 10 % to 12 % hike in the last 15 days, and the price of the widely-used Shankar - 6 variety of cotton was almost ₹ 62,000 a candy from ₹55,300 two weeks ago.

The Committee on Cotton Production and Consumption has estimated production in the current cotton season to be 316.57 lakh bales, imports to be 12 lakh bales and domestic consumption to be 310 lakh bales.

Capacity utilisation at the mills has increased to 80% to 90% from 70 % to 75 % and around 20 lakh bales have already contracted for exports. He has pointed out that the demand for export of cotton would come down as the cotton price is fast approaching the international price.

On the global front too the cotton position is comfortable.

The global cotton availability is expected to be higher after July this year due to increased production in Australia, Brazil and other countries. The Intercontinental Exchange (ICE) cotton future is also expected to experience a huge inverse post July 2024, which in turn will soften the Indian domestic cotton prices.

So, the spinning mills should avoid panic buying, as the cotton supply position looks comfortable. The global cotton supply position and the stock-to-use ratios are also comfortable in most of the cotton consuming countries. Therefore, the mills should ignore the rumours and exercise extreme caution while procuring cotton, he said.

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Projects worth Rs 48,000 crore to create 14,000 jobs in religious cities of Ayodhya, Varanasi & Mathura in UP

The Yogi Adityanath government is set to transform the three major centres of Hindu faith — Ayodhya, Kashi and Mathura — into prominent cities for employment in Uttar Pradesh.

After Ground Breaking Ceremony 4.0, projects worth more than Rs 48,000 crore have already been initiated in the three temple cities, officials here confirmed on Friday.

At least 14,000 people are expected to find employment through the top five projects being started at these three places. The projects are related to setting up tourist centres, wellness centres, and hotels, which will create jobs mainly in tourism and hospitality sectors in the three major pilgrimage sites of Hindus.

It includes 372 projects worth around Rs 13,000 crore for Ayodhya. Abhinandan Lodha House is investing Rs 3,000 crore in real estate and commercial projects in Ayodhya, creating more than 100 job opportunities, whereas PKH Ventures Ltd. is establishing a Tourist Facilitation Center with Rs 600 crore, wherein construction of a hotel with 500 rooms will take place, generating 300 jobs.

Meanwhile, Pakka Limited is setting up a paper manufacturing unit in Ayodhya at the cost of Rs 550 crore, potentially creating over 600 jobs while Innovators Digital Ads Pvt Ltd is constructing a luxury star category hotel in the city at a cost of Rs 510 crore, providing employment for 100 people.

Additionally, Crescendo Interiors is building a private industrial park at the cost of Rs 500 crore, which will create employment for more than 100 people.

Similarly, Varanasi, known as the city of Lord Shiva, has witnessed the initiation of around 277 projects with a total investment of approximately Rs 19,250 crore, of which the top five projects alone are expected to provide employment for more than 1500 people.

The Bharat Heavy Electricals Ltd. (BHEL) is investing Rs 500 crore for the establishment of Research and Development (R&D) facilities and Fabrication/Manufacturing/Testing facilities for the company’s existing and emerging business areas (Mechanical/Electrical/Electronic Products/Systems). This initiative is expected to create 225 jobs.

Similarly, Roma Builders and Promoters Pvt Ltd is starting a mixed development project based on a 5-star resort, meditation with wellness centre, fruit farms, clubhouses, and housing societies. With an investment of Rs 500 crore, this project is expected to provide employment for 300 people.

Moreover, Gajadhar Technosys LLP is spending Rs 350 crore on housing projects that will provide employment for 300 people in Kashi. Ansh Nirman Pvt Ltd is investing Rs 275 crore in a residential group housing project and commercial mall, creating job opportunities for 200 people.

Furthermore, JS Residency Pvt Ltd will establish a hotel at the cost of Rs 250 crore in Varanasi, which will provide employment opportunities for 500 people.

Like Ayodhya and Varanasi, Mathura too has witnessed implementation of 415 projects worth around Rs 16,600 crore of which the top five are expected to create employment for over 11,000 people in Lord Krishna's birthplace.

As per this, Air Liquide North India Pvt Ltd is establishing a state-of-the-art Air Separation Unit for industries and hospitals in Mathura with an investment of Rs 3,075 crore. This unit, designed to produce liquid oxygen (including medical oxygen) 305 TPD, liquid nitrogen 45 TPD, and liquid argon 12 TPD, will be modern, fully automated, and environmentally friendly. It is expected to provide employment for 50 people.

Similarly, the Bennison is setting up the hotel at a cost of Rs 1,310 crore, creating several job opportunities. Keshav Publications Pvt Ltd has initiated manufacturing products such as stationery, electrical items and plastic products. With an investment of Rs 1250 crore, it aims to provide employment for 10,000 people.

In addition to this, IFP Petro Products is establishing a lubricating oil refining plant at the cost of Rs 1100 crore, and creating job opportunities for 700 people. Avadi Industries Pvt. Ltd. is setting up an ACSR Conductors manufacturing unit with an investment of Rs 500 crore, which will provide employment for 400 people in Mathura.

Meanwhile, GBC 4.0 has also seen initiation of a total of 902 projects worth Rs 77,312 crore in the other four religious sites of UP, namely Prayagraj, Chitrakoot, Naimisharanya (Sitapur) and Bareilly. This is likely to create thousands of jobs. Through the top five projects in these four religious sites, more than 12,500 jobs are expected to be provided.

In Prayagraj, Varun Beverages (Rs 1053 crore), DND India (Rs 600 crore), Omex Ltd (Rs 600 crore), Shourya Naturopathy and Resorts India Pvt Ltd (Rs 500 crore), and JK Cem (Rs 400 crore) are jointly creating around 2500 jobs.

Similarly, in the religious site Chitrakoot, Tusco Ltd (Rs 4700 crore), Sahstrabhuj Food Products Pvt Ltd. (Rs 500 crore), Varun Beverages Ltd (Rs 496 crore), Shree Cement Pvt Ltd. (Rs 202 crore), and Jay Bulb Company Ltd (Rs 300 crore) will generate approximately 1900 employment opportunities.

In the sacred land of sages, Naimisharanya in Sitapur district, Greenlam South Ltd (Rs 1500 crore), Century Plywoods India Ltd (Rs 1500 crore), RAV Global Solutions Pvt Ltd. (Rs 200 crore), Dalmia Bharat Sugar and Industries Ltd (Rs 170 crore), and The Seksaria Biswan Sugar Factory Ltd (Rs 132 crore) will generate more than 6000 jobs.

Meanwhile, in Bareilly, famous as Nath Nagari, IFFCO (Rs 638 crore), Singh Enterprises (Rs 605 crore), Rinku Dairy Prop (Rs 490 crore), Realplywoods LLP (Rs 408 crore), and Dhamapur Bio Organics Ltd (Rs 350 crore) together are expected to provide job opportunities for at least 3,000 people.

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Foodgrain Output Estimated at 154 MT in Kharif Season FY25

Read more at :rice output: Foodgrain Output Estimated at 154 MT in Kharif Season FY24 - The Economic Times (indiatimes.com)

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India Sees Estimated 8.4% Real GDP Growth In Q3 FY24

India's real gross domestic product (GDP) in fiscal 2023-24 (FY24) is estimated at ₹172.90 lakh crore compared to the first revised estimate (FRE) of ₹160.71 lakh crore for FY23 GDP, according to the ministry of statistics and programme implementation.
Real GDP growth during FY24 is estimated at 7.6 per cent compared to 7 per cent in FY23.

Nominal GDP, or GDP at current prices, in FY24 is estimated at ₹293.90 lakh crore compared to the FRE GDP of ₹269.50 lakh crore for FY23.

The nominal GDP growth during FY24 is estimated at 9.1 per cent compared to 14.2 per cent in FY23.

Real GDP in Q3 FY24 is estimated at ₹43.72 lakh crore compared to ₹40.35 lakh crore in Q3 FY23, showing a growth rate of 8.4 per cent.

“Robust 8.4 per cent GDP growth in Q3 2023-24 shows the strength of Indian economy and its potential. Our efforts will continue to bring fast economic growth which shall help 140 crore Indians lead a better life and create a Viksit Bharat [developed India]!,” Prime Minister Narendra Modi posted on X (formerly Twitter).

The GDP at current prices in Q3 FY24 is estimated at ₹75.49 lakh crore compared to ₹68.58 lakh crore in Q3 FY23, showing a growth rate of 10.1 per cent, a ministry release said.

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Protection for Indian farmers, fishermen ensured at WTO MC 13: Piyush Goyal

Union Minister Piyush Goyal affirmed India's successful navigation through critical issues, safeguarding the interests of the nation's farmers and fishermen, at the 13th World Trade Organisation (WTO) Ministerial Conference.

Emphasisng the importance of securing their well-being, Goyal stated, "I think that India has successfully delivered on the issues that were our role and has achieved the outcomes that we expected."

The Union Minister underscored the primary objective of shielding the agricultural and fisheries sectors from any adverse consequences. "Our objective was that our farmers and our fishermen should not face any kind of harm, no crisis should come, and in that, we successfully did not allow any such decision to be taken that would harm any farmer or fishermen," he added.

Meanwhile, on the outcomes of the ministerial conference, Goyal expressed his delight at welcoming two new member countries.

"I think it's a good outcome. We are completely satisfied. We are delighted that we could welcome two new members. After many years, a lot of issues continue to make progress.

In terms of discussions generally through the MC13, progress was made on several contentious issues that have not been closed over many years. But forward movement is always a sign of a possible closure. Going forward, India continues to retain full policy space for the benefit of our farmers, and our fishermen, and in every respect, we have been able to protect India's interests to the highest level possible," he said.
The Union Minister also highlighted the importance of getting the appellate body back so that "disputes can be escalated to the WTO for resolution."
"I had said it earlier. I think it's important to get the appellate body back so that disputes can be escalated to the WTO for resolution. Sadly, without an appellate body, no dispute can be taken to its completion, and to that extent, people do feel now it's not worth the while to have to escalate a concern, which many countries may have on the practices of others. But given the fact that it's not going to lead to any outcomes, a lot of countries would hesitate to get into the legal process," he said.

The WTO Ministerial Conference 13 witnessed crucial deliberations on trade policies, with nations aiming to strike a balance between economic interests and social responsibility.
The WTO ministerial conference talks entered fifth day amid hectic negotiations on agriculture, fisheries, the e-commerce moratorium, and dispute settlement.
At the 13th ministerial conference of the WTO, India stressed that all policy options should be available for the WTO members to pursue for promoting digital industrialisation.
According to the Ministry of Commerce and Industry press release, India stressed that currently, a few firms based in developed countries dominate the global landscape of e-commerce. India explained that there was a huge digital chasm between developed and developing countries, which makes it challenging to increase the participation of developing countries in global e-commerce.
India reiterated that with the digital revolution still unfolding and with the increasing diffusion of technologies such as additive manufacturing and 3D printing, data analytics, artificial intelligence, and the Internet of Things, there was a need for a re-examination of the implications of the moratorium on customs duties on electronic transmissions, particularly for the developing countries and the LDCs.
India said that developing countries need to focus on improving their domestic physical and digital infrastructure, creating supportive policy and regulatory frameworks, and developing digital capabilities.
India's own digital transformation is powered by its unshakeable belief in innovation and its commitment to speedy implementation. Through the Digital Public Infrastructure (DPI) approach, India is promoting innovation, democratising technology and fostering a competitive ecosystem for digital businesses
WTO, a global watchdog, founded about three decades ago, now has 166 member

countries, including India. This year, Timor-Leste and Comoros have been added as members of the WTO. The WTO's 12th Ministerial Conference (MC12) was held in Switzerland's Geneva from June 12-17, 2022.

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Foreign exchange reserves rise by $2.9 billion to $619 billion: RBI data

Foreign exchange reserves rose by $2.9 billion to $619 billion in the week ended February 23, the latest data by the Reserve Bank of India showed. The total reserves rose due to an increase in foreign currency assets which increased by $2.4 billion in the week.
The rupee appreciated by 0.1 per cent against the US Dollar in the week on the back of foreign inflows.

Gold reserves and SDRs rose by $472 million and $89 million respectively in the previous week. The total reserves stood at $616 billion in the week ended February 16.

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GLOBAL

Climate Calamity Threatens Bangladesh Job Losses, Export Drop

Bangladesh faces significant risks, including the potential loss of 0.25 million jobs and $27 billion in apparel sector exports by 2030 due to climate-induced extreme heatwaves and flooding.
This is as far a study titled *'Climate Resilience and Fashion's Costs of Adaptation,'* jointly conducted by Mapped in Bangladesh (MiB) and Cornell University's School of Industrial and Labour Relations (ILR) Global Labour Institute (GLI).

It underscored the urgent need for action to mitigate these challenges.

According to the report, Bangladesh, along with other key apparel production hubs like Cambodia, Pakistan, and Vietnam, could collectively lose over $65 billion in export earnings and close to 1 million jobs due to climate-related disruptions.

Executive director Jason Judd highlighted the need for investors to engage with apparel companies and emphasised the importance of adapting risk-management strategies to address climate impacts.

The study also examined the impact of extreme weather conditions on apparel workers and recommended establishing social-protection mechanisms and climate-adaptation finance to safeguard their welfare.

It emphasised the necessity of a collective response, including global and national bargaining, to address the sector's challenges.

Meanwhile, worker surveys conducted in Bangladesh revealed concerns about rising workplace heat and the disruptive effects of flooding. Major floods, particularly riverine flooding, could halt or slow production for weeks, impacting worker incomes and livelihoods.

Despite the potential for job growth in the apparel sector, Bangladesh is projected to experience a decline of 1.26 million new jobs in RMG output by 2050.

The study highlighted the vulnerability of factories to flooding, with 82 per cent of disruptions expected to be caused by riverine flooding between 2030 and 2050. Nearly 10 per cent of factories are at risk of significant flooding in a 10-year flood scenario, with coastal flooding posing additional threats.

Addressing the study's findings, industry leaders discussed the economic and operational implications, emphasising the need for investment and innovation to ensure long-term sustainability and competitiveness. They also underscored the importance of brand responsibility and collaborative efforts to address climate challenges and protect worker welfare.

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Chinese Business Optimism Strengthens In Feb For 2nd Consecutive Month

Chinese manufacturers indicated a sustained improvement in operating conditions midway through the first quarter (Q1) of 2024, according to the latest Caixin China general manufacturing purchasing managers' index (PMI) data.
The headline seasonally-adjusted PMI for manufacturing rose from 50.8 in January to 50.9 in February, to signal another marginal improvement in the health of the sector. Business conditions have now strengthened in each of the past four months, with the latest PMI reading the best recorded since August 2023.

Companies noted further upturns in both production and new work, with rates of growth quickening slightly from January, helped in part by a rise in new export orders.

The business mood also brightened, with confidence around the year-ahead outlook for output reaching a ten-month high. However, firms maintained a cautious approach to staff numbers, which fell marginally in February, according to a release from S&P Global Ratings.

Average input costs rose at the weakest rate in seven months and only fractionally. Average selling prices, meanwhile, fell slightly as firms looked to attract and secure new business.

Manufacturing production across the country also rose during February. Though modest, the rate of output growth was the fastest seen since May last year, with companies generally attributing this to a sustained improvement in market conditions and greater new order volumes.

The total amount of new work placed with Chinese goods producers also rose at a quicker pace in February, albeit one that remained marginal overall. The upturn was partly driven by a second successive monthly increase in new export business, albeit only slight, with firms citing an improvement in underlying global demand conditions.

Firms expanded their purchasing activity again in February. Though modest, the rate of growth was the most pronounced since March 2023.

The rate of cost inflation continued to slow across the country's manufacturing sector during February. Notably, input prices rose at a fractional pace that was the weakest in seven months.

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Cotton Costs May Drop 2% In 2024, Synthetic Fibres'

May Rise: S&P GMI

In a session of the parliament recently, Prime Minister Sheikh Hasina addressed concerns regarding the nation's economic situation, stating that the recent dollar crisis has considerably alleviated, and Bangladesh's exports remain relatively stable amidst the global challenges.
The Prime Minister's remarks came in response to a supplementary question posed by lawmaker Mujibul Huq Chunnu during the parliament's question hour.

Sheikh Hasina acknowledged that Bangladesh had encountered a severe dollar crisis exacerbated by the COVID-19 pandemic and the conflict in Ukraine, leading to significant challenges for the nation.

However, she assured that the situation has improved notably, allowing for a more relaxed approach to public spending.

The Prime Minister highlighted the government's proactive measures to address the crisis, particularly in monitoring the opening of Letters of Credit (LC).

Previously, importers had faced issues with inflated prices during the importation process.

To mitigate this, banks now rigorously scrutinise product prices using the Bloomberg index before approving LCs, ensuring fairer trade practices.

Despite global economic upheavals, Sheikh Hasina emphasised that Bangladesh's exports have not been severely impacted. While some decline has been observed, primarily due to reduced consumption in importing countries grappling with inflation, the overall impact remained moderate, she claimed.

In response to the challenges, the government has initiated various strategies to explore new export markets and diversify the export portfolio. Sheikh Hasina reiterated the administration’s commitment to fostering sustainable economic growth by tapping into emerging opportunities and adapting to evolving global trade dynamics.

The Prime Minister's reassurance in parliament reflects the government's proactive stance in addressing economic challenges and its determination to steer Bangladesh's economy towards resilience and growth in the face of adversity.

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