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India's trade policy is calibrated with economic growth path: Piyush Goyal

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100-day plan: Commerce Department to identify export barriers, launch `Trade Connect e-Platform'

The Commerce Department has sought inputs from export bodies on trade barriers and non tariff measures they face in different countries to incorporate ways to combat such barriers in the 100-day action plan to be presented to the new government that takes over after the general elections.

The 'Trade Connect e-Platform', which seeks to provide information to new and aspiring exporters on the identification of products for export, non-tariff barriers, updated tariff schedule of items, applicable customs duty and benefits under India's FTAs, will also be launched as part of the 100-day action plan, a source tracking the matter told *businessline.*

"The 100-day action plan will contain various measures to boost exports to move towards achieving the $2 trillion goal for 2030. Launch of the Trade Connect ePlatform is also a step in the direction. Addressing non tariff barriers is also likely to be part of the plan as they hinder export growth in markets where tariffs are already low," the source said.

Prime Minister Narendra Modi, at a Cabinet meeting earlier this month, asked Ministers to draft a roadmap for the first 100 days of the new government and another one for the next five years of the government.

UK-Oman FTA

"Most of the export bodies have already given their inputs to the Commerce Department on non-tariff measures and other trade barriers for their particular sectors in various countries. The inputs are now being collated," the source said.

The 100-day action plan is also likely to include the Commerce Department's intention to seal Free Trade Agreements with the UK and Oman. "As the FTA with Oman has been almost fully negotiated and is going through legal vetting and the one with the UK has just a handful of issues to be sorted out, these will probably be included in the 100-day plan," the source said.

On the Trade Connect e-Platform, the source pointed out that it was almost ready but would be launched as part of the 100-day action plan. The e-Platform will act as a one-stop-shop for exporters and importers to connect with existing portals.

In the April-February 2023-24 period, India's goods exports contracted 3.5 per cent to $394.99 billion as continued slowdown in Western economies and geopolitical stress affected demand.

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BS Manthan: Can't have one-size-fits-all trade policy, says Piyush Goyal

India follows a calibrated approach in trade policy, which is in line with the country's development journey, even though there is scope for further internationalisation, Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles Piyush Goyal said while speaking on the second and concluding day of Business Standard Manthan in New Delhi.

"I do believe that as a (developing) country, which has a long way to go before we are able to ever have a completely free and open economy with (full) capital account convertibility, with almost nil or very low import duties, we have to look at our trajectory and calibrate the trade policy. You can't have a one-size-fits-all (approach)," Goyal said, adding that there was also a need to internationalise the economy, have a greater degree of engagement with the world, and further Indian exports.

The minister dismissed the argument of some economists that India was a protectionist and high-tariff nation, holding that even developed countries such as the United States (US) had used protectionist measures.

This financial year the minister expects India's exports to be "flat or a little bit on the positive side", despite the Israel-Hamas war and the Red Sea-related disruption. On a cumulative basis, during April-February 2023-24, merchandise exports stood at $395 billion, which is 3.5 per cent lower than what was achieved during the same period last year.

“Goods and services together will continue to be positive despite two wars and the Red Sea crisis. We will be doing $2 trillion of exports by 2030,” he said.

FTAs & RCEP

Speaking about free-trade agreements (FTAs), he said India was in dialogue with the European Union (EU), the United Kingdom (UK), Peru, Chile, and some countries in the Gulf Cooperation Council (GCC).

Goyal said India was renegotiating the “badly done FTAs” with Japan, South Korea, and the 10-member Association of Southeast Asian Nations (Asean).

“Today you find so much criticism and so much negativity in industry and business in India about Japan, (South) Korea and the Asean FTAs. I am almost tempted at times to recommend whether we should reconsider having those FTAs.”

Goyal said if India had not taken the “hard decision” to walk out of the China-backed Regional Comprehensive Economic Partnership in 2019, the country wouldn’t have seen the growth story and investment climate it was witnessing. “Besides, the country would have been flooded with substandard low-quality goods coming in from certain geographies (China),” the minister said.

According to Goyal, the RCEP was one of the “lousiest” and one of the most “threatening decisions” the United Progressive Alliance (UPA) government would have taken.

“We were not part of the RCEP originally. In 2012, the Congress government and its partners decided to jump into the RCEP suo motu. India jumped into the fray, little recognising that we are dealing with a country that doesn’t have transparent economic policies, without assessing how much damage they had already caused because of badly negotiated FTAs with Japan, (South) Korea, and Asean,” he said, adding that no consultations were done with industry, agriculturists, farmers, and micro, small, and medium enterprises (MSMEs).

The RCEP is a pact between Asean nations and five of its FTA partners – New Zealand, Australia, China, Japan, and South Korea. Currently, India has FTAs with 13 out of the 15 RCEP countries.

When asked if India was open to join any trade grouping if China was part of it, the minister said he was open to the idea if the country opened up its economy, made it transparent, and abided by the rules of the World Trade Organization.

Investment

Even as foreign direct investment (FDI) in India declined by 13 per cent to $32 billion during the first nine months of FY24, Goyal said the decline was due mainly to external factors such as uncertainties and challenges in the global economy, including rising interest rates in developed countries.

“For seven years in a row, India saw record FDI inflows, year after year. In the last two years, interest rates in the developed world shot through the roof. From less than half per cent they’re now touching or going to touch 5 per cent in the case of the United States. Now when interest rates in the developed world are at such highs, it’s quite elementary and obvious there’ll be an outward flow of capital and new capital will go a little sluggish. Yet if you see the numbers, they’re not that bad. Some of the numbers in other emerging economies have collapsed,” he said.

On India’s recently signed FTA with the European Free Trade Association (EFTA), Goyal said it would see a first-of-its kind commitment for an investment worth $100 billion over 15 years from all the four European countries -- Iceland, Switzerland, Norway, and Liechtenstein. The investment is also expected to result in at least one million direct jobs.

Even in the case of market access, India will not lose anything. “I (India) don’t lose anything because Switzerland’s costs of production can never hurt your interests. They make very high-quality stuff … we don’t have those in India. Rather, we need them in India. So I lose nothing by giving them market access on goods domestically made in Switzerland or Norway. I’ve not given market access to agriculture. So farmers are not threatened. MSMEs are not threatened because they can’t compete ever in their life,” he said.

Goyal said Switzerland had signed an FTA with a robust chapter on intellectual property rights (IPRs), without India giving up on any of “our rights”, including “our rights” on generic medicines.

“India’s pharma industry was part of the negotiations sitting in the room. The pharma industry has thanked me for this,” he added.

As far as bilateral investment treaties (BITs) were concerned, the minister said while he was not directly involved in the matter, the government was following a “cautious approach” to ensure that India’s interests were protected.

Viksit Bharat

Goyal said the seeds of "our journey to 2047" had been sown in the past 10 years and the government was looking at rapid industrialisation and quick growth in modern 21st century infrastructure to meet the needs of the nation.

"Over the past 10 years, the National Democratic Alliance-led government has brought back India's credibility in the world. "We have not become the fifth-largest economy, but in Prime Minister Narendra Modi's third term and I suspect in the next three years, we will be the third-largest economy of the world," Goyal said, adding that this would happen because of robust macroeconomic parameters, including high forex reserves.

Goyal said India's decadal Inflation had been the lowest in the country's history as an independent nation, which is a strong factor to keep the currency stable and in interest rates coming down.

"The government is also looking at newer ideas to boost growth, such as how India's gold reserves can be recycled," he added.

The minister said the vision of Viksit Bharat rested on seven or the "Saptarishi" (seven stars named after ancient sages) principles including inclusive development and growth, reaching the last mile or saturation of government programmes and schemes, infrastructure, and growing investment.

"These seven pillars will take a distraught India of 2014 to a developed India of 2024 and beyond. Today, the world is looking up to India. It is for us to grab that opportunity. And I have no doubt in my mind. That today's Bharat aspires, today's Bharat inspires, and today's Bharat achieves big dreams and big goals."

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BS Manthan: Trade policy in tune with development journey, says Goyal

Dismissing concerns around protectionism, Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles Piyush Goyal said India's trade policy was a calibrated one and that it was in line with the country's development journey . He was speaking on the second and concluding day of the inaugural edition of *Business Standard*'s annual summit, Business Manthan, in New Delhi on Thursday.

Goyal's view on India's tariff approach echoed those expressed by Union Finance Minister Niramala Sitharaman a day earlier at the summit.

Hosted at Bharat Mandapam, venue of the G20 summit last year, to celebrate *Business Standard*'s 50th year, the event brought together distinguished personalities from across the spectrum: ministers, diplomats, economists, entrepreneurs, luxury merchants, sustainability champions, agriculture experts, MNC leaders, and many more.

While emphasising that as a developed country, India needed a thought-out trade engagement with the world, Goyal said there was also a need to internationalise the economy.

Staying with the summit's theme, "A Developed India by 2047: The Roadmap", Amitabh Kant, G20 sherpa and former CEO, Niti Aayog, mooted the idea of "champion states" – those that are agents of transformation. He also said that India needed many more Ambanis, Adanis and Tatas – a reference to large companies. Making a passionate case for the growth of manufacturing, he said, this was imperative if India intended to achieve its developed-nation goal.

Kant also offered an insider's view into the dogged efforts that went into achieving consensus amidst a conflicted world at the G20 summit. On Infosys founder NR Narayana Murthy's suggestion that youth needed to work 70 hours a week, Kant remarked, "What matters is not the number of hours you work, but the outcomes you deliver." To a question on whether he would consider entering politics, his reply was immediate and emphatic: "I am not cut out for politics."

Meanwhile, cooperative federalism was discussed threadbare in a scintillating debate between two noted economists: Arvind Subramanian, former chief economic advisor to the Union government, and Montek Singh Ahluwalia, former deputy chairman of the Planning Commission.

The two dissected the contours of the "Centre-state relations necessary for India's successful journey towards 2047". Arenas of contestations in fiscal federalism were taken up. Subramanian said India needed a mix of cooperative federalism and competitive federalism.

Ahluwalia said cooperative federalism was critical and needed to be managed better. He argued in favour of state governments decentralising resources to sub-state level.

Earlier in the day, leading foreign policy voices unravelled the China challenge. In a conversation with former foreign secretary Shyam Saran, Shivshankar Menon, former national security advisor, and Nalin Surie, former Indian high commissioner to the UK, said that India needed to work out its own trajectory, focused on its core economic strengths, rather than trying to replicate the China model. This was vital if India wanted to shed the western world's image of it being a Plus One to China.

The future of how India would travel was viewed through the vision of RC Bhargava, chairman of Maruti Suzuki and the man synonymous with India's small-car revolution and later, its all-car revolution. "By 2047, we must have a much larger percentage of cleaner cars throughout India – maybe all of them," he said.

The craze for large vehicles, he predicted, would soon pass. "The world will realise that you don't really need such large cars," he said. On electric vehicles (EVs), he said, "Not just EVs, we need to harness all green technologies, including biogas, to achieve India's net-zero targets."

Speaking of the future, the startup ecosystem, which is known to predict and harness the potential of emerging trends, turned up in good strength at the *Business Standard summit.*

Looking back at the transformation he has witnessed in the business ecosystem in the 40 years since he started working, Sanjeev Bikhchandani, often described as the father of Indian startups, said a lot of change had come from companies that did not exist or barely existed when he started. These ranged from mobile telephony to ecommerce. A lot of this change was driven by startups, said the co-founder of internet company Info Edge and the entrepreneur behind jobs portal Naukri.com.

In the years to come, change, he said, would be triggered by the same five factors: "regulations, technology, capital, entrepreneurship and talent."

Expressing optimism about the India market, Manish Tiwary, vice president and India manager, Amazon, said there is no better country than India for any company operating in the technology sector. Meanwhile, Rajesh Magow, co-founder and group CEO of MakeMyTrip, advised those looking to start a business to "have a very-very long-term view". On the question of a funding winter, he said, "I don't think there is a shortage of capital. More questions – and the right kind of questions – are being asked in the funding market, which is a good thing."

With the country focusing on services and manufacturing, where does that leave agriculture? Agri experts discussed this in detail, with Ramesh Chand, member-agriculture, Niti Aayog, saying that "growth in agriculture is more powerful in reducing poverty". Agriculture economist Ashok Gulati spoke about the need to look beyond food security to nutritional security. And Ajay Vir Jakhar, chairman, Bharat Krishak Samaj, emphasised building in-house capacity rather than turning to international consultants on matters of agriculture.

Environment experts put their heads together on the issue of climate change, which they said impacted the unorganised sector in a big way. It’s an area that needs urgent and concerted action, they said.

The day also included conversations around the luxury sector, which does not often get talked about when discussing developed-India ambitions. India’s growth story, said the panellists, would dazzle through its luxury industry too. There was a lot going for luxury. Corporate India’s investment in domestic brands, for instance, was a good sign, said Pushpa Bector, senior executive director, DLF Retail. Kapil Chopra, founder and CEO of Postcard Hotels and founder of EazyDiner, drew attention to “the exceptional luxury hotels”. And Alexis de Ducla, who represents some French luxury brands in India, predicted that “the next Chanel will come from India”.

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India's Apr-Feb fiscal deficit at Rs 15.01 trn, hits 86.5% of FY24 target

India’s fiscal deficit between April and February for the current financial year (FY24) jumped to Rs 15.01 trillion or 86.5 per cent of the full-year revised target of Rs 17.34 trillion from Rs 11 trillion, data released by the Controller General of Accounts (CGA) showed on Thursday.

In comparison, the fiscal deficit was 82.8 per cent of the target during the corresponding period (April-February) in FY23.

During the first 11 months of FY24, the centre spent 84.8 per cent of the Rs 9.5 trillion capital expenditure target compared to 81.1 per cent during the same period a year ago. Revenue expenditure for April-February stood at 83.1 per cent of FY24 in the revised estimates (RE) of Rs 35.4 trillion as compared to 83.9 per cent in the same period a year ago. The centre's total expenditure of Rs 37.5 trillion for April-February in FY24 reached 83.4 per cent of the RE.

Madan Sabnavis, chief economist, Bank of Baroda says that the government is still around Rs 7.43 trillion of expenditure short of the target, majorly due to the shortfalls in spending by ministries such as agriculture (Rs 20,668 crore), rural (Rs 48,088 crore), chemicals and fertilisers (Rs 16,150 crore), roads (Rs 26,000 crore) and consumer affairs (Rs 35,117 crore).

"There could be some savings here by Rs 50-6000 crore if these budgets are not exhausted," he added.

The net tax revenue for the April-February FY24 period came in at Rs 18.5 trillion, some 7 per cent higher than the amount gathered for the same period last year.

While there may be some slippage in the disinvestment target, it is not expected that the revised fiscal deficit target of Rs 17.3 trillion for FY24 would be breached, said Aditi Nayar, chief economist, ICRA Ratings.

"While the Rs 1.4 trillion left to be incurred in March 2024 to meet the full-year target for capex this fiscal is slightly lower than the Rs 1.5 trillion recorded in March FY23, this may be missed given the announcement of the model code of conduct during the month. The headroom of Rs 6 trillion left for revenue spending in March FY24 is 9 per cent higher than the expenditure of Rs 5.5 trillion recorded in March 2023," she added.

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India needs to grow at 9-10 pc to become 35 tn economy by 2047: Amitabh Kant

India needs to grow at 9-10 pc to become $35 tn economy by 2047: Amitabh Kant - The Economic Times (indiatimes.com)

Indian economy can grow at 8 per cent till 2047: Krishnamurthy Subramanian

Read more at: https://www.deccanherald.com/business/economy/indian-economy-can-grow-at-8-till-2047-imf-india-chief-subramanian-2955901

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Apparel shoppers deprioritise sustainability, ethics to save money

n GlobalData's consumer survey conducted across Germany, France, Spain, Italy, China and the US in December 2023, apparel shoppers showed that they prioritise sustainability and ethics far less than factors like price, quality and value for money, exacerbated by the ongoing economic crisis. However, 60.2% still worry about the industry's effect on the environment and 62.8% are avoiding buying fast fashion as a result, highlighting how brands and retailers must still focus on the environmental and ethical impact of their practises to maintain strong consumer perceptions.

While sustainability and ethics are buzzwords within the fashion industry, when shoppers were asked how often certain factors influence their apparel purchases, these were ranked as the least influential, with just 45.4% and 43.5% of respondents stating that they always or often impact their decisions, respectively, across the six countries combined. Spanish apparel shoppers prioritise these factors the most, with the country's hot climate and outdoor lifestyle bolstering their awareness of climate change, and in turn, the negative impacts of the fashion industry. In contrast, US apparel shoppers consider these factors the least, supporting the strong growth of fast fashion brands like Shein and Fashion Nova in the country. Overall, females say that they consider the environmental and ethical impact of their purchases more than males, which despite seeming contradictory as they also have a greater tendency to buy from fast fashion brands, indicates that they try to offset some of this guilt within their other purchases, while also potentially having greater awareness of fashion's harmful effects. The younger age groups also consider them more strongly, driving these factors to become more influential in the future as they age.

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Why Pakistan needs to get India to yes on trade

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Texworld, Apparel Sourcing & Home Textiles Sourcing Registrations Open

Texworld and Apparel Sourcing, the leading platform for global sourcing and innovation, are thrilled to announce that registration is now open for its upcoming events in both New York City and Los Angeles. The New York event encompasses a series of co- located shows, including Texworld New York City, Apparel Sourcing New York City, Home Textiles Sourcing, and Printsource. The Los Angeles event includes Texworld Los Angeles, Apparel Sourcing Los Angeles, and Printsource.
Texworld and Apparel Sourcing New York City, Home Textiles Sourcing, Printsource
July 16 - 18, 2024 – Javits Center, New York City

Texworld and Apparel Sourcing Los Angeles, Printsource
August 13 - 14, 2024, California Market Center, Los Angeles

Both East and West Coast events bring together textile innovators, industry leaders, and fashion professionals to explore the latest trends, connect with suppliers, and discover new opportunities. With a diverse array of product categories across the fashion, apparel, home, and print design industries and exhibitors representing global textile markets, the shows offer unparalleled networking and educational experiences for attendees.

"Our co-located events in New York and Los Angeles represent a unique opportunity for industry professionals to connect, learn, and grow. From curated trend presentations to networking opportunities, our shows offer a comprehensive experience designed to empower both attendees and exhibitors and drive success in today' s competitive marketplace," states *Jennifer Bacon, VP of Fashion and Apparel, Messe Frankfurt Inc.*

Background information on Texworld New York City

Texworld NYC is one of the largest sourcing events on the East Coast for apparel fabric buyers, research and product development specialists, designers, merchandisers and overseas sourcing professionals. This international business platform offers a wide product range covering the entire fabric spectrum. From casual cotton to functional fabrics and sophisticated knits to intricate laces, season-to-season attendees discover textiles of innovative structures, material mixes and surprising color palettes.

Background information on Apparel Sourcing New York City

As a long- term joint venture partnership between Messe Frankfurt and CCPIT- Tex, Apparel Sourcing New York City offers apparel brands, retailers, wholesalers and independent design firms a dedicated sourcing marketplace for finding the best international apparel manufacturers. As the only event on the East Coast to focus on finished apparel, contract manufacturing and private label development, the show provides attendees direct access to suppliers specializing in ready-to-wear for men, women, children and accessories.

Background information on Home Textiles Sourcing

As a long-term joint venture partnership between Messe Frankfurt and CCPIT- TEX, Home Textiles Sourcing Expo is one of the largest sourcing events in North America to solely focus on fabrics and finished soft goods for all home applications. Held annually alongside Texworld New York City and Apparel Sourcing New York City, Home Textiles Sourcing provides manufacturers, retailers, jobbers, converters, contract specifiers and designers a one-stop-sourcing venue to locate new fabrics and products for their latest collections. Together the three co-located shows create one of the largest fabric sourcing destinations for the North American marketplace.

Background Information on Texworld and Apparel Sourcing Los Angeles

Messe Frankfurt, organizer of Texworld New York City and Apparel Sourcing New York City, the east coast’s leading event for the textile sourcing industry, launched Texworld Los Angeles and Apparel Sourcing Los Angeles, a west coast version of its highly successful New York event, in Los Angeles, California, in 2023 at the California Market Center (CMC). The upward growth at Texworld New York City events opened the door to offering the same dynamic event to the buyers on the West Coast seeking high-quality textile options from a diverse product selection. Catering to a wide range of sourcing professionals from apparel fabric buyers, research and product development specialists to designers, merchandisers, and others, Texworld and Apparel Sourcing Los Angeles encompass all sectors of the sourcing industry inviting them to gather, build new relationships, and foster collaboration.

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