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CONFEDERATION OF INDIAN TEXTILE INDUSTRY

19th
SEPTEMBER
2024

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Cotton picking begins, yield likely to double this season

Picking of cotton balls has begun in the semi-arid districts of Punjab amid field inputs of an insignificant impact of pest attacks on the 'white gold', giving much relief to farmers.

Cotton picking in progress in Katar Singh Wala village of Bathinda. (Sanjeev Kumar / HT) Experts at Punjab Agriculture University (PAU) and state agriculture officials expect that the production this time will be double as compared to that of the last year and higher yield will encourage farmers to go back to cotton cultivation again.

In 2023-24 season, Punjab had produced 17.54-lakh-quintal cotton. In the kharif season of 2024-25, Punjab witnessed the lowest ever cotton acreage of 96,000 hectares, triggering fear among the policymakers as farmers switched to rice cultivation in a big way in the semi-arid belt of southwest districts of the state. Pest attacks in the last three seasons hit economic conditions and lowered the morale of farmers who showed little interest in the traditional kharif crop in the current year.

In 2023, cotton was sown on 1.79 lakh hectares. The acreage has seen a dip of 46 per cent this kharif season. This came even as the agriculture department had set a target of two lakh hectares of land under cotton this year against the goal of three lakh hectares last year.

According to the data of the Punjab Mandi Board, in the past few days farmers have started reaching mandis of various districts with their cotton produce in small quantities. Information suggests private players are offering up to ₹7,501 per quintal to cotton growers against the minimum support price (MSP) of ₹7,281.

More than 160 quintals of raw cotton have been purchased in different mandis till Tuesday. Mandi board's state cotton coordinator Manish Kumar said on Monday that arrival started last week and Muktsar reported maximum arrival of 82 quintals to date, followed by 31 quintals in Fazilka. "It is the early-sown cotton that has started reaching mandis in small quantities. Arrival is expected to gain momentum by the month-end and we hope for a good season this time. Ample arrangements are in place for a smooth purchase of the crop," said the official.

Agriculture authorities say that after an initial serious crop loss assessment, no major adverse impact of the deadly whitefly and pink bollworm was observed this time.

PAU principal entomologist Vijay Kumar said an assessment by farm experts of Haryana and Punjab at a seminar in Hisar on Tuesday concluded that Punjab managed to control pink bollworm efficiently this year. "We are confident to double the produce this year if the climatic conditions remain conducive and no rain is reported. The health of plants has remained impressive," he added.

Muktsar chief agriculture officer Gurnam Singh, the nodal officer for the cotton-growing districts, said farmers expect eight quintals per acre yield and a good season would move the cultivators towards cotton again.

"Last year, the average yield was four quintals due to pest attacks and poor weather conditions. This time the field teams worked in coordination to contain attacks of whitefly and bollworm as no major crop loss is reported across the nine cotton-growing districts. The next four weeks are crucial when second picking of cotton balls will commence, indicating production," he added.

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India 'very big abuser' of trade ties with US, says Donald Trump

Donald Trump on Tuesday called India a "very big abuser" of trade ties with the US, reiterating that India imposes heavy tariffs on imports. He said that his government, if voted to power, would engage in a reciprocal trade charging the same amount of tariffs as the other countries did.

Calling India and Brazil as "tough", while China was the "toughest" to deal with in terms of trade, Trump said, "So we're going to do a reciprocal trade. If anybody charges us 10 cents, if they charge us USD 2, if they charge us a hundred per cent, 250, we charge them the same thing."

"So when India, which is a very big abuser. He (Modi) happens to be coming to meet me next week, and Modi, he's fantastic. I mean, fantastic man. A lot of these leaders are fantastic," he said ahead of Prime Minister Narendra Modi's visit to the US for the 4th Quad summit.

"These people are the sharpest people. They're not a little bit backwards...You know the expression, they're at the top of their game, and they use it against us. But India is very tough. Brazil is very tough….China is the toughest of all, but we were taking care of China with the tariffs," he continued.

Meanwhile, Trump met with Hungary's nationalist Prime Minister Viktor Orban in Florida in July. Orban, a close ally, is hoping for a Republican victory in the upcoming November elections.

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India's exports to China fall at faster clip than to other partners

Amid a massive slowdown in China, India’s exports to the neighbouring country contracted at a faster pace in comparison to the exports to the rest of the world.
India’s exports to China witnessed 22.44 per cent contraction to $1 billion, while overall exports declined 9 per cent at $34.7 billion in August, commerce department data showed. China is India’s fifth-largest export market.

On the other hand, import dependency on China continued, with the country being India’s largest import partner. According to the data, inbound shipments from China stood at $10.8 billion, up 15.5 per cent year-on-year (Y-o-Y).
While the disaggregated data for the month of August wasn’t immediately available, trends over the last few months showed
that exports to China were dominated by items such as iron ore, marine products, copper, and food items, among others.

On Tuesday, Commerce Secretary Sunil Barthwal had said that other than muted demand, geopolitical and logistics-related
challenges, another key factor that is impacting merchandise exports is a huge slowdown in China that has also led to a decline in petroleum prices.

As far as imports are concerned, top inbound shipments from China include electronic components, industrial machinery, IT hardware, and organic chemicals, among others.

Top 10 export-import destinations

During August, exports to six out of India's top 10 markets witnessed contraction — the US (6.29 per cent), the UAE (2.39 per cent), China (22.44 per cent), Singapore (-39.25 per cent), Bangladesh (27.85 per cent), and Australia (-24.05 per cent).

The top 10 countries comprised 68 per cent of India's total value of goods exported during August. The US continued to remain India's largest export market, followed by the UAE, the Netherlands and the UK. Barring Russia, the US, Iraq, Saudi Arabia, Singapore, and Indonesia, inbound shipments from the rest of the top 10 import partners witnessed growth during August, the data showed. To be sure, India relies on crude oil imports from most of these countries and a contraction in imports is mainly due to falling petroleum prices.

India's overall imports grew 3 per cent Y-o-Y to $64.3 billion in August. The record high imports was mainly due to doubling of gold imports during the month. As a result, imports from Switzerland, which is mainly driven by gold imports, witnessed 80 per cent growth to $3.9 billion.

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From locking horns to unlocking potential

In the Business-20 event during India's G20 presidency last year in August, Trade Minister Piyush Goyal, who donned the hat of the moderator, quizzed his counterpart, United States Trade Representative (USTR) Katherine Tai, on whether it would be fair to say that both sides now had the best relationship ever in their history.

"The quality of engagement, the huge respect, and the huge amount of confidence that was generated during the visit of Prime Minister Narendra Modi to the US and the bonding between President Biden and Modi. Does all of this reflect possibly the best time in terms of friendship and relationship?" Goyal said.

During that state visit in June last year, the United States and India announced resolutions on key trade issues, including the termination of six disputes (and later another pending dispute) at the World Trade Organization and India's removal of tit-for-tat tariffs on certain US products such as chickpea, lentils, almond, walnut, apple, and boric acid. This almost made up for a mini trade deal that both sides could not agree upon during Modi's visit to the US in 2019, during Donald Trump's presidency.

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Renewed thrust to Make in India, exports, ease of doing business

On top of the 100-day report card of the ministry of commerce and industry is a fresh set of initiatives to establish a world-class manufacturing ecosystem in the country. There has also been a clutch of steps to boost export opportunities via non-traditional means including e-commerce, and promote ease of doing business.

During the period, the government, which took office on June 9, also focused on stabilising trade amidst global disruptions, by announcing continuation of key export schemes and critical import tariff cuts on precious metals to check concessional duty imports. The trend of tariff escalation seen since FY18 has been curbed in the Union Budget FY25.

However, sluggish exports, partly caused by the slump in global trade, geopolitical tensions, and persisting protectionist tendencies, continue to be worrisome. While labour-intensive sectors are the most affected, there are smart gains in newer areas like electronics. In low-value addition sectors lie petroleum products, export performance remain volatile.

In the first quarter of FY25, India's merchandise exports grew by 6% but that was amply aided by a favourable base, while in July-August period of the second quarter, onward shipments fell by 5.7%. The country's exports had declined in FY24 too. Fresh concerns over current account deficit have emerged of late, with the merchandise trade deficit in August coming close to $30 billion, the highest level since October last year. While Q1FY25 CAD is seen to be less than 1.5% of the gross domestic product, this deficit could even rise to 2% if September also sees high trade gap.

For exports, the RODTEP (Rebate of Duties and Taxes on Exported Products) scheme was extended until December 31, 2024. This scheme helps lower export costs by refunding taxes on inputs used in manufacturing exported goods. Ajay Srivastava from trade research unit GTRI noted that a five-year extension would have allowed exporters in better planning and costing of exports.

The union cabinet approved 12 new industrial cities at one go at its meeting last month under the National Industrial Corridor Development Programme (NIDCP) taking the total number of such industrial cities to 20. Four such cities are already operational and four are coming up. All these cities are located along the industrial corridors across the country.

In the realm of exports the push in the initial months has come for e-commerce exports, which is seen as exploding in the years to come. At present India's e-commerce exports are close to $ 5 billion and by 2030 it has the potential to touch $ 200-300 billion . The government has extended the incentives available to other exporters to those who book orders through online platforms and send products by courier.

Rumki Majumdar, economist at Deloitte India noted that Tier 2 and 3 cities contribute to approximately 88% of new online shoppers. "This success can be replicated if sellers can go beyond borders. Access to the global market, better networks and connections, and information can increase competitiveness and income opportunities," Majumdar said.

On the import side, to curb concessional imports of gold and silver from Dubai under the India-UAE CEPA, the government reduced Basic Customs Duty (BCD) on these metals from 15% to 6%. India has also requested a review of bullion-related concessions under the CEPA to manage import surges.

In the electronics sector, the BCD on mobile phones was cut from 20% to 15%, along with reductions on select electronic components, aiming to boost domestic manufacturing.

The framework for e-commerce export hubs (ECEH) has been prepared and applications from interested companies have been invited to set up these hubs.

ECEH will function to achieve agglomeration benefits for e-commerce exporters like storage, packaging, labelling, certification and testing and other common facilities for the purpose of exports.

In the Foreign Trade Policy of 2023 the intent and roadmap for setting up e-commerce export hubs was outlined. They have been proposed as designated areas, which would act as a centre for favourable business infrastructure and facilities for cross border e-commerce activities.

Global e-commerce exports are expected to touch $2 trillion in 2030 from $800 billion now.

China, which is a leader in e-commerce exports, is also a pioneer in export hubs for e-commerce. China's exports through this route are 6.4% of its total merchandise exports in 2023 while for India this figure stands at 1.14%.

For ease of doing business the government has launched Trade Connect e-Platform to serve as a single point contact for existing and aspiring exporters. It will provide connectivity to exporters with all relevant government departments, Indian missions abroad, provide information in market opportunities,

Queries under export-import regulations, trade finance and insurance, incentive schemes, trade disputes, logistics, support for export to foreign markets. foreign government procurement opportunities and investment opportunities can be submitted for resolution on that platform.

At the first Board of Trade meeting after the government took over, the Jan Sunwai Portal was launched. It will be run by the Directorate General of Foreign Trade (DGFT) s a video conference-based virtual interface to streamline communication between stakeholders authorities, addressing trade

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India stands out globally, will continue to grow at fast pace: FM Sitharaman

https://m.economictimes.com/news/economy/policy/india-stands-out-globally-will-continue-to-grow-at-fast-pace-fm-sitharaman/articleshow/113462886.cms

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Niti Aayog working on developing pathway for net zero carbon emissions by 2070: Niti Aayog CEO

NITI Aayog CEO BVR Subrahmanyam today said that India could easily double the size of its economy by 2030. Speaking at an event in New Delhi, Mr Subrahmanyam pointed towards India being the fifth largest economy with a size of about 3.7 trillion US dollars in nominal terms. He said by 2047, India will be among the world’s youngest nations demographically, poised for prosperity, with a projected per capita income of around 20 thousand US dollars.

He further added that climate change is an opportunity for India to become a leader in climate technology. Mr Subrahmanyam said that there is a need to look at the green economy, and Niti Aayog is working on developing a pathway for net zero carbon emissions by 2070.

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Impact of Bangladesh events on specific Indian sectors small: CRISIL

Recent developments in Bangladesh have not significantly affected India’s trade and the future impact will vary based on sector-specific nuances and exposure, according to Indian rating agency CRISIL, which does not foresee any near-term impact on the credit quality of the Indian corporate sector either.
However, a prolonged disruption can affect the revenue profiles and working capital cycles of some export-oriented industries for which Bangladesh is either a demand centre or a production hub, the S&P Global company said.

Sectors like cotton yarn, power, footwear, soft luggage, fast moving consumer goods (FMCG) may see a small but manageable negative impact, while ship breaking, jute and readymade garments (RMG) should benefit as they are seeing an increase in sales inquiries from key export destinations. For most others, the impact will be insignificant, it noted.

India’s trade with Bangladesh is relatively low, accounting for 2.5 per cent of its total exports and 0.3 per cent of total imports in the last fiscal. Merchandise exports mainly comprise cotton and cotton yarn, petroleum products, electric energy, etc., while imports largely comprise vegetable fat oils, marine products and apparel.

For cotton yarn players, Bangladesh accounts for 8-10 per cent of sales, so the revenue profile of major exporters could be affected. Their operating profit margins, however, may not be significantly affected as cotton-yarn spreads are already modest at present, CRISIL said in a release.

Companies into footwear, FMCG and soft luggage could also see some impact because of manufacturing facilities located in Bangladesh. These facilities faced operational challenges during the initial phase of the crisis. However, most have since commenced operations, though a full ramp-up and the ability to maintain their supply chain will be critical.

Engineering, procurement and construction companies engaged in power and other projects in Bangladesh could see execution delays this fiscal as a sizeable portion of their workforce has been recalled to India for almost a month now. With only a gradual ramp-up in workforce expected, revenue booking could be lower this fiscal compared with earlier expectations, CRISIL said.

Indian companies supplying electricity could see delayed payment of dues.

Pertinently, debtor risk for most sectors may increase with major transactions being carried out through letters of credit, which could be invoked in the event of non-payment, leading to dependence on Bangladesh banks for settlement. Besides, forex issues are also rising due to the depreciation of taka versus the rupee and other currencies, CRISL added.

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Researchers discuss strategies to boost cotton productivity in North India

The Central Cotton Research Institute, Sirsa, recently hosted a conference on increasing cotton productivity in North India, considering the region's changing climate. Chaired by BR Kamboj, Vice-Chancellor of CCSHAU, Hisar, and co-chaired by YG Prasad from Nagpur, the event gathered scientists, officials and progressive farmers.

Kamboj urged attendees to develop innovative techniques for pest and disease control and to effectively disseminate these findings to farmers. He emphasised the importance of micro-irrigation and proper nutrient management.

The lead scientist, Rishi Kumar, welcomed participants and shared insights on the current state of cotton crops in Northern India. Discussions included challenges in cotton production, pest management strategies, and the selection of suitable cotton varieties, especially Bt hybrids.

Experts from various universities presented their initiatives to enhance cotton yields, focusing on integrated management of pests like whiteflies and pink bollworms as well as identifying diseases affecting cotton crops.

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Why the Federal Reserve has gambled on a big interest-rate cut

https://www.livemint.com/economy/latest-economy-news-today-live-updates-september-19-2024-11726687893544.html

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West Bengal economy performs poorly over several decades: EAC-PM paper

https://www.thehindu.com/business/Economy/west-bengal-economy-performs-poorly-over-several-decades-eac-pm-paper/article68654721.ece

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GLOBAL

ICE cotton futures drop amid strong dollar & profit-taking

ICE cotton experienced profit selling at higher levels following a strengthening of the dollar index. Most cotton futures contracts ended the day with losses. Traders are focused on adjusting to the current market conditions, closely monitoring economic growth, demand, and farmers' willingness to sell at present prices.
Yesterday, the ICE cotton December contract settled at 72.16 cents per pound (0.453 kg), down by 0.66 cents. It had reached an intraday high of 72.99 cents, the highest level since July 14.

The dollar index rose by 0.1 per cent ahead of the Federal Reserve meeting. A stronger dollar makes cotton purchases more expensive for overseas buyers, adding pressure on demand. However, crude oil prices continued to rise, increasing the cost of polyester, a cotton alternative.

Open interest in cotton futures remained unchanged. Farmers are ready to sell cotton at higher levels, as short covering by speculators could drive prices upwards.

The US Department of Agriculture (USDA) reported that the quality rating of US cotton was 39 per cent as of September 15, 2024, slightly down from 40 per cent the previous week but significantly higher than 29 per cent during the same period last year.

The USDA also noted that the US cotton harvest rate was 10 per cent, up from 8 per cent the previous week, 9 per cent during the same period last year, and above the five-year average of 8 per cent.

Furthermore, the USDA reported that boll setting in US cotton reached 54 per cent, up from 45 per cent the previous week, 52 per cent last year, and higher than the five-year average of 50 per cent.

Traders are closely monitoring the possibility of interest rate cuts by the Federal Reserve, which has kept rates at a four-and-a-half-year high. Any major developments from the Fed meeting could provide momentum for prices.

Currently, ICE cotton for December 2024 is trading at 71.85 cents per pound, down 0.31 cents. Cash cotton was traded at 66.55 cents (down 1.59 cents), the October contract at 70.81 cents (down 0.94 cents), the March 2025 contract at 73.33 cents per pound (down 0.36 cents), the May 2025 contract at 74.41 cents (down 0.34 cents), and the July 2025 contract at 75.03 cents (down 0.30 cents). A few contracts remained unchanged from the last closing, with no trading activity noted today.

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