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1. GOVT MAY SOON TWEAK PLI SCHEMES FOR PHARMA, TEXTILES, DRONES

The government may soon tweak the production-linked incentive scheme for pharmaceuticals, drones and textiles sectors to encourage investment and boost manufacturing. These sectors have been identified after inter-ministerial consultations on the performance of the scheme for various products. The official also said that disbursement of production-linked incentives (PLI) for white goods (AC and LED lights) would start this month and that would push the amount of disbursement, which was only Rs 2,900 crore till March 2023. The scheme was announced in 2021 for 14 sectors such as telecommunications, white goods, textiles, manufacturing of medical devices, automobiles, speciality steel, food products, high-efficiency solar PV modules, advanced chemistry cell battery, drones and pharma with an outlay of Rs 1.97 lakh crore. "We have identified the sectors. We are going to send the combined note to seek approval of the Union Cabinet. The changes include extending some time (for pharma sector) and adding some additional products in some sectors." In textiles, we are expanding the definition of certain other products in the technical textiles segment; in drones, we are increasing the amount," the government official, who did not wish to be named said. The total amount allocated for the PLI scheme for drones and drone components is Rs 120 crore spread over three financial years. A senior official of the commerce and industry ministry had earlier stated that some course corrections or tweaking were needed in PLI schemes that were not doing well. PLI schemes for sectors which are not picking up well include high-efficiency solar PV modules, advanced chemistry cell (ACC) batteries, textile products and speciality steel. On the other hand, the scheme is doing well in sectors such as electronics, pharma, medical devices, telecom, food processing, and white goods. The government is trying to sort out issues such as timely processing of claims, visa-related matters where vendors require Chinese professionals' expertise, and delay in getting environmental clearances that have been raised by certain stakeholders of PLI schemes. The purpose of the scheme 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. These schemes for all 14 sectors have been notified by the concerned ministries/ departments after due approval. These schemes are in various stages of implementation. The government is expected to disburse about Rs 13,000 crore to eligible firms seeking benefits under the schemes.

(Source: Financial Express)

2. INDIA'S APPAREL EXPORTS REGISTERED A GROWTH OF 17.7% FROM APRIL-AUGUST 2022

An analysis of DGCI&S exports data by the Confederation of Indian Textile Industry (CITI) has revealed that India's Exports of Ready-made Garments (RMG) of all textiles during August 2022 stood at about US\$ 1232.7 Mn which is about 0.4% lower than exports of August 2021. Cumulative exports of RMG during Apr-Aug 2022, increased by about 17.7%

to reach US\$ 7104 Mn as compared to Apr-Aug 2021. Similarly exports of Cotton based Textiles which includes yarn, fabrics, made-ups, handloom products, etc, have declined by about 32% during August 2022 to reach US\$ 881.9 Mn as compared to August 2021.
(Source: CITI)

3. US & SRI LANKA RE-ENGAGE IN BILATERAL TRADE ISSUES AT TIFA MEETING

The United States and Sri Lanka held the fourteenth Trade and Investment Framework Agreement (TIFA) Council Meeting in Colombo. During the meeting, both countries re-engaged on a wide range of bilateral trade and investment-related issues, including policies impacting the investment climate, recent labour reforms, customs and trade facilitation, technical barriers to trade, and market access for apparel, gem and jewellery among others. The two parties also discussed collaboration and technical assistance related to the development of the digital economy, the countries said in a joint statement. The technical level meeting was co-chaired by K J Weerasinghe, chief negotiator, Office of International Trade, Government of Sri Lanka, and Brendan Lynch, acting assistant United States Trade Representative for South and Central Asia. Both delegations included officials from trade, investment, customs, labour, intellectual property, agriculture, and other relevant agencies. Both the United States and Sri Lanka acknowledged that improving transparency and efficiency in approving foreign direct investment (FDI) in Sri Lanka and the implementation of robust anti-corruption measures are instrumental in supporting domestic economic growth and attracting foreign direct investment. With respect to good governance, the United States emphasised the importance of adopting robust anticorruption measures to ensure accountability and promote transparency within Sri Lanka. Sri Lanka provided updates on their recently proposed anticorruption legislation and requested technical assistance and training from the US government to combat bribery and other forms of corruption. The United States conveyed to Sri Lanka that working with trading partners to support workers' rights is a top priority issue for the Biden-Harris Administration. Sri Lanka briefed on the ongoing process to reform its existing labour laws and Sri Lanka's progress towards aligning with that of internationally recognized labour standards. The United States encouraged the reduction of agricultural trade barriers to bolster food security in Sri Lanka. Sri Lanka highlighted market access for high-value and value-added agricultural products of Sri Lanka, such as organic spices and concentrates, as well as extending GSP preferences to apparel, textiles and leather products, which will benefit Sri Lankan exporters as well as US consumers. Both countries also affirmed the importance of intellectual property (IP) protection and enforcement as a means to promote both bilateral trade and innovation. The next TIFA Council Meeting will be held in 2024.

(Source: Fibre2Fashion)

4. RUSSIA & INDIA TO WIDEN MARITIME COOPERATION

Russia and India have agreed to widen maritime cooperation, including the possibility of using new transport corridors like the Northern Sea Route (NSR) as well as the Eastern Maritime Corridor (EMC) between Vladivostok and Chennai. The agreement was reached when Indian Minister of Ports, Shipping and Waterways Sarbananda Sonowal met A O Chekunkov, Russian Minister for the Development of the Far East and the Arctic, at the 'Far East Street' exhibition, part of the 8th Eastern Economic Forum organised by the Roscongress Foundation. Russia has also agreed to train Indian seafarers in polar and Arctic waters at the Russian Maritime Training Institute in Vladivostok that is equipped with

simulator training facilities. “Our proposed workshop in Chennai will discuss the operationalisation of the EMC, and we envision to involve pertinent stakeholders involved in the trading and transportation of potential commodities, such as coking coal, oil and liquefied natural gas, along this corridor,” Sonowal was quoted as saying in a release by his ministry.

(Source: Fibre2Fashion)

5. BETTER COTTON & IPM COALITION CALL FOR GLOBAL BAN ON HHPs

Better Cotton, the world’s largest cotton sustainability initiative, and its partners in the Integrated Pest Management (IPM) Coalition have issued a position paper demanding a global phase-out of highly hazardous pesticides (HHPs) across agricultural supply chains. Ahead of the fifth session of the International Conference on Chemicals Management (ICCM5), set to take place in Bonn, Germany, from September 25-29, Better Cotton and fellow Coalition founding members have urged authorities to enforce regulatory frameworks that would mandate the elimination of highly hazardous agrochemicals, Better Cotton said in a press release. The Coalition which also includes Fairtrade, Rainforest Alliance, the Sustainable Agriculture Network (SAN), and the Forest Stewardship Council (FSC) has outlined a series of recommendations to catalyse action on HHPs in agriculture. Efforts are being intensified on several fronts to combat the negative impacts of HHPs on both human health and the environment. Firstly, there is a commitment to phasing out HHPs globally through a series of coordinated, time-bound actions. This means enacting stringent regulations that would curtail the use and distribution of these harmful substances. Secondly, substantial support is being extended to agricultural producers as they transition to more sustainable agricultural practices. Notably, frameworks that promote agroecology and IPM are being developed and funded to minimise or eliminate the use of hazardous pesticides. Thirdly, significant investments are being made in research and innovation to discover safer alternatives to HHPs. The goal is to make these alternatives not only effective but also affordable and accessible to farmers globally. Fourthly, there is a concerted effort to promote awareness and educational programmes that provide farmers with the knowledge and tools they need to adopt IPM practices and make informed choices in pest control. Lastly, collaboration is being sought with governments, industry, and civil society to halt subsidies for HHPs. This multi-stakeholder approach aims to strengthen regulatory frameworks and enforcement mechanisms, thereby ensuring an effective and sustainable phase-out of HHPs. HHPs have historically been used to combat the threat posed by pests to cotton and other crops. Exposure to such pesticides can, however, jeopardise the health and safety of agricultural workers despite the availability and utilisation of personal protective equipment (PPE). Better Cotton has made significant progress in its efforts to eliminate the use of HHPs on cotton farms. In India alone, between the 2014-15 and 21-22 cotton seasons, Better Cotton Farmers cut their use of HHPs from 64 per cent to 10 per cent, whilst those using Monocrotophos a pesticide classed as highly toxic by the World Health Organization dropped from 41 per cent to just 2 per cent. Across Better Cotton’s network and those of its cross commodity partners within the Coalition which together produce cotton, cocoa, coffee, palm oil, and tea across more than 13 million hectares of land an IPM approach has helped more than seven million farmers adopt more sustainable solutions. As defined in Better Cotton’s Principles and Criteria (P&C), an IPM approach to cotton farming entails growing a healthy crop, preventing the build-up of pest populations, preserving and enhancing populations of beneficial organisms, field observation, and managing resistance. Trainings are provided across all countries in which Better Cotton operates to ensure cotton farmers are equipped to adopt an IPM approach and can contribute to the global phase-out of HHPs. The IPM Coalition commends the United Nations’ Strategic Approach for International Chemicals Management (SAICM) for initiating the fifth session of the International

Conference on Chemicals Management (ICCM5) which will provide an opportunity to address chemical management in accordance with the organisation's Sustainable Development Goals (SDGs). "Only a global response to the use of highly hazardous pesticides in agricultural supply chains will ensure that farmers and their land are protected from the harmful impacts of such formulations. The IPM Coalition exists to bang the drum on this important issue, and we hope authorities will join us in driving change," said *Alan McClay, chief executive officer, Better Cotton*.

(Source: Fibre2Fashion)