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INTERNATIONAL NEWS

INTERNATIONAL NEWS

COVID 19 local brands threaten Europes denim exports

Though the European Union fears a significant decline in denim imports due to COVID-19, it will continue to remain a huge market for international denim exporters. As per a report by the Centre for Promotion of Imports, the Europe Union imported denims worth €9.2 billion in 2019.

Germany: The largest denim importer in Europe, Germany imported denims worth €2.1 billion in 2019. From 2014-2019, the country's denim imports grew at an average rate of 3.5 per cent per year in value, while their volume grew by 2.4 per cent per year. Men's denims constituted the larger portion of Germany's denim imports in 2019 with 65.1 per cent share while women's denim had a 34.9 per cent share.

The Netherlands: Amounting to €1.2 billion Netherlands's denim imports grew at an average rate of 7.5 per cent per year in value while they grew by 3.5 per cent in volume. Men's denim segment grew by 8.2 per cent every year on average while women's denim overall import grew by 6.3 per cent.

Spain: Spain was the third largest importer of denims in Europe, with imports amounting to €1.1 billion in 2019. In the five last years, the value of Spain's denim imports grew at an average rate of 7.5 per cent per year, while their volume grew by 7.1 per cent.

From 2014-2019, the value of women's denim imports grew by 10.1 per cent while that of men's denim grew by 4.0 per cent.

France: Fourth largest European denim importer, France imported denims worth €953 million in 2019. The country's denim imports grew by 2.1 per cent in value while they grew by 2.4 per cent in volume. Import of men's denims constituted 56.5 per cent of its total denim imports while women's denims constituted 43.5 per cent.

The United Kingdom: The UK was the fifth largest denim importer in Europe in 2019. The country imported denims worth € 750 million in 2019. Men's denims constituted 53 per cent share of UK's total imports' value in 2020.

Italy: Sixth largest denim importer, Italy imported denim worth €634 million in 2019. From 2014-2019, the value of Italy's denim imports grew at an average rate of 2.6 per cent per year, while their volume grew at 3.2 per cent per year. Men's denim products comprised the larger denim segment in Italy with 55.2 per cent, followed by women's denims with 44.8 per cent.
New denim styles

Skinny and super skinny women's denim jeans transformed into high-waist straight or slouch trousers in 2020. Denim length shortened with new features like split trousers legs, legs cropped from the cuffs and very wide legs being added. Mom's Jeans high-waist fit of denim trousers gained popularity during this year along with jeans in "used" or stone-washed style.
Online denim brands to surge in 2021

Online distribution of denim jeans is expected to continue in 2021 too. Denim manufacturers need to collaborate with smaller online brands to maintain production standards. Companies from developing countries like India need to distribute their products right to the customer using digital channels.

Athleisure popularity threatens denim

The emergence of athleisure in 2014, has threatened denim sales across the world. Already popular for its leisure features, athleisure sales grew by 12 per cent from 2018 to 2019. However, the industry is uncertain of this trend's future influence on denim imports.

Source: fashionatingworld.com– Jan 02, 2021

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New Zealand, Australia bedding retailers review relationship with Silk Sensation

New Zealand and Australian bedding retailers are reviewing their relationship with a Dunedin-based importer Silk Sensation that had earlier advertised itself as selling sheets made of cotton sourced from China's Xinjiang province.

However, Ian Thomson, Director, Silk Sensation has denied the sheets are made by slave labor. He said, the cotton has been sourced from a completely different aprt of the province and not from where human rights abuses occurred.

Although only Harvey Norman stocked its cotton sheets, the company's other products are stocked by retailers like Smith & Caugheys, Beds R Us, Sleep Gallery, Queen B, Innature, Chambers, Bedpost, NZ Nature, Whitwells Furniture, J Ballantyne & Co. and H & J Smith.s

A report published recently by the US Centre for Global Policy found coercive labor practices affect the vast majority of Xinjiang's cotton production.

Moreover, it said southern Xinjiang, where most Uighurs live, produces over three quarters of the region's cotton. The report found at least 570,000 people in three Uighur regions were forced into cotton-picking schemes in 2018.

Many international clothing brands plan to stop sourcing cotton and garments from Xinjiang.

Source: fashionatingworld.com– Jan 01, 2021

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Will RCEP usher in a year of trade for Malaysia?

The anticipated ratification of the Regional Comprehensive Economic Partnership (RCEP) in 2021 is projected to usher in a new era of trade as the newly minted trade bloc will be the largest in the world, accounting for a third of the world's population and close to 30% of global gross domestic product.

Economists noted the deal, which includes Malaysia as part of the 10 Asean member countries, as well as China, South Korea, Japan, Australia and New Zealand, is expected to translate into an additional US$200 billion (RM803.4 billion) annually to the global economy by 2030.

Sunway University Business School professor of economics Dr Yeah Kim Leng pointed out that the RCEP, as the world's largest trade bloc, represents an important signal of the member countries' pushback against trade protectionism and anti-globalisation forces that were especially evident in the US under the Trump administration.

As seen in the tremendous expansion in trade and investment under the Asean-China FTA between 2010 and 2020, the new regional pact when implemented in 2021 is expected to provide Asean economies with a new growth impetus in the coming years," he told SunBiz.

Yeah opined that the RCEP, coming on the heels of the creation of the Asean Economic Community, will be an important driver of regional economic integration, especially with China that is expected to overtake the US as the world's largest economy within this decade.

He believes that the trade agreement is unlikely to lead to an EU-type of economic and political integration given the diverse social, cultural, political and economic backgrounds of the member countries.

However, the RCEP is expected to be an important institution to support Asia's economic dynamism as it is predicted to be the quickest to recover from the Covid-19 pandemic as well as being the fastest growing region in the years to come.

With such developments, the professor recommended the Malaysian government to enhance its investment climate, reduce political uncertainty and strengthen the government machinery to support the establishment of supply chain hubs.

"To complement its abundant land and natural resources, continuing investment in good quality physical and digital infrastructure is also important for regional production centres and logistics and distribution hubs to proliferate so that local and foreign investors are able to benefit from agglomeration effects and economies of scale," he said.

At present, tariffs on Malaysia's exports to non-Asean RCEP partners are generally low, ranging from 10.35% for China, 1.52% for Japan, 4% for Australia and 1.88% for New Zealand.

Against this backdrop, Yeah highlighted the facilitation of trade and removal of non-tariff barriers under the RCEP that will boost Malaysia's diversified exports.

He stated that most manufacturing and primary commodity industries will face increased competition in import and export markets, but Malaysia's trade openness for most products suggests that the new trade pact will not be disruptive.

"Certain protected industries such as automotive and iron and steel will have to adapt more aggressively to the expected increase in competitive pressures when the RCEP is fully in force."

AmBank Research chief economist Anthony Dass noted that most RCEP countries already have bilateral free trade agreements (FTAs). As such, the impact of RCEP on trade is likely to be mainly on the countries that currently don't have bilateral FTAs, that is, China-Japan, and Japan-South Korea," he said.

Nonetheless, Dass estimated that 90% of the goods traded in the region will eventually achieve zero tariffs, except for some agricultural and other sensitive goods.

Domestically, he foresees this could possibly benefit a wide range of manufacturing and service sectors, from banking & finance, ICT, electrical & electronics, chemical & chemical products, rubber products and plastic products as well as machinery & equipment.

“Nevertheless, the textile and apparel industry is expected to face competition from lower-cost producers in the RCEP region such as Vietnam. Likewise, the timber and timber product industry,” said the chief economist.

Source: thesundaily.my– Jan 03, 2021

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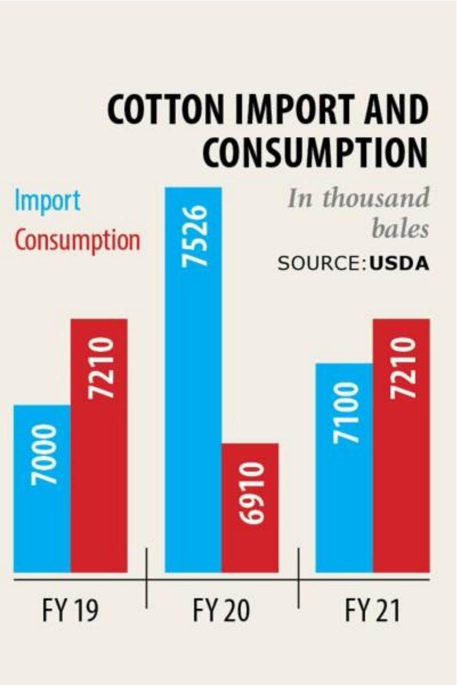
Bangladesh: Cotton import grows despite pandemic

Bangladesh's cotton imports grew by about 9 per cent to 75 lakh bales in the 2019-20 marketing year (MY) despite the ongoing coronavirus pandemic, according to data from the United States Department of Agriculture (USDA).



The cotton marketing year begins in August and ends in July and one bale equals to 480 pounds.

The high demand for cotton during the first half of the year combined with the country's success in combating Covid-19 has allowed the garment sector to maintain operations despite a few short-term disruptions.

US cotton exports to Bangladesh in MY2019-20 reached 1.06 lakh bales, up 28.9 per cent from MY2018-19. The US cotton market share was approximately 14 per cent in MY2019-20, which is second to India's 23 per cent market share.

For MY2020-21, cotton imports will slightly decrease to 71 lakh bales given the uncertainty in global demand and relatively low import in the first months of the year, the report said.

"Cotton imports continued even amid the ongoing crisis since many consignments were signed earlier but imported later," said Monsoor Ahmed, secretary to the Bangladesh Textile Mills Association (BTMA).

Sales in the primary textile sector were disrupted during the Covid-19 outbreak in April-May but when the markets reopened, the sales started to peak up again.

This was especially the case for the weavers and spinners that serve local markets, he added.

The ongoing pandemic has disrupted Bangladesh's textile and apparel industry, resulting in a sharp decline in the sector's exports to major markets, including the US and EU. Preliminary data from the Bangladesh Export Promotion Bureau shows that the export value of apparel in the first 10 months of 2020 dropped 19 per cent year-on-year to $22.4 billion.

However, this decline was lower than the forecast made by the industry experts in May 2020 as Bangladesh's success in combating Covid-19 has allowed companies to maintain operations despite a few short-term disruptions.

The decline in apparel exports is a result of a depressed global demand, increased competition from Vietnam and heightened production and safety standards in Bangladesh's garment industry.

The sector's export value dropped 85 per cent in April and 62 per cent in May year-on-year in 2020.

Bangladesh's yarn production is recovering following an extended period of market disruption as well.

According to the Trade Data Monitor (TDM), the value of Bangladesh's cotton yarn exports in the first 10 months of 2020 dropped 27 per cent year-on-year to $11.3 million.

With Bangladesh's domestic yarn demand rebounding over the past 3 months, the local spinning industry expects cotton yarn production will continue to see positive growth as a result of the increased demand for knitwear exports.

Bangladesh's yarn exports fell 27 per cent in 2020, the report said, adding that the price of yarn has increased substantially over the August to October timeframe because of an uptick in garment demand before the upcoming holiday season in the EU and US.

Through the first nine months of 2020, the value of cotton yarn imports was above 12 per cent at $692 million compared to $617 million in 2019.

China alone has exported over $148 million worth of cotton yarn to Bangladesh the past calendar year and over $225 million in 2019.

In a report, the BTMA said there were more than 433 spinning mills operating in Bangladesh in 2019 with a combined production capacity of 2.9 million tonnes of yarn per year.

Despite the large domestic spinning capacity, Bangladesh imported more than $850 million worth of cotton yarn in 2019.

Bangladesh has import duties of 5 per cent for man-made fibre, 25 per cent for fabric, and 10 per cent for yarn.

While seemingly high, export-oriented garment factories can import yarn and fabric under a duty draw back incentive, which reimburses all customs duties paid on imported yarn and fabric, except taxes such as the VAT and advanced income tax.

The draw back incentive programme enables Bangladesh to go for large imports of cotton yarn and fabric from India and China. Previous forecasts showed that the country's cotton consumption would drop sharply in the second half of MY2019-20 and continue to decline in MY2020-21 due to the Covid-19 fallout.

However, Bangladesh's cotton consumption, reflected by cotton imports and domestic demand for cotton yarn, has remained strong due to Asia's overall success in combating Covid-19.

Domestic consumption of apparel and textile products has been mildly impacted by the cancellation of large events like Pahela Baishakh, the first day of Bangla new year, and the Eid festivals that often promote clothing sales.

But overall, the negative impact of Covid-19 has been lower than forecast, the report said.

Source: thedailystar.net– Jan 03, 2021

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Pakistan: Tea leaves of trade

Predictions, forecasts, voodoo economics and crystal balls. This time last year, same as every year, mumbo jumbo about hopes of economic recovery and higher export figures was sprouted by every stakeholder, along with the usual rhetoric of government support and incentives. Yet, as policymakers, economists and journalists keep an eye on the future, one reads tea leaves of what the trade scenario of this year ought to be.

By one estimate, global trade was down by 18.5 per cent in the second quarter of 2020. Potentially, the biggest fallout from the pandemic was limiting trading opportunities with the developing world as growing protectionism in more advanced economies is dressed up as national security protection.

Keeping the reverberations of the pandemic aside, 2020 was historic in other terms as well that will influence broad global trends and impact Pakistan's exports in 2021 as well as the years to come.

The China effect

Between Trump and the pandemic, the era of just-in-time global supply chains is being questioned but the economic incentive to outsource still prevails.

According to AmCham Shanghai 2020 China Business Report, American manufacturers are not considering to shift back to the US but are mulling over shifting production to other lower-wage countries. According to the New York Times, Samsung, Hasbro, Apple, Nintendo and GoPro are relocating to countries with lower wages.

Samsung and Apple have shown interest in India, reports its media. The government has announced a production-linked incentive scheme for large scale electronics manufacturing which will later be extended to other sectors such as textiles.

While Pakistan's textile sector has managed to route home some orders it faces a lot of competition from regional players for foreign direct investment (FDI) by other low-wage countries.

India's bounce back

Others' losses are Pakistan's gains. Relatively less hit by the pandemic, Pakistan's outbound shipments grew at a faster pace than Bangladesh and India as textiles led the country's recovery. Garment manufacturers are operating near-maximum capacity as this windfall came on top of the China-US trade war which helped divert orders to Pakistan as well.

However, despite the high number of cases, India in September 2020 was among the small group of countries that reported a year-on-year increase in the value of exports. In April 2020, its exports fell by a whopping 61 per cent year-on-year but by September had recovered to rising by 6pc compared to the same month in 2019.

According to India's National Investment Promotion & Facilitation Agency, it has become the second-largest manufacturer of personal protective equipment (PPE) in the world. More than 600 companies are certified to produce PPE whose global market worth is expected to be more than $92.5 billion by 2025, up from $52.7bn in 2019. Even though it was badly hit by the pandemic in 2020, FDI into the textiles and apparel industry was $3.45bn. And the country is eyeing exports of $300bn in textiles and apparel by 2024-25.

So the question remains whether Pakistan can retain its orders in the post-pandemic world.

Brexit

As yet, every indication points to the UK continuing to provide the preferential access that Pakistan has to the EU under GSP Plus.

But things may not be as simple as that.

For example, Pakistan's Basmati rice exports increased to the EU after stricter standards made Indian exports less tenable. EU's basmati imports were nearly $2bn in 2019 with the UK being the third-largest importer in the bloc, after France and Germany. However, softening of stance on standards would allow India to regain its share of the pie. With Pakistan's basmati rice geographical indication tagging already hanging in the balance, 2021 maybe a year of scrambling to maintain market share.

The UK appears to be amongst the most adversely affected countries since it has to contend with Brexit as well as the pandemic. Bloomberg Economics estimates that the UK's growth rate will be half a percentage point lower per year for the next decade than it would have been had it remained part of the EU. Since the UK is the most important textile market for Pakistan (after the US), this could lower demand.

Furthermore, oil-based synthetic fibres have the lion's share compared to cotton, with a ratio of 70:30. Man-made fibres are cheaper, environment-friendly and more durable and lower oil prices will make polyester more competitive in a market where consumers may have decreased purchasing power. Nevertheless, Pakistan's textile exports continue to be heavily cotton based.

Iran, Trump & Biden

Lack of banking channels meant the bulk of trade with Iran was through the informal economy even without sanctions. However, Trump's harsh measures increased Iran's proximity to China. Both countries have signed a 25-year comprehensive partnership under which China will invest $400 billion in Iran.

Without banking channels, Pakistan can little benefit from its oil-rich basmati-rice-eating neighbour. However, better ties with Iran under Biden and China's increasing involvement may open channels if not in 2021 then in the years to come.

Pakistan's eggs belong to the textile market when it comes to exports. Running on the pandemic and trade war fumes, 2021 may continue to be a good year for textiles, even if the trend does not continue further down the road.

Source: dawn.com– Jan 04, 2021

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Pakistan: Timely implementation of long-term policies to bring new investments

The Pakistan Hosiery Manufacturers and Exporters Association (PHMA) on Sunday expressed the hope that $20 billion export target fixed for the next five-year Textile Policy will be achieved.

PHMA zonal chairman Faisal Mehboob Sheikh and chief coordinator Adil Butt said that timely implementation of the long-term policies would not only bring new investments in the country but would also enable the industry to achieve the target of exports in the next five years. Faisal Mehboob Sheikh said that ad-hoc policies cannot prove beneficial for the country's exports and time has come to implement the long-term textile policy in letter and spirit.

He lamented that the previous Textile Policy has failed to achieve its targets, including enhancing textile exports from $13 billion to $26 billion, doubling value-addition from $1 billion per million cotton bales to $2 billion per million cotton bales as well as the creation of 3 million jobs in five years. "It's good news that after the expiry of last Textile Policy the government has come up with a new policy, comprising new targets, incentives and recommendations while all stakeholders were also taken on board before the finalization of the new policy, which is a good sign for the economy and industry," Faisal Mehboob added.

PHMA chief coordinator Adil Butt said that Pakistan can achieve target of $26 billion's export provided the local industry is facilitated with regionally competitive energy tariffs and business-friendly environment.

Adill Butt also appreciated the role played by the PM advisor and his team in ensuring a balanced relief to the entire textile value-added chain of Pakistan Textile. This long-awaited Textile Policy is well researched, outlines the major challenges and proposes befitting measures for stabilization, revival and growth of the textile industry of Pakistan. Most importantly, Pakistan not only has now a well-defined and dynamic Textile Policy it also has a Ministry which has its ownership, he said.

For the first time focus has been developed on the utilization of women workforce and domestic commerce which should be immensely useful for the growth of the industry. It manifests the government's vision and intention to harness the full potential of the Textile Industry of Pakistan.

Our textile industry is greatly handicapped by not having duty-free market access to several main textile importing countries like the United States of America. Government's resolve, expressed in this policy, to focus attention in these key destinations is a source of satisfaction for the value-added knitwear industry. The PHMA leadership said that the makers of this Textile Policy have dealt a fair treatment to such textile sub-sectors which were not only undermined but were almost ignored.

Under the new proposed textile policy, the electricity tariff will be at US 7.5 cents per unit while duties at the gas, water, and others will be reduced to boost the sector, which is appreciable. He said that the new policy will help in boosting employment opportunities for millions of people. "The knitwear industry and exporters welcome the new Textile Policy of the federal government and pin the hope that this would put the economy on track," he added.

Source: nation.com.pk– Jan 04, 2021

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Bangladesh RMG units see true faces of buyers in pandemic: Rubana

Global brands and buyers have adopted an unfriendly approach towards the apparel exporters of Bangladesh amid the coronavirus pandemic that hit the readymade garment sector and its workers hard, Bangladesh Garment Manufacturers and Exporters Association president Rubana Huq said.

'Western buyers have apparently shown their real faces amid the COVID-19 spread. Faced with economic uncertainty, they basically tried to shift the burden to us,' the BGMEA president said in an exclusive interview with New Age on Sunday.

'The 2020 was a year of fear and anxiety. With the losses suffered from the cancellation of 3.18 billion dollar worth of orders and the daily demand for discounts, the nightmares that continued due to the deferment of shipment, payments and the endless discussions becoming a part of the routine of the apparel exporters looking for solutions, the industry went through an ordeal,' she said.

Rubana, also managing director of Mohammadi Group, said that brands had suffered, but exporters had suffered more as buyers did not even consider the fact that they had been doing business with suppliers for a long time.

‘The 4.1 million people engaged in the sector faced uncertainty. Entrepreneurs who had built their factories with the hope of expansion and growth, faced an unknown future,’ she said.

Eventually, when the brands considered reinstating orders and about 90 per cent of the orders were reinstated, exporters still had to face back-to-back liabilities of $1.96 billion which remained unpaid because either the buyers did not pay or they went bankrupt, the BGMEA president said.

‘Bangladesh has a lot of green factories but we don’t have green prices. Bangladesh has many practices which are not acknowledged by brands and buyers…We need to own up to our own good practices,’ she said.

The BGMEA president emphasised the need for regional cooperation, which she thought was essential to remain competitive in the world market. ‘We need regional collaboration on manmade fibre-based textile,’ she added.

There were challenges of product diversification as well as ensuring the diversification of markets and raw materials, Rubana said.

‘For instance, in Bangladesh we are still stuck with cotton-based textile production, whereas the entire world has gone the other way. The rest of the world is now focused on manmade fibre-based textiles. And this is important for us to realise,’ she said.

Expressing fear over the second wave of COVID-19, the BGMEA president said that the growth of RMG from January to November posted 17.64 per cent negative growth as the second wave pushed the sector back by multiple folds.

‘The challenges that we face today are the uncertainties regarding the placement of orders by the buyers, the challenges of obtaining working capital for the small and mid-size enterprises, the bankruptcies of brands and lack of protection at our end and the deferred payments and discounts,’ Rubana said.

She said that the situation worsened due to the dip in the consumer index this year as consumption in Europe had dropped by 13 per cent and in the US by 16 per cent in November and Bangladeshi RMG products suffered a decline in price by 5.19 per cent.

The BGMEA president once again demanded a fresh stimulus package from the government to pay wages of workers for four more months.

'Had the prime minister not announced the stimulus packages in March, the majority of the factories would have faced closure. Had the bureaucrats not supported the private sector, we would have been in dire straits. At this point of time, we would need a fresh wage support package for four months starting from January 2021 at 2 per cent service charge with a payback period of 60 months and a moratorium of 12 months,' she said.

At the same time the extension of the current package tenure to 5 years and an extension of moratorium up to 12 months would be of immense help to the sector, Rubana pointed out.

She said that at present many people very often question and say why an industry of 40 years would not have the capacity to pay wages to workers for one month.

'The industry pays $423 million per month as wages and a temporary support would revive the industry and take it to a far superior platform. This thrust to diversify products, recycling and value addition would prepare the industry for the 4th industrial revolution and, in the process, help address the skills gap in the sector,' the BGMEA president said.

'Most of the time we don't cluster our goals in terms of midterm and long-term vision. Value addition should be the midterm vision and product diversification should be a long-term vision,' she said.

Bangladesh is going to graduate from LDC status and after graduation, the double transformation would come into play, which means the country would need a backward linkage industry, Rubana said.

The long-term visions should include investing in MMF-based backward linkage facilities and in the short-term, right now, the sector needs to consolidate its business, she said.

‘We need to restructure and be more efficient because there are a lot of leakages in how we operate,’ the BGMEA president said.

Rubana claimed that before the pandemic, 2,282 factories were running under BGMEA membership. After the closure of 317 factories, 1,965 are now running.

As per the BGMEA database, about 76,000 workers lost their jobs and approximately 40 per cent went back to their former employment. The number of jobless workers is declining every day, she said.

The BGMEA president urged all the stakeholders, including the government, to develop an unemployment protection scheme for the workers.

Source: newagebd.net– Jan 04, 2021

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NATIONAL NEWS

Exports dip 0.8% in December, trade deficit widens to $15.7 b

Going by Christmas, New Year sales, traders hopeful of better times

Exports of goods fell marginally by 0.8 per cent to $26.89 billion (year-on-year) in December even as pharmaceuticals, chemicals and electronic products showed robust increases and the overall order position improved with consumers opening up their purse strings wider during Christmas and New Year.

Trade deficit during the month widened 25.78 per cent to $15.71 billion with imports increasing 7.6 per cent to $42.6 billion due to a sharp increase in gold imports.

In December, the value of non-petroleum exports was $24.73 billion, a growth of 5.33 per cent over December 2019. Exports also improved compared to November, when outbound shipments declined 8.74 per cent to $23.52 billion.

Positive trends

Exporters are hopeful of better times in the months ahead. “December exports also signal that our traditional and labour-intensive sectors have passed the most challenging and testing times as both Christmas and New Year season sales have shown positive trends with further improvement in the coming months.

“Going by this trend, we expect our inventories to be liquidated, adding further to overall demand,” said SK Saraf, President, FIEO.

The preliminary trade data for December was released by the Commerce and Industry Ministry on Saturday.

Exports during April-December 2020-21 fell 15.8 per cent to $200.55 billion compared with the same period last fiscal. Imports declined 29.08 per cent to $258.29 billion.

Items of exports

Major commodities whose exports increased during December include other cereals, oil meals, iron ore, jute items, handicrafts, carpets, ceramic products and glassware, pharmaceuticals, spices, electronics, chemicals, fruits and vegetables, cotton yarn/fabrics/made-ups, handloom products, rice, meat, gems and jewellery and coal & minerals.

Engineering goods, a major export item, posted a marginal growth of 0.12 per cent during the month.

Amongst imports, gold recorded the sharpest increase of 81.8 per cent in December to $2.01 billion.

Other imports that increased include electronic goods, vegetable oil, chemicals, textile yarn and fabric, machine tools, pharmaceuticals and precious & semi-precious stones.

Despite the improvement in prospects, a point of concern for exporters was the reduction in exports of major products including petroleum products, oil seeds, leather and leather manufactures, coffee, RMG of all textiles, man-made yarn/fabrics/made-ups, marine products, cashew, plastic and linoleum and tobacco. Many of these items are also labour-intensive.

“While domestic economy is showing sure signs of a bounce back, there is still a rough sail for exports in the global market.

“This is despite the roll out of Covid-19 vaccine in several parts of the world,” said Engineering Export Promotion Council India Chairman Mahesh Desai.

Source: thehindubusinessline.com– Jan 02, 2021

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AK Sharma given additional charge of Secretary, Textiles

Arvind Kumar Sharma (1988 IAS, Gujarat) who is presently Secretary, Ministry of Micro, Small and Medium Enterprises (MSME), has been given additional charge of Secretary, Ministry of Textiles. The ministry of textiles has updated his name as Secretary on its website. Sharma assumed charge of secretary MSME ministry on April 30 last year.

The additional chagre has been given to Sharma, as the term of textiles secretary Ravi Capoor, who was on Central deputation from July 23, 2019 till December 31, 2020, ended.

Prior to his appointment as MSME secretary, Sharma served as Additional Secretary in Prime Minister's Office.

A 1988 batch IAS officer of Gujarat cadre, Sharma has worked in the Government of Gujarat for long at various positions including field and policy level and as Secretary to the Chief Minister of Gujarat. He has extensive experience in grass root regulatory and developmental administration.

He was recognised with the best District Development Officer when he worked in Vadodara district. He was known for his contribution in industrialisation of Gujarat as managing director of Industrial Extension Bureau and as a pioneer of the Vibrant Gujarat experiment.

Sharma's experience in infrastructure is equally noteworthy since he held the position of CEO of Gujarat Infrastructure Development Board (GIDB) for a long time. During these years, GIDB was acclaimed as the most admired infrastructure agency of the country.

His contribution in setting up the Gujarat section of dedicated freight corridor and Delhi-Mumbai Industrial Corridor as well as Dholera special investment region is also highly talked about. He created on-line administrative processes which are internationally acclaimed.

Sharma's experience of more than a decade in industry and infrastructure sectors, along with his ongoing position in the MSME ministry, would particularly bring lot of value to the textiles ministry and help in rejuvenating India's textile and garment sector.

Source: fibre2fashion.com– Jan 02, 2021

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Weavers, spinners at loggerheads over high yarn prices

The powerloom weavers in the city have unanimously decided not to purchase yarn from the spinners due to steep rise in prices over the last fortnight.

The decision was taken during a meeting of the Federation of Gujarat Weavers Association (FOGWA) on Saturday.

With the Central government imposing anti-dumping duty on caprolactum — a raw material used to manufacture nylon yarn — the prices of nylon filament yarn have gone up by Rs 50 per kg in the local market, giving a tough time to the powerloom weavers.

Industry sources said that the Gujarat State Fertiliser Corporation (GSFC) is the sole producer of caprolatum and supply to many domestic nylon spinners for producing nylon textile grade chips and in turn they produce nylon textile yarn.

Surat is a major consumer of nylon filament yarn used in various garments and in other applications. The textile sector has a monthly consumption of 10,000 metric tonnes of nylon filaments, which accounts for about 70% of the total consumption of India.

Vimal Bekawala, secretary of Nylon Weavers Association (NWA) told TOI, "The nylon fabric weavers are unable to survive due to the steep rise in the nylon yarn prices in the last nine months.

At present, the weavers are facing a shortage of workers and finance due to the coronavirus pandemic." He alleged that the nylon spinners have formed a cartel to increase the prices."

"We have unanimously taken the decision to discontinue the purchase of nylon yarn to protest against the artificial price hike," added Bekawala.

Ashok Jirawala, president of FOGWA told TOI that the consumption of nylon yarn in Surat is pegged at 10,000 metric tonnes per month, which is just 9% of the overall yarn consumption in Surat. “About 25,000 powerloom machines are manufacturing nylon yarn. Despite this, the nylon spinners are increasing the prices in the name of freight charges and short supply of nylon chips in the international market.”

Industry sources, however, said that nylon fabric manufacturers are struggling to increase their fabric prices due to poor demand.

Source: timesofindia.com– Jan 03, 2021

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Garment sector hopeful of achieving growth in 2021, says industry body

With COVID-19 making the year 2020 a year of learning and turbulence, the textile and apparel sector is confident of achieving the much needed growth in 2021.

The sector can make 2021 a year of progress by focusing on USA for apparels, as the textile industry had benefited from the volumes in the market in the first 10 months of 2020, Indian Texpreneurs Federation (ITF) convenor Prabhu Dhamodharan said on Saturday.

"Now, its time to step up the efforts to repeat the same success in the US market for our apparel products," he said.

Vietnams Free Trade Agreement (FTA) with the European Union would intensify competition for India, and at the same time a level-playing field with top competing nations for the US market in terms of duty combined with quick economic recovery make a compelling case for Indian apparel sector for immediate growth, he said.

"We need to intensify efforts and focus on all levels, including those at the government, cluster and companies to grab our share in the US markets," he said.

Stressing on value addition with new capex, he said using the low-interest and easy liquidity combined with robust demand during post-COVID-19 times, the sector can hit the target of 20 per cent increase in per product revenue.

The sector should use the forthcoming production- linked incentive scheme as the stepping stone for much-needed product diversification and innovation to attract global buyers, the convenor said.

Stating that all manufacturing units need to invest in technology adoption and digital initiatives, he said to equip the industry and eco system, culture-building of having an agile mindset is the forward to institutionalise the success.

The industry is currently managing the trade well with sufficient liquidity due to infusion of funds in the system with Central governments Emergency Credit Line Guaranteed Scheme, he said.

The sector needs to utilise the opportunity to maintain the financial discipline to work on shorter credit terms across the value chain to improve the business performance and sustain the recovery momentum, he said.

As a dynamic textile association, ITF would enable the strategies in line with these focus areas with its member companies and work towards the theme and goal of 2021 'A Year of Progress for the Textile and Apparel Sector', he said.

Source: business-standard.com– Jan 02, 2021

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Expect recovery in global trade, exports in 2021: FIEO

Exporters' body FIEO said that the New Year 2021 brings a ray of hope and optimism for the exporting community as we all expect that the worst effect of Covid-19 will vanish from the globe and effective vaccines will bring life and economy back on track.

We are confident that a V- shaped recovery will be witnessed in world trade and we will recover much more from what we lost in 2020, said FIEO President Sharad Kumar Saraf.

Fortunately for us, the decline in exports in the 3rd and 4th quarter of 2020 has been largely addressed with even a few months of positive exports. Since the first and second quarter have been pretty bad, we may end the financial year 2020-21 with exports of around USD 290 bn, added FIEO President.

However, looking into the extremely good order booking position for food including processed food, pharma, medical and diagnostic products, technical textiles, chemical, plastics, electronics and networking products, we should endeavor to take exports to USD 350 Bn in 2021-22. This looks ambitious but definitely achievable, if we address our supply side challenges.

The FIEO Chief further added that with the WTO now in its recent forecast has projected a 9.2% decline in the volume of world merchandise trade for 2020, followed by a 7.2% rise in 2021.

Further the global trade body in an optimistic scenario also said that the global merchandise trade could fall 13% in 2020 with a rebound 21% in 2021, which also adds to the enthusiasm among the exporting community.

The FIEO Chief reiterated that exports growth is vital to clock 8% plus GDP growth and to reach the milestone of USD 5 trillion economy.

Our exports strategy should be two pronged: one focussing on sectors where major imports are happening and other to boost traditional sectors, which are important for exports as well as employment.

Saraf said that today, the major contributor to global trade consists of: Electronics & Electricals, Machinery, Automobile, Pharma and Medical equipment, accounting for about 40% of Global Imports, in which our current share is less than 0.9%.

It is very satisfying that the Production Linked Incentive (PLI) scheme is rightly focusing on these sectors. Once we create production capabilities in these products, pushing exports at a brisk pace should not be a challenge.

The FIEO President however added that both for attracting exports led FDI and exports, we require robust FTAs with some of our major partners like: US, EU and UK, which should be our priority.

Source: smetimes.in– Jan 02, 2021

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India's CCEA approves industrial corridor nodes projects

India's Cabinet Committee on Economic Affairs (CCEA) recently approved proposals by the department of promotion of industry and internal trade (DPIIT) for construction of various trunk infrastructure components for Krishnapatnam industrial area in Andhra Pradesh, Tumakuru industrial area in Karnataka and the multi-modal logistics hub (MMLH) and multi-modal transport hub (MMTH) at Greater Noida in Uttar Pradesh.

The estimated cost for the project in Krishnapatnam industrial area is ₹2,139.44 crore and for the one in Tumakuru industrial area is ₹1,701.81 crore. For the ones in Greater Noida, the estimated cost is ₹3,883.80 crore.

Envisioned on the backbone of major transportation corridors like Eastern & Western Dedicated Freight Corridors, Expressways and National Highways, proximity to ports, airports, etc., the objective of Industrial Corridor Programme is the creation of greenfield industrial cities with sustainable, 'plug n play', utilities to facilitate manufacturing investment in the country by providing quality, reliable, sustainable and resilient infrastructure to industries, an official release said.

The developed land parcels in these cities will be ready for immediate allotment for attracting investments into manufacturing and positioning India as a strong player in the global value chain.

These projects will generate ample employment opportunities through industrialisation.

Source: fibre2fashion.com– Jan 02, 2021

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Indian firms foresee performance improvement: survey

The opening up of the economy and implementation of a broad set of measures under the Atmanirbhar Bharat package have led to a continuous improvement in the performance of businesses, according to a survey by the Federation of Indian Chambers of Commerce and Industry (FICCI) and Dhruva Advisors that found Indian firms are expecting even better results in 2021.

The prospect of an introduction of a vaccine for COVID-19 early next year has improved the confidence level of businesses. Almost 74 per cent of the respondents foresee a significant positive impact on their business once the vaccine is available.

COVID-19 induced travel restrictions have limited the ability of companies to undertake business operations efficiently and 74 per cent respondents validated this. To overcome this challenge and maintain business operations, companies have leveraged digital tools for communication.

Given the benefits of use of technology, 64 per cent of the surveyed companies said moving forward, they will use a mix of travel and virtual meetings even after the situation becomes normal, a FICCI press release said.

Another major outcome of COVID-19 is the likely shift in global supply chains away from China to other economies. Nearly 70 per cent of the survey participants said India could benefit from this move and they expect a fair share of manufacturing to shift from China to India in the near future.

Forty five per cent of the companies rated the latest set of announcements made under Atmanirbhar Bharat package 3.0 as 'good to excellent'. With improvement seen in the economy, nearly 40 per cent of the surveyed companies are currently operating at a capacity utilisation level of over 70 per cent. The figure was 30 per cent in August.

Nearly half of the surveyed companies reported they have seen an increase in their order books and about 40 per cent said their exports have increased.

Source: fibre2fashion.com– Jan 02, 2021

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Railways freight loading sees 8.54 per cent growth in December 2020

Indian Railways loaded 118.13 million tonnes (mt) of cargo in December 2020, which is 8.54 per cent higher compared to last year's loading for the same period (108.84 mt), said an official release.

In December 2020, the Railways loading was 118.13 mt, which includes 50.67 mt of coal, 15.31 mt of iron ore, 6.13 mt of foodgrains, 5.23 mt of fertilizers, 4.3 mt of mineral oil and 7.46 mt of cement (excluding clinker).

During the time, Indian Railways earned Rs. 11788.11 crore from freight loading which is also Rs. 757.74 crore (6.8 per cent) higher compare to last year's earnings for the same period.

The release added improvements in freight movements will be institutionalised and incorporated in the upcoming zero based time table, it added.

Covid-19 has been used by Indian Railways as an opportunity to improve all round efficiency and performance.

Source: thehindubusinessline.com– Jan 02, 2021

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After Brexit: India and UK must catalyse an FTA based on their strategic vision

As we turn the page on 2020, the UK's exit from the European single market and customs union is a major international development. After four-and-a-half years of the British vote to leave the EU, and much wrangling in between over a Brexit deal, London is now free to chart its own course. UK Prime Minister Boris Johnson now envisions a more proactive role for his country in international politics.

With the global order already transforming due to the rise of an assertive China and the Covid-induced pandemic, London could play a key role in upholding democratic, liberal values, and building back the global economy better.

The flux in international systems means that countries are also re-evaluating their positions. Multilateralism is on its last legs as reciprocity becomes the watchword – thanks in large part due to the distrust created by China gaming trade rules. But the economic recovery from Covid necessitates that countries like India and the UK – both of whom have seen substantial economic contractions over the past year – work on bilateral and plurilateral trade deals with a strategic vision. For both, Beijing's belligerence has become a problem.

There already exists much complementarity between the two sides as exemplified by the partnership between Oxford University-AstraZeneca and Serum Institute on the Covid vaccine. But the two countries must display pragmatic flexibility to achieve a deal and not repeat the bureaucratic wrangles that stalled the India-EU trade talks after 16 rounds.

In fact, an India-UK FTA should serve as a template for a future India-EU deal. Having sat out the RCEP trade agreement over concerns on China, India must build economic bridges elsewhere, particularly with the Western world whose capital and technology offer the key to its transformation. Beijing just concluded an investment deal with the EU. New Delhi mustn't be a hesitant late comer to every party.

Source: timesofindia.com– Jan 03, 2021

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Helping SMEs navigate the digital world

There is a huge opportunity for digital service providers to deliver services to the SME segment

Small and medium enterprises (SMEs) are critical to the success of any economy. In India, they account for about 45 per cent of total employment and contribute to around 30 per cent of national income.

The Covid pandemic has accelerated the growth of digital technologies adoption by SMEs. Many SME owners feel that they can relate to digital marketing much more than to other digital technologies.

This study, based on interviews with 50 SMEs, tries to understand how SMEs, both in the B2B and B2C segments, have integrated digital into their sales and marketing activities.

Based on the type of the target customer, SMEs are using digital marketing tools for four activities — brand building, lead generation, sales-force management, and sales support.

The study revealed that SMEs focussing on consumer markets are leveraging digital technologies for brand-building, more than those focussing on business markets. From furniture retailers and restaurants to textile merchants and residential builders, all were found to be using digital media extensively for brand-building.

These SMEs use digital marketing companies to help them with website design, digital advertising, social media marketing, and search engine optimisation. Since many of these SMEs have limited understanding of these activities, they rely entirely on the judgment of their digital marketing partners.

A kitchen furniture company owner has joined an online digital market course to help negotiate better.

Lead generation

SMEs focussing on consumer markets are using digital marketing more extensively for lead generation. In addition to leveraging their websites, SMEs are relying on social media platforms such as Facebook and Instagram for lead generation. Moreover, presence on directory services such as Justdial was also part of most SMEs' digital plans.

Interestingly, LinkedIn is used as a lead source by both B2B and B2C SMEs for targeting professionals. Lead generation is an activity most understood by SMEs as the output is very measurable.

For products targeted at millennials, more than 50 per cent of new leads were being generated through digital marketing activities.

Many B2B and B2C SMEs have large sales forces that are mobile. These range from pharma distributors to textile wholesalers and auto-parts manufacturers.

The study revealed that many SMEs had implemented tools to schedule and track their sales personnel. A plastic container manufacturer has given an app to both customers and sales personnel to keep track of their meetings through GPS.

In most cases, these apps were also being used for order taking and order management, eliminating the need for cumbersome paperwork.

Sales support

Digital technologies are also being used extensively to support sales activities. This usage has been accelerated by the pandemic and the inability for SMEs to meet their customers physically.

Sales material and catalogues that were once all paper-based are transforming to digital formats. Use of video-conferencing and even virtual reality for product demonstration has increased.

A residential packer uses WhatsApp video calls where clients show him the items in their house. This helps the packer to quote a price to the clients. This has helped the packer make more customer calls in a day and also in faster closing of contracts.

The study reveals that mobile apps, customer management software, and communication tools such as WhatsApp have become common among SMEs.

Clearly, SMEs are embracing digital tools in the sales and marketing process. However, most SMEs do not understand all the potential uses of digital marketing. Given a fragmented market and the lack of scale, most large service providers are not focusing on SMEs. While digital marketing companies are certainly aiding SMEs in communication strategies, they do not focus on sales-force management.

The need of the hour is companies that can provide SMEs knowledge, planning, and implementation capabilities across all the elements of the sales and marketing value chain.

Academic institutions and incubation centres that have primarily focussed on start-ups should also be playing a role in SME development.

While both offline and online courses are available on digital marketing and technologies, the study shows that SMEs need a lot more hand-holding.

This presents a unique opportunity for digital service providers who can focus exclusively on SMEs, using innovative business models. Whoever cracks the code of SME digital marketing delivered has a winning proposition on hand.

Source: thehindubusinessline.com– Jan 03, 2021

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Industry leaders oppose anti-dumping duty on import of viscose yarn

The Directorate General of Trade Remedied's (DGTR) recommendation for anti-dumping duty on import of viscose yarn from China, Vietnam and Indonesia has met with opposition from industry leaders.

The import duty was sought by the Indian Manmade Yarn Manufacturers Association as import of viscose yarn from these countries was hurting domestic manufacturers.

However, industry leaders say though the duty would benefit domestic yarn manufacturers, it would impact weavers and garment producers as domestic viscose yarn prices were already ruling high.

M Senthil Kumar, Chairman, Palladam Hi-Tech Weaving Park said, several technical textile products are viscose-based and the duty would affect their production. It would also impact the Centre's production-linked incentive scheme. Also, prices of viscose fabric would rise. There is also a threat of increase in import of viscose-based garments and madeups, he added.

A Sakthivel, Chairman of Apparel Export Promotion Council, said the recommended duty will affect viscose garment production for domestic and export markets.

Source: fashionatingworld.com– Jan 01, 2021

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