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IBTEX No. 20 of 2021 January 29, 2021

US 72.98| EUR 88.29| GBP 100.02| JPY 0.70

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INTERNATIONAL NEWS

An upgraded China-ROK free trade deal good news for regional integration, growth

Since China-South Korea Free Trade Agreement went into effect in December 2015, zero-tariff trade has accounted for 55 percent of the total trade between the two East Asia countries, data from China's General Administration of Customs (GAC) showed on Thursday.

According to the free trade pact, the tariffs of 90 percent of goods, 85 percent of trade value will eventually reduce to zero within a transition period of 20 years. The bilateral FTA has created great favorable conditions to promote trade and investment growth, and to promote prosperity of the two peoples.

China and South Korea are significant trade partners for each other. China is the most important export market and import source of South Korea. South Korea is the 5th largest trade partner of China. Last year, the bilateral trade volume grew despite the COVID-19 pandemic onslaught, which reflects the complementary nature and growth potential of the two major economies.

The second-phase China-South Korea FTA talks are progressing. China and South Korea's ongoing willingness to keep deepening their free trade deal will promote the China-Japan-South Korea FTA talks. With the signature of the Regional Comprehensive Economic Partnership (RCEP), the sub-regional trade arrangement will promote the regional economy and trade integration.

China and South Korea's joint effort to promote multilateral cooperation is a promising sign for regional cooperation. The progress relating to the China-South Korea FTA confirms that both sides are willing to uphold multilateral mechanism and to build open global economy. High quality integration between China and South Korea represents the two countries' joint efforts in promoting sub-regional cooperation under the RCEP framework.

To upgrade the China-South Korea FTA is necessary. As the largest trade bloc in the world, the RCEP involves 15 economies and it's hard to accomplish deeper opening-up and free trade for all participants at one stroke. To balance all participants' interests, the overall deal of RCEP can't cover the particular trade issues among China, South Korea and Japan.

As the RCEP will go into effect soon, the China-South Korea FTA can be upgraded to expand breadth and depth of opening up, so can the bilateral trade arrangement be supplementary to RCEP, but this will bring challenges to the second phase of China-South Korea FTA talks.

The upgrade of the China-South Korea FTA and the advancement of China-Japan-Korea FTA negotiations will not only strengthen trade exchanges among the three countries, but also play an important role in promoting economic and trade cooperation in Northeast Asia and the entire Asia-Pacific region.

Sub-regional trade arrangements complement each other, not only for the development of all parties, but also for promoting a higher level of trade and investment liberalization in the future. Therefore, although these different sub-regional trade arrangements are intertwined, they have bright and broad future development prospects.

Source: globaltimes.cn– Jan 28, 2021

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Biden strengthens Buy American rules for govt procurement

President Joe Biden recently signed an executive order to strengthen the 'Buy American' regulations by closing the lacunae and reducing waivers granted on federal purchases of US-made goods to ensure that US manufacturing partly drives the country's prosperity. Biden also ordered the creation of a new post, Director of Made in America, at the White House.

He said the position at the White House office of management and budget will oversee all Made in America initiatives.

The government will use taxpayers' money to rebuild America, buy American products and support American jobs, union jobs, he said at an event at the White House.

Biden said the government spends nearly $600 billion every year in government procurement to keep the country going safe and secure, according to global newswires.

He said that there's a law that's been on the books for almost a century now: to make sure that taxpayers' dollars for procurement is spent to support American jobs and American businesses.

The president alleged that the previous administration didn't take it seriously enough and the federal agencies waived the Buy American requirement without much pushback at all.

As big corporations and special interests have long fought for loopholes to redirect US taxpayers' dollars to foreign companies, tens of billions of American taxpayers' dollars have been supporting foreign jobs and foreign industries, he said.

"We're setting clear directives and clear explanations. We're going to get to the core issue with a centralised, coordinated effort," he was quoted as saying.

That starts with stopping federal agencies from waiving Buy American requirements with impunity, as has been going on.

If an agency wants to issue a waiver for buying an American product as part of a project; it has to explain the reasons to the White House, he said. These waivers would be publicly posted.

Biden directed the Office of Management and Budget to review waivers to make sure they are only used in very limited circumstances.

Biden said that the executive action will not only require that companies make more of their components in America, but that the value of those components is contributing to the economy, measured by things like a number of American jobs created or supported.

Source: fibre2fashion.com– Jan 29, 2021

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'Everyone's Suffering': Mexico Denim Sector Sees Little Hope of Near-Term Recovery

Mexico's flagship denim industry is expected to see a sharp decline in exports in 2021 as the Covid-19 pandemic continues to dent U.S. sales, industry observers said.

"Mexican apparel exports fell 60 percent last year to around $2.5 billion and denim accounts for around 40 percent of that," said leading textiles consultant Raul Garcia. "We don't estimate a strong recovery in the first half of this year because the pandemic is taking a long time to fight and things haven't changed much, regardless of [new U.S. President] Biden coming in or the vaccines or the USMCA treaty modification."

Garcia added, "We don't expect a recovery until late 2021 or first half of 2022."

That's bad news for manufacturers, which have spent millions in recent years to streamline their collections and add more innovative finishes and environmentally friendly washes to win the hearts of U.S. brands.

After raking in sales of around $1 billion last year, many have idled production and reportedly cut 20,000 workers while they wait for the world's biggest market to bounce back.

"Everyone's suffering, from those that harvest raw cotton in Coahuila and Chihuahua States, to those that spin fabric in Torreon and Puebla [two major production poles]," Garcia, formerly president of top apparel trade lobby Canaive, said. Key manufacturers there, as well as in the output hub of La Laguna, have frozen spending until better times. Blue Denim, Compania Industrial de Parras and expansionist Siete Leguas are some of Mexico's top jeans makers.

Meanwhile, those in the capital of Mexico City have offered little assistance while the industry struggles, Garcia added. "The government has not supported the apparel nor any industrial sector," he said, adding that growing Covid deaths are worrying producers who say operators may be unavailable when demand resumes, especially in poverty-ridden Mexico State or in Southeast Mexico. "We have the greatest number of Covid deaths after the U.S., Brazil, India and China," Garcia said, adding that the state has been slow to roll out vaccines.

Industry consultant Arturo Rodriguez agrees that this year's outlook appears gloomy, noting that excess inventory from last year's unsold denim and other merchandise will also cripple shipments. The local industry is a far cry from its peak of 2006 when exports of apparel totaled nearly $10 billion.

"The government has given the industry crumbs," Rodriguez said, noting that small enterprises, or pymes, received a maximum of 20,000 pesos ($990) as part of the country's stimulus package to help combat the virus.

As Chinese and Central American competition intensifies, Mexico must work to become a high-end niche player, especially in the breadwinning denim circuit. "We need to focus on small volumes of highly differentiated products with a very fast response," Garcia said.

Siete Leguas, which makes product for the likes of Levi's and Guess, has accomplished that transformation, he noted. "They have worked really hard to make differentiated products with fashion-forward laundering techniques, dyes and deconstructed or stressed finishes."

Yet Mexico is unlikely to recover lost ground.

"We aren't going to return to 2006's volumes," Garcia said. "In 1992, Mexico was NAFTA's biggest supplier. Now we are number 7. Even Honduras exports more units than we do."

Source: sourcingjournal.com– Jan 28, 2021

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Biden's 'Made in America' strategy helps push apparel industry

President Joe Biden, is now pushing a message in favor of American manufacturing. He would issue an executive order to prioritize American manufacturing in US government contracts and Federal grants. The new executive order would raise the bar for products considered 'Made in the US' for government contracts, and install a new overseer, the director of 'Made-in-America' at the Office of Management and Budget, says a statement by the White House.

The US currently spends some $600 billion annually on government contracts, the office noted. The money spent on goods and services are a powerful tool to support American workers and manufacturers. The president's executive order establishes the goals and standards necessary to use Federal purchasing, and other forms of Federal assistance with domestic preference requirements, as a way to proactively invest in American industry so it can continue to lead in the global marketplace.

The move was hailed by organizations including the textile industry lobbying group the National Council of Textile Organizations, which said it expected the measures would support domestic manufacturing.

The executive order also pointed at loopholes in the current 'Buy American' scheme for government spending, including what the office referred to as "unnecessary waivers" of requirements under the scheme. It would also seek to increase transparency about permitted waivers by having them posted online by the General Services Administration.

The NCTO, meanwhile, has been pushing for more domestic production of personal protective equipment during the pandemic, a sentiment echoed by the American Apparel & Footwear Association. Recently, the AAFA indicated that it supported the Biden administration's move, and also highlighted its member companies' role in the production of military uniforms.

Source: fashionatingworld.com– Jan 28, 2021

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Container blues frustrate exporters

Demand for freight, higher rates and quarantine rules blight international trading. Despite many of us being stuck at home due to lockdown measures in various parts of the world, working in the international used clothing and textile processing industry in 2021 cannot be described as uneventful.

Just about every exporter has to grapple with the current crisis in the freight industry. For the last year, the Covid-19 pandemic has resulted in loads being quarantined in ports for weeks at a time, leading to a shortage in the supply of containers. Freight companies are understandably trying to ensure that the containers they can get hold of are being sent to ports where there is the most demand. It means shipments are frequently being diverted on route to de facto hub ports where the containers are again often delayed for several weeks.

In one reported case a shipment of used clothing that departed the UK on 5 December 2020 was diverted to Antwerp where the container was quarantined for four weeks before being diverted to Algiers where it is now sitting. This container is not expected to reach its final destination until March. Normally such a shipment would take about four weeks, not 12 or more.

Freight rate hike

However, it is not only the unacceptable delays that merchants have to cope with but also the severe hike in the costs of shipping. With demand for containers outstripping supplies, costs have skyrocketed.

One estimate suggests that the cost of shipping to Pakistan from Europe has risen by over 130% in the last 12 months whilst the fees for shipping to Africa have risen by over 50%. These are costs that our customers struggle to meet and suppliers are taking the hit.

Brexit confusion

On top of this, European traders are coping with the new UK/EU trade deal agreed at the 11th hour and 59th minute, just before the UK left the single market. Nobody had sufficient time to study the thousands of pages of documentation ahead of the implementation.

One issue that has come to the fore is the correct classification of 'country of origin'. Under the agreement, products from the UK can be exported into the EU tariff-free if the UK is the country of origin and it is declared correctly. Indeed, the deal includes a clause which specifies that waste produced in the UK can be exported under the preferential zero rate for reuse and recycling.

However, it seems that some customs officials and others have a problem accepting that used clothing products from the UK are actually produced in the UK and that the country where a garment was produced before it was sold in the UK is irrelevant. This is even the case if a label on the clothing states the original country of manufacture.

Trade deal breach

The fact is that when a new item of clothing is imported into any country, it must be done so using one of hundreds of different product codes for such garments. Typically, it is purchased by a consumer and worn for years before being passed onto several other consumers then deposited for reuse or recycling – where it may even be classed as waste and moved out of the waste definition. When the used clothing is then exported, it must be done so using a specific product code for worn clothing and worn textile items (6309). In other words, these items have legally become a new product, albeit a used clothing/textile product.

What this means in the case of the EU/UK trade deal is that second-hand used clothing/textile products coming from the UK must have the UK declared as the country of origin. To do otherwise would be legally incorrect. The same applies to second-hand clothing shipped from any EU member state to the UK.

The fact is that if a customs authority refuses to accept shipments of used clothing with the UK correctly recorded as the country of origin, then this in breach of the EU/UK trade deal. We implore the EU and the UK Government to get their heads together and resolve this absurd and totally unnecessary situation without further delay.

Source: recyclinginternational.com– Jan 28, 2021

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How Retail's Managing a 'Massive, Massive' Shift to Mobile and Digital

The fashion industry has faced no shortage of hiccups in recent months, but the digital revolution shows no signs of slowing.

n fact, the rise of online commerce and growing reliance on technology could be the keys to strengthening relationships with shoppers. At the final day of seminars for NRF's Retail Big Show on Friday, experts spoke to the dramatic impact of digital platforms on consumer engagement for brands of all sizes.

"This shock to the retail system was profound," Karin Tracy, head of industry in the retail fashion and luxury sectors for Facebook, said, adding that "98 percent of consumers are trying new shopping behaviors, new brands, new places to shop and of course, new shopping methods" amid the pandemic.

What's more, "all this disruption is actually happening right in the palm of people's hands on their mobile phones," she said. A full two-fifths of the $60 billion spent online over the week of Black Friday took place via smartphones, she added. Shoppers have quickly adapted to buying via their mobile devices, and have even found some upsides—namely the ability to shop at all hours. Tracy said that $2.7 billion was spent on mobile between 10pm and 2am on Cyber Monday.

"And this online behavior is transferring to offline," she added. Omnichannel services like curbside pickup and buy online, pick up in store (BOPIS) have become important to consumers, many of whom remain anxious about in-store shopping. Offering these options has actually led to 32 percent higher online sales growth for retailers, Tracy said.

"Whatever notions retailers and fashion brands had about digital sales being a sideline to your main retail business, it's over," she added. "It's a…matter of survival—online shopping has gone mainstream, and more profoundly, the attitudes and expectations that shoppers have with how a product is merchandised to them has gone online as well."

"The consumer is absolutely in the driver's seat," echoed Jessica Murphy, co-founder and chief customer officer of fit analytics sizing solution True

Fit. “There’s never been more competition for shared wallet than there is today.”

Shoppers’ mass migration online has opened up new opportunities, but it has also turned up the heat on brands that are jockeying for a shot at their pocketbooks. According to Murphy, “80 to 90 percent of shoppers are what we call ‘one and dones’—you see them once, then you never see them again,” she said. In a virtual world with seemingly limitless options, creating value and driving loyalty are paramount.

True Fit focuses on helping its brand clients develop metrics for the creation of “longitudinal value,” she added, like revisit and repurchase rates that denote a true emotional connection with consumers. The company’s AI-driven tools optimize fit selection for shoppers while promoting brand discovery, giving them the confidence to buy clothes they can’t touch or try-on first in person—a must for those who aren’t digital natives.

“This shift from Covid is real—retailers are now serving the mainstream shopper versus the seasoned digital shopper,” Murphy said. The demand for personalized experiences online has grown across all age groups, particularly 65-plus shoppers who may be turning to the web for the first time.

The shift in consumer appetites has illuminated some of the downsides to virtual shopping, giving brands an opportunity to pivot and make their experiences more convenient and seamless. “We’ve spent the better part of 2020 planning for 2021 with our retailers,” Murphy said, “and really focusing in on roadmaps that aim to avoid friction.”

The concept of endless aisle, which provides limitless selection, “sometimes has the opposite effect of what we want,” she said by way of example. Variety is good, but too much noise can be overwhelming, she pointed out. Instead, retailers should aim to “really curate that experience to create a relevant interaction between the consumer and the products they’re looking at.”

Retailers should also heed the evidence that mobile is likely to become a very important channel for them moving forward—and optimize their capabilities. “We now have some partners where 80 percent of their transactions are happening on mobile and that is a massive, massive shift,” she said. Some have “had to completely alter their roadmaps,” she added, to create “a frictionless experience through this through the phone that’s very different than on desktop.”

Kevin Jiang, president of international business for China's JD.com, said that e-commerce is surging in the country at large, with massive growth in younger consumer groups and those living in more remote areas. The growth of online shopping was driven, in the pandemic's early days, by a need for necessities like food and home goods, and has morphed into a desire for retail pick-me-ups and luxury products.

The accelerated move online to marketplaces like JD.com allows brands to tell their stories effectively through photos and videos, even as brick-and-mortar traffic continues to lag, Jiang said. "We have stores across China which are open, where the inventory is not moving," he added.

Now, China's retailers are now faced with the challenge of digitizing their inventory so they can better visualize what they have on hand and sell more efficiently to shoppers across the world's most populous country. "It's time that we start to think about how to integrate offline inventory with online inventory," he said. Luxury brands have fared well in China over the past six months, and some of these international labels are pioneering the inventory integration movement, he added. Combining available products into one pot actually gives shoppers access to a greater selection, including exclusives and limited collections, he said.

Source: sourcingjournal.com– Jan 28, 2021

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Turkey to establish logistics center in US as exports exceed $10B

Turkey is set to establish foreign logistic centers, particularly one in the U.S., that are expected to accelerate local exporters' access to markets and boost the foreign sales volume, Turkish Exporters Assembly (TIM) Chairperson Ismail Gülle said Thursday.

The move came as part of the country's efforts to quickly reach its $100 billion (TL 737.36 billion) foreign trade volume target with the U.S., the world's largest importer.

"We have carried out a detailed study for the logistics center we plan to open in the U.S. We have a target of $100 billion in foreign trade volume with the country. We believe that the logistics center to be opened is of great importance for us to achieve this goal quickly," Gülle said in a press release issued by TIM, the only umbrella organization of 100,000 exporters with 61 exporter associations and 27 sectors in Turkey.

In 2020, Turkey's exports to the U.S. topped $10.1 billion, achieving a jump of 13.5% year-on-year despite the contraction of global demand due to the pandemic, making it the country with the third-most exports.

Turkey exported to 226 countries last year, and exports hit an all-time monthly high of $17.84 billion in December, according to the Trade Ministry's data released this month.

The most notable increases in the exports to the U.S. were in the carpet sector with foreign sales worth $932.3 million, booking an increase of 40.2%. The steel sector increased by 59% to $430.8 million, the jewelry sector rose 54.5% to $485.2 million and the ready-to-wear and apparel sectors jumped 22.6% to $793.6 million.

TIM said in a report on the U.S. market that it is one of the five most important for Turkish exporters, noting that Turkey has significant potential for the U.S. market in 192 out of the 1,000 most-exported products in global trade.

Foreign sales to the U.S. are expected to further increase in the post-pandemic period, making it easier to reach the targeted $100 billion in bilateral trade. The planned logistics center will be a step closer to this target and is set to be tailored particularly toward the textile, furniture and carpets sectors.

Exporting costs to fall

Gülle pointed out that the efforts to launch the foreign logistics centers abroad have been carried out under the leadership of the Trade Ministry for some time, adding that West Africa and North America stand out among the primary locations for those centers.

Activities continue in West Africa, most particularly in Ghana, he said.

"In North America, we conducted a detailed study for the logistics center we plan to open. We have a target of $100 billion in foreign trade volume with the U.S. To achieve this goal quickly, we believe that the logistics centers to be opened are of great importance. We need to determine the location of the logistics center by considering the maximum benefit of our sectors," Gülle said, noting that the sectoral clustering is an important factor that forms the basis of superior competitiveness and economic development.

Market shares

The TIM head also said they calculated the market shares of each sector, especially the carpet, furniture and home textile sectors, in each U.S. state to determine the best location for the logistics center.

In the first 11 months of 2020, the market share of the carpet industry was 78% in the state of Maine, 60% in South Carolina, 48% in New Jersey and 45% in New York, according to the information shared by Gülle. Meanwhile, the furniture industry had a market share of 11% in Delaware, 5.4% in Missouri, 1.7% in New Jersey and 1.4% in Washington.

The industry's market share in other states was below 1%, Gülle noted.

In the home textile market, the share was 25.4% in Connecticut, 8.3% in Maine, 7.3% in Wisconsin, 6.7% in Massachusetts and 5.9% in South Dakota.

Gülle noted that those figures show that Turkey "has serious dominance in the market in some states, especially in carpets and home textiles."

Access to new markets

Noting that the overseas logistic centers will be a regional base for exporters, will reduce the costs of market access and will accelerate access to new markets, Gülle went on to say that “while determining the locations of our logistics centers, we will consider the e-export opportunities as well as the physical exports of our exporters to the region."

“We will also respond to the needs of our e-exporting companies. We want to accelerate our work in this field with contributions from sectors and start the operations of our logistics centers abroad as soon as possible," he said.

Source: dailysabah.com– Jan 28, 2021

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Taiwan focuses on a sustainable textile industry

Taiwan is one of the leading textile locations in the world. At ISPO Munich Online, the Taiwan Textile Federation will present the most exciting new developments from Taiwanese textile manufacturers for the sports market under the heading "Taiwan Select".

With its innovative products, the Taiwanese textile industry is an important pillar of the global sportswear industry.

In terms of export value, Taiwan's textile industry is among the top seven in the world. In 2019, the value of the country's textile exports was US$9.18 billion.

While the country used to rely mainly on cheap mass production, after more than 60 years of development, Taiwan's textile industry has become an innovator with an integrated value chain, focusing on high-quality materials for sports and outdoor apparel. The foundation of this success is a high and consistent level of quality, on-time delivery and excellent communication skills.

Focus on sustainable textiles and technologies

The focus of the Taiwanese textile industry, which is represented by the Taiwan Textile Federation, is now on the forward-looking topic of sustainability.

The aim is to establish itself worldwide as the pivotal sourcing hub for innovative, sustainable and intelligent textiles.

The country is already a leader in recycled polymers and polymer blends and is actively engaged in the search for new sustainable textile solutions that combine high-tech, ecology, functionality and life aesthetics.

Successful examples include the production of recycled polyester and nylon from marine waste and water-free dyeing.

Many manufacturers also produce according to the requirements of numerous textile sustainability standards such as bluesign, GRS, ZDHC, Standard 100 by Oeko-Tex and Restricted Substance Lists.

Sustainable product highlights

To keep in touch with international buyers in the face of the COVID-19 pandemic and related restrictions, the Taiwan Textile Federation is now presenting its innovations at ISPO Munich Online.

More than a hundred selected, innovative products from 30 Taiwanese suppliers in the fields of textiles, apparel and trims for the outdoor, snowsports, teamsports, health/fitness and urban segments will be showcased in the "Taiwan Select" section - in some cases by video. Here, too, the focus of the selection is on sustainable innovations.

Source: ispo.com– Jan 28, 2021

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Turkey's exports of home textile products fetch $2.49B

Turkey exported home textile products worth over $2.49 billion to 194 countries and autonomous regions last year, according to data released by an industry group.

A majority of the exports were made to the Western countries -- Germany ($480.6 million), the US ($295.4 million), and the UK ($128.7 million), according to data by the Turkish Home Textile Industrialists and Businessmen's Association (TETSIAD) compiled by Anadolu Agency.

The exports worth $904.8 million to these three countries accounted for 36.33% of the total home textile sales.

They were followed by Italy and the Netherlands with $107 million and $102.7 million, respectively.

The exports to Afghanistan rose significantly with 130% to reach $2.37 million in 2020, compared to 2019.

Moreover, exports to Vietnam surpassed $1.7 million with an increase of 128.5% in the same period.

Source: aa.com.tr– Jan 28, 2021

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Bangladesh: Enhanced credit limit for apparel to stay until June

Textiles and clothing exporters will continue enjoying the enhanced credit limit under the Export Development Fund (EDF) for six more months as the impacts of the coronavirus pandemic persist, the Bangladesh Bank said.

The members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Textile Mills Association (BTMA) will be able to use the facility until June 30, according to a central bank notice.

In May last year, the central bank widened the credit limit under the fund to $30 million from $25 million for the rest of the year for the BGMEA and BTMA members as part of its efforts to help them tackle the economic downturn deriving from the coronavirus pandemic.

The central bank has taken the decision following a request from the exporters affiliated with the two associations, a Bangladesh Bank official said. "The decision will give a boost to exports in the coming months."

Financing from the EDF is extended to manufacturers so that they can purchase raw materials in the form of back-to-back letters of credit. This helps them produce export-oriented items.

After the pandemic hit the country, the central bank expanded the fund's size by $1.5 billion to $5 billion to protect the exporters as shipment collapsed because of the economic slowdown. The BB also cut the interest rate on the loans under the scheme.

Exporters can borrow at a rate of 1.75 per cent from 2 per cent previously.

Source: thedailystar.net– Jan 28, 2021

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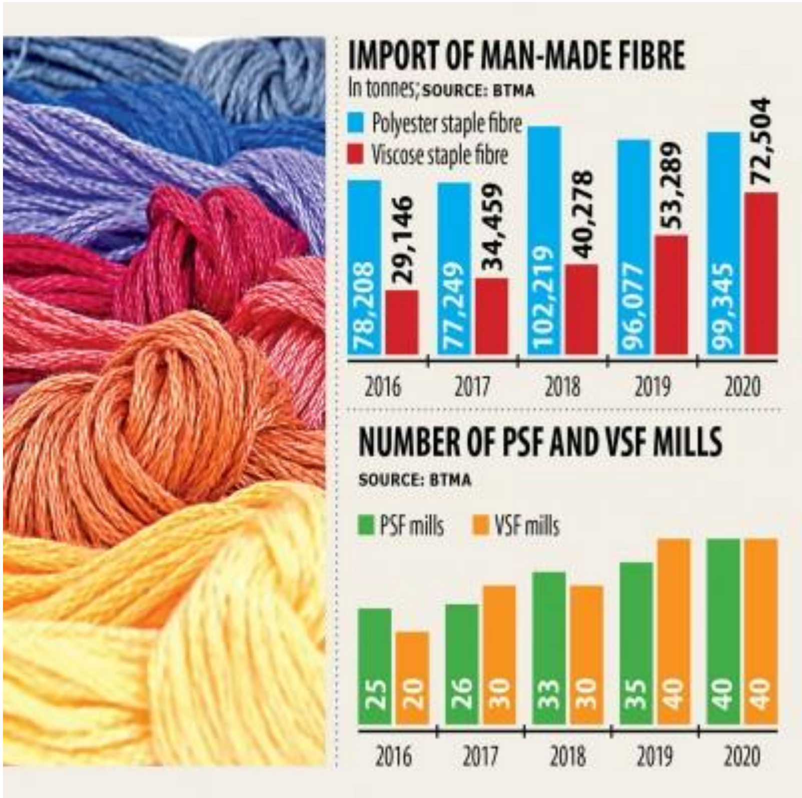
Bangladesh: Garment makers turning to artificial fibres

Import of man-made fibre (MMF) as well as investment in its business is increasing in Bangladesh because of higher demand for polyester and viscose-made garment items worldwide.



Local spinners imported 99,345 tonnes of polyester staple fibre (PSF) in 2020, up 3.4 per cent from 96,077 tonnes a year ago even during the coronavirus pandemic, according to data from the Bangladesh Textile Mills Association (BTMA).

Currently, 40 spinning mills import PSF fibre to make yarns to produce high-end garments, such as sportswear.

The import of viscose staple fibre (VSF) rose last year as well as spinners brought in 72,504 tonnes of VSF, an increase of 36 per cent year-on-year.

The import of MMF has been on the rise over the last few years because of the surge in demand of fabrics made from the fibre as an alternative to cotton. Since MMF is used as a substitute for cotton fibre, all of the imported MMF is used by local millers.

The demand for casual wear went through the roof for the longer stay of people indoor worldwide because of Covid-19.

People are buying more MMF-based apparels as they are durable, recyclable and re-useable. MMF also meets the criteria for sustainable clothing compared to cotton-based fibre. Moreover, due to lifestyle changes, consumers are looking for products that are easy to care for. MMF adds to that convenience, spinners say.

Nearly 30 per cent out of $8 billion investment in the primary textile sector in Bangladesh took place in the MMF segment, up from 20 per cent three years ago, spinners said.

"The investment in MMF is growing as people are choosing the fabric as a substitute to cotton fibre," said Md Khorshed Alam, chairman of Little Star Spinning. The use of MMF increased because of higher production of value-added garment items, he said.

The concentration in cotton in terms of garment items produced and exported increased from 68.67 per cent in fiscal 2008-09 to 74.14 per cent in 2018-19, according to a study of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The global trade of cotton-based apparel stands at around 35 per cent. It shrank by 0.5 per cent annually between 2007 and 2017. The share of MMF-based garments in the global apparel trade is around 45 per cent, and it grew at 5 per cent compound annual growth rate during the decade.

In 2017, the global trade of MMF-based apparel was $150 billion. Bangladesh had a 5 per cent share in the segment, compared to 10 per cent of Vietnam.

Industry people say Bangladesh has clear potential in the global market of MMF-based clothing.

"The potential is very high as we are getting a lot of work orders of MMF-based apparels. We need to capture this global market," said Syed Shafqat Ahmed, managing director of Saiham Knit.

Currently, more than 120 spinning mills out of a total of 500 have the production facility for PSF and VSF, said Monsoor Ahmed, secretary of the BTMA.

Member factories of the BTMA are expanding the production facility of PSF and VSF every year as the demand is increasing worldwide, he said.

Since setting up a separate spinning mill dedicated to PSF and VSF yarn production is expensive, most producers make yarn from MMF in the same mill with separate lines.

It costs Tk 80 crore to Tk 120 crore to set up a medium-sized MMF spinning mill in Bangladesh, Alam said.

Out of 2,052,000 tonnes fibre import of Bangladesh in 2018, the share of cotton was 93.57 per cent, which highlighted the country's reliance on the natural fibre.

"While we can't ignore the importance of the cotton-based market, the MMF-based clothing market bears strategic significance as far as our product diversification and higher-value-addition-led growth strategy is concerned," said BGMEA President Rubana Huq.

BTMA President Mohammad Ali Khokon said the import of MMF needed to be duty-free like cotton as the demand of yarn was increasing.

The imposition of 5 per cent VAT on the sales of yarn is a discouraging factor for the sector, he said.

The price of MMF has increased because many mills were shut in China and India during the peak of Covid-19 last year.

Three months ago, PSF was sold between $0.70 and 0.72 per kilogram. It went up to $1.30 to $1.40.

VSF was priced between $1.15 per kg and $1.18 per kg three months ago. The prices now vary between $2.50 and $2.54.

Source: thedailystar.net– Jan 29, 2021

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Pakistan: Textile and gas' love affair to end?

The tussle is going on between the industry (mainly textile) and the federal government on the provisioning of gas to the captive power plants for industry's own generation. The industry moved to the captive last decade due to acute power shortage back then. Now the grid capacity is higher than the consumption, the government rightly wants the industry to return to the grid. But the industry is resisting. A better move could be to give right price signal for industry to gradually shift; but the transition must take place for larger interest of the country.

Base load increase cannot be consumed without having industry on board. Without consuming newer capacity, circular debt cannot be controlled. Without resolving circular debt, the fiscal house is not sustainable. Without a stable fiscal state, the industrial competitiveness cannot be achieved.

Industry knows that; but they want to enjoy higher profits. That would be at the cost of rest of the country. That cannot continue for long. Industry must come on the same page. The government and industry both want industrialization. They both know the ground realities. It is best to sit on table and get this resolved for the betterment of the country.

The argument that export-oriented industry is using for the availability of energy at regional competitive rates is correct. But 30-40 percent of textile produced is consumed within Pakistan. Why get subsidized energy for that? If textile is getting cheaper energy inputs for domestic consumption, same should happen for the rest of the industries.

The policy should be to give energy subsidy to those who are bringing exports. Link it to the export proceeds. The punch line should be "show the dollars and take the rebate". Industry claims that not all units are vertically integrated. If incentive is given to exports, yarn (or other input) producers will be wiped out as exporter would import yarn. That can be resolved by passing on the incentive in value chain – just like VAT, this can be sorted.

The other argument made by the industry is against the reliability of the grid electricity. Some say that those units moved to electricity after the government incentive of incremental electricity consumption have moved back to gas despite having cheap electricity for the time being. That argument has merits. But at the same time, the gas supply is not even all the time. Numerous times industry complains of lower pressure of gas.

However, the grid constraints have to be dealt with, and that is one reason why the shift needs to be gradual. One better way is to allow industry to go direct wheeling. Give them dedicated (or portion of) power plants along with the capacity payment. But that would put discos at disadvantage as they cross subsidize consumers from industrial users. Moreover, industry is a bulk customer and better payer. But a good chunk of industry is already on captive.

The third argument is the efficiency of the captive plants. They claim that many captive plants are more efficient than best IPPs after incorporating the transmission and distribution losses. This debate happened a few months back and government decided to perform an audit of captive power plants. But the industry went to courts and didn't let the audit take place. If the energy efficiency case is so strong, why did the industry not let the audit take place?

The point is that industry (textile) is not as kosher as it claims. Greater resistance was put by the industry when zero rating was abolished in 2019. They claim that industry will be wiped out. Just last month, highest ever textile exports were recorded in the history of Pakistan.

Today, once again news stories are coming that buyers are cancelling the orders or that banks are ending the concessionary finance lines of the exporters. But this is not the first time. For the past many years, APTMA and other textile associations, portrayed doom and gloom scenario for one reason or another. The fact of the matter is the textile exports (or country's exports) have been largely stagnated for the past 12 years. This may imply that with one action or the other, exports are not moving up or down; but textile players' profits do.

Source: brecorder.com– Jan 29, 2021

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NATIONAL NEWS

India could be next big trade market for Australian exporters, says Dan Tehan

India could emerge as the next big trade market for Australian exporters, the country's trade minister has said, after China imposed heavy tariffs and sanctions on several Australian export commodities amidst a strain in relations with Beijing.

Australia's trade relations with its major trading partner China deteriorated last year when Australia supported a call for an international inquiry into China's handling of COVID-19, which was first reported in the Chinese city of Wuhan.

China took several measures that restricted Australian imports, ranging from levying new tariffs to imposing bans. China imposed sanctions and tariffs on several Australian commodities including barley, timber, coal, cotton, wine and lobster.

Australia, for its part, asked the World Trade Organisation to mediate in their dispute over stiff duties on Australian barley in the Chinese market.

Australian Trade Minister Dan Tehan on Wednesday flagged India as its top priority while looking at new trade opportunities across the globe.

"We haven't had a formal trade ministers meeting with China for over three years, this is something we have been seeking to constructively engage with China for over three years," he said.

"Looking to really boost the relationship with India, there's enormous opportunities there. We have to be patient but we have to be very proactive with India," he said.

He said that Japan, Vietnam, the new Joe Biden administration in the US, all present many opportunities for Australia and that's what he will be focussing on, as well as seeking to constructively engage with the Chinese.

Tehan said, "The India relationship — which is incredibly important to us, and I'd really like to prioritise that — is something we're going to have to be patient about."

China is Australia's largest trading partner accounting for over a third of all Australian exports, worth more than 150 billion Aus dollars a year while trade with India stands at over 30 billion Aus dollars.

On Wednesday, Australian treasurer Josh Frydenberg lashed out at China's recent actions on imposing sanctions and tariffs and said "Well, we agree with that sentiment that big nations should not bully small ones but there seems to be a bit of a disconnect between the words and the actions."

"The reality is, Australia has been on the receiving end of some pretty harsh actions when it comes to our trade."

Source: financialexpress.com– Jan 28, 2021

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Government considering continuation of export promotion scheme in new trade policy

The scheme is seen as more acceptable for WTO members than MEIS, which has been replaced

The Centre is considering the option of continuing the Export Promotion Capital Goods (EPCG) scheme, which allows exporters to import certain capital goods used in manufacturing without paying duties, for some more time, despite a World Trade Organisation (WTO) panel ruling that the scheme is not consistent with multilateral rules.

In ongoing consultations for the new Foreign Trade Policy (FTP), the Directorate-General of Foreign Trade (DGFT) has received a number of representations from export bodies for continuation of the EPCG scheme, an official close to the development told BusinessLine.

"Our exporters need continued support in acquiring machinery, for production of high quality goods. At this time of global uncertainty, removing the import duty exemption benefits could hit them hard. There is big demand from the industry for continuation of the EPCG scheme and the government is seriously considering it," an official said.

The Finance Ministry, too, has to be on board if a decision for extending the scheme beyond 2020-21 is taken. Last year, the FTP for 2015-20 was extended by a year due to Covid-19 disruptions, and most schemes, including the EPCG, was extended. The new five-year FTP policy will be implemented from April 1, 2021.

Under the EPCG schemes, import of capital goods for pre-production, production and post-production is allowed at zero customs duty, subject to fulfilment of specific Export Obligations equivalent to six times of duties, taxes and cess saved on capital goods, to be fulfilled in six years.

The capital goods allowed under the EPCG scheme includes spares (including reconditioned/ refurbished), fixtures, jigs, tool, moulds and dyes. Capital goods attract an average customs duty of around 7.5 per cent, so an exemption results in significant benefits for exporters.

The problem facing the government, however, is a WTO dispute panel report issued in October 2019 that backed several claims filed by the US against export promotion measures adopted by India such as the EPCG scheme and the popular Merchandise Export from India Scheme (MEIS). It ruled that India had to roll back these incentives.

"India has already rolled back the MEIS scheme from the beginning of 2021, as it was a more direct export subsidy because of the way the incentives were fixed and given out to exporters in various sectors.

However, one may argue that the EPCG scheme is unlikely to lead to market distortions as it is only an import duty relief given to exporters to upgrade their technology. Continuing the EPCG scheme would certainly ruffle fewer feathers globally than continuing the MEIS would have done," a Delhi-based trade expert said.

Moreover, since India also appealed against the decision of the WTO panel against its exports schemes, the panel's report can't be binding till the Appellate Body holds a hearing and gives its verdict.

"As the Appellate Body of the WTO is currently dysfunctional due to the US preventing appointment of judges and the appeal is pending, India is not under pressure to replace all its disputed schemes immediately," the expert added.

Other export incentives that the WTO panel has ruled against include those extended to Export Oriented Units, Electronics Hardware Technology Parks and Special Economic Zones.

Source: thehindubusinessline.com – Jan 27, 2021

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Cotton yarn prices in India to stabilise post March '21

Cotton yarn prices in India have been trekking northwards post the strict lockdown restrictions during COVID-led pandemic. However, the textiles industry along with the market participants now keenly look forward to the price outlook. So far, experts' view suggests that domestic cotton/yarn prices are closely tracking global cotton price trends.

"Upward price trend in international cotton is underpinning domestic cotton rates. However, if the global prices stabilise post March, as widely believed, yarn prices will ease too," Commodities Control said in its second of the three-part cotton special series report.

Cotton yarn prices are seen cooling off, as the mills that were forced to shut during pandemic resume operations, raising production that will ensure smooth supplies, the report added.

Market stalwarts observe that a cool-off in cotton/yarn prices is desirable in order to restore equilibrium in downstream industry and to bring various sectors of textiles back in balance. This, they believe, could take around 3-4 months.

Economic activity has picked pace after the lockdown restrictions were lifted, due to which robust demand for garments—casuals and knit wear—has been registered from rural India. Increased demand for cotton yarn, while the supply shortage with spinners reducing yarn output, has led to skyrocketing yarn prices, for all the categories.

The price per kilogram (kg) of woven cotton yarn increased from ₹193.81 in August last year to ₹267 in January this year—a 37.7 per cent rise. Indian cotton year extends from October to September.

The prices in September, October, November and December were ₹205.23, ₹210.45, ₹235.10 and ₹242.22 respectively. The January 2021 price is 10.23 per cent more than the price in the previous month.

According to a report by Fibre2Fashion, the sharp rise in cotton yarn prices in the last few weeks is because of dried-up inventories as supplies have failed to match demand and spinning mills resumed operations late across the country.

Cotton yarn price has risen because of high domestic and export demand. Huge orders are coming in from Bangladesh and Vietnam.

Firmness in the domestic market is attributed to significant price rise in global markets, where ICE cotton futures has surged nearly 20 per cent since December. Strength in global cotton prices is due to anticipation of lower world cotton output and improved stock-usage ratio. This goes to prove that cotton yarn prices will cool off only when cotton prices halt.

However, fundamental and technical cues point towards extended price rally, wherein ICE cotton active futures is seen reaching 85 cents/per lb in the near future. While March futures is hovering around 81 cents, May futures has moved past 82 cents per lb. So far, market experts see a strong resistance at 85 cents level from where ICE cotton futures rates are likely to cool off a bit.

Cotton yarn industry in the country is trying to get back on track, although the pace is too slow at the moment. Spinning mills were the worst hit amid lack of fiscal support. Most of the mills had to shut down their operations.

Yarn output in the country touched early 500 kg in the previous financial year. The share of cotton yarn in this was close to 71 per cent. In the current financial year 2020-21, cotton yarn output has declined by 76 per cent, although some improvement was registered post May 2020.

Having said so, the annual output was still weaker until August 2020. It is only during September and October that the output witnessed a rise of 3 per cent each. Looking at the bright side, strengthening yarn prices improved the financial status of the spinners.

According to Indian Texpreneurs Federation, exports of cotton yarn, fabrics and made-ups during September to December rose from 10 per cent to 19 per cent, on an annual basis. In fact, exports of readymade garments, ever since September, have risen at 13.54 per cent every month. This is likely to shape the direction of yarn prices along with export demand of cotton ahead.

Indian cotton, as its prices are lower compared with global prices, has an excellent price parity, due to which exports are seen rising from 50 lakh bales in the previous FY to 60-65 lakh bales this year. Demand for cotton yarn is anticipated to rise in global markets too.

Another theory suggests that improved demand from spinning mills can raise domestic consumption too. This also depends on the spread between cotton and cotton yarn prices.

Technical charts of cotton on Zhengzhou Commodity Exchange (ZCE) are indicative of rising Chinese demand for Indian cotton yarn in the near future. Price Chart analysis suggests rise after September 2020. The rates rose from 19,000 yuan per tonne to 21,500 yuan per tonne in December. Market spots a resistance at 24,000 yuan per tonne.

The spread between Chinese Cotton yarn and Cotton No.1 is expanding rapidly. Historical trend indicates that since mid-2017, the spread has been within the range of 1.3x-1.6x. At the moment, the spread is located near 1.4x, while treading higher.

Having said so, the rise in China's yarn prices will underpin price rise in Indian yarn prices and strengthen exports too. However, after it peaks at near 24,000 yuan per tonne, Indian fibre prices will stabilise too. According to SIMA chairman, Ashwin Chandran, "in the backdrop of improved financial status, spinning mills are now likely to focus on raising output along with their expansion plans".

Meanwhile NITMA's Sanjay Garg hopes that "overheated yarn prices should cool off with rising supplies".

Source: fibre2fashion.com– Jan 28, 2021

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January expected to see record GST collection: Report

With record GST collections expected in January at Rs 1.21-1.23 lakh crore, the shortfall in state GST can be narrowed to a minimal Rs 11,000 crore, according to a report.

Ongoing efforts to plug the leakages in GST collection has been bearing fruit since September.

After clocking record collections in December 2020 at Rs 1.15 lakh crore, the January 2021 GST collection is expected to be in the range of Rs 1.21-1.23 lakh crore and may still have an upside, SBI Research said in a noted on Thursday.

If 50 per cent of the IGST collected is disbursed to the states by March, then the state GST shortfall can narrow down to only a minimal Rs 11,000 crore after taking into account the full compensation cess, the report added.

Meanwhile, the government''s surplus cash balances have increased significantly recently to Rs 3.34 lakh crore as on January 28, from Rs 1.08 lakh crore in September 2020 and Rs 2.26 lakh crore in December.

It has helped the government borrow marginally less. As of January 22, it had borrowed Rs 11.46 lakh crore, and the remaining gross borrowing of Rs 1.6 lakh crore is expected as per the calendar year, taking the total gross borrowing to Rs 13.03 lakh crore, lower than Rs 13.10 lakh crore earlier.

The SGST collection for states is 12 per cent lower at Rs 1.87 lakh crore in April-December 2020 and the allocated IGST is 13 per cent lower at Rs 1.26 lakh crore.

The GST cess collection has stood at Rs 60,312 crore, 17 per cent lower than last year. The combined amount of SGST, allocated IGST and cess stands at Rs 3.73 lakh crore, which is 13 per cent lower but is equal to 58 per cent of their budgeted SGST of Rs 6.49 lakh crore.

If the Centre keeps 60 per cent of the IGST revenue, then the states could be staring at a shortfall of around Rs 67,000 crore.

Source: outlookindia.com– Jan 28, 2021

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What Indian industries want from Union Budget 2021

Finance minister Nirmala Sitharaman is expected to unveil plans to boost economic growth when she presents the 2021/2022 Union Budget on February 1.

Corporates and industry lobby groups expect the government to announce greater spending on healthcare and infrastructure, as well as tax breaks for the automotive, manufacturing and tourism industries, reeling from the coronavirus crisis.

Union Budget 2021-22: Complete coverage
Here is a wishlist from industry leaders:

Healthcare and pharmaceuticals

The drugs industry is hoping for incentives to spur more investment in research and development (R&D), via bigger tax deductions on R&D spending, said Sudarshan Jain, secretary general of the Indian Pharmaceutical Alliance.

Kiran Mazumdar Shaw, chief of Biocon Ltd, hopes the government will raise healthcare spending to 2.5% of gross domestic product by fiscal 2025 from about 1% now.

Real estate and infrastructure

The real estate and construction sector, a bellwether for the Indian economy, is hoping for tax reliefs for home buyers and regulations curbing a rise in construction costs.

Automobile industry

The automobile industry hopes for a roadmap for a recently announced production-linked incentive scheme and policy on scrapping of commercial vehicles.

Toyota Kirloskar, the Indian unit of Toyota Motor Corp, said it was looking forward to support measures for the manufacture of hybrid electric vehicles and parts.

Aviation

The aviation industry is looking for lower taxes on aviation turbine fuel and levies such as airport charges, parking and landing and navigation charges, said Moody's India unit, ICRA.

Tourism and hospitality

The National Restaurant Association of India is hoping for more liquidity support, with low collateral, and a minimum moratorium of six months.

Personal tax breaks for domestic travel would also help, said Deep Kalra, founder and top official of online booking website MakeMyTrip Ltd.

Retail

Brick-and-mortar retail firms seek a national retail policy, to help combat the growing popularity of online sellers.

"Formulation of national retail policy, removing the distinction between e-commerce and physical retail under one policy has been spoken about and we hope that this happens in FY 21," said Preet Dhupar, chief financial officer of Ikea India.

Banking

The coronavirus brought a slump in lending by banks, and despite signs the economy is improving, the central bank has warned that the industry could see bad loans nearly double.

Some analysts expect the setting up of a so-called "bad bank", which the government will use to buy bad assets from state-owned banks. There are also expectations for moves to recapitalise state-owned banks.

Public sector banks may need a further Rs 43,000 crore ($5.9 billion) as capital requirement in the next financial year, ICRA said.

Source: economictimes.com– Jan 28, 2021

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Amazon signs MoU with K'taka to help drive e-commerce exports from state

The Amazon India on Thursday signed a Memorandum of Understanding (MoU) with the government of Karnataka to help drive e-commerce exports from the state.

As part of the MoU with the Department of Industries and Commerce, Amazon will train and onboard MSMEs from the state on Amazon Global Selling, its exports programme, enabling them to sell their unique Made in India products globally to millions of Amazon customers across 200+ countries and territories, it said in a statement.

The company said that Amazon Global Selling lowers the entry barrier for motivated Indian MSMEs to expand their business and launch their brands globally from anywhere in India.

With this programme, homegrown businesses get instant access to global markets from Day one, benefiting from Amazon's distribution capabilities and global footprint to scale rapidly, creating a sustainable exports business, Amazon said.

As part of the programme, Amazon will conduct training, webinars and on-boarding workshops for exporters from key MSME clusters like Ballari, Mysuru, Channapatna and other districts.

The workshops will focus on sharing knowledge and imparting training to MSMEs about Business-to-consumers e- commerce exports and selling worldwide through Amazon's 17 international marketplaces to over 300 million customers worldwide.

The company quoted Jagadish Shettar, Minister for Large and medium scale Industries, as saying, "Karnataka has a vibrant automobile, agro, aerospace, textile and garment, biotech, and toys / handicraft sectors which is held together by lakhs of MSMEs.

Source: business-standard.com– Jan 28, 2021

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Indian e-commerce will reach $90-100 billion in 3-4 years: Flipkart CEO, Kalyan Krishnamurthy

The pandemic has brought in a shift in consumer behaviour, providing a major fillip to the Indian e-commerce industry that is now poised to touch USD 90-100 billion in the next 3-4 years, Flipkart Group CEO Kalyan Krishnamurthy said on Wednesday. Krishnamurthy said while challenges brought in by the COVID-19 pandemic impacted businesses, many new avenues also opened up, according to a report by news agency PTI.

“The opportunities that modern retail present are significant for businesses of all sizes, including the kirana ecosystem. Flipkart is also doing its best to help small businesses and artisans embrace the power of technology and be a part of the modern retail opportunity,” he was quoted by PTI as saying.

Krishnamurthy noted that e-commerce has been gaining traction over the years and in 2019, more than 10 per cent of Indians had already shopped something online.

This trend was further accelerated after the lockdown forced people to stay indoors. Many turned to online platforms for buying grocery and other essentials during this time and have continued to do so after the lockdown was lifted.

“Close to 100 per cent of pin codes in India have seen e-commerce adoption. This includes categories like fashion, appliances, furniture... More than 60 per cent of transactions and orders in India come from tier two cities and smaller towns. We still believe that we are scratching the surface when it comes to e-commerce adoption in India,” he was quoted by PTI as saying.

He pointed out that only 3.5 per cent of Indian commerce is online as compared to more than 25 per cent e-commerce adoption in China, and other developed economies that have 10-25 per cent adoption rates.

“COVID-induced spike (in e-commerce) has actually changed several categories, there is a new normal. And the meaning of essential categories has also completely changed. We believe the Indian e-commerce economy has seen a permanent shift for the positive,” Krishnamurthy was quoted by PTI as saying.

He added that over the next few years, the Indian e-commerce economy will be bigger than modern retail today.

"The pre-COVID growth rates of e-commerce were roughly 26-27 per cent but if you look at the post-COVID estimates, it has gone closer to 30 per cent…In the next three to four years, what we were estimating the e-commerce market size was roughly in the range of about USD 50-60 billion, today, the same numbers are actually close to USD 90-100 billion," he was quoted by PTI as saying.

Krishnamurthy said innovations around voice-based commerce, vernacular support, use of videos and affordability are playing an important role in the growth of e-commerce as more Indians come online and start conducting digital transactions.

Source: indiaretailing.com– Jan 28, 2021

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Tamil Nadu starts pilot to get textiles from banana fibre

The Tamil Nadu government has assigned a ₹400-crore research project for manufacturing textiles and medicine from banana fibre and stem to a private company, according to state chief minister K Palaniswami. Once the project is successful, the income of banana-growers would double, he said. Aerospace scientist Mylswamy Annadurai is assisting the project.

He was recently addressing an election campaign gathering in Mettupalayam, a major banana cultivation area in the Coimbatore district, according to media reports from the state.

Annadurai, a former director of Indian Space Research Organisation (ISRO), had described the utility of the fibre in making dhotis and shirts, and the stem to make medicines.

Banana is also a major crop in Thottiam, Musiri and Lalgudi in Trichy district where it is cultivated on 25,000 acres next to paddy, pulses and oilseeds.

Source: fibre2fashion.com– Jan 28, 2021

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Telangana to have logistics policy soon, says KTR.

Industries Minister KT Rama Rao on Thursday said the State government would be introducing a logistics policy shortly, with a draft policy already being prepared. Soon after obtaining Cabinet approval, the logistics policy would be introduced to boost employment locally and to generate more revenue for the State, he said.

As per experts and reports from different agencies, there was a lot of scope for setting up logistics parks in and around Hyderabad. At present, there was 50 lakh square feet logistics space available against a requirement of over 15 million square feet of logistics parks space, he said.

"Hyderabad has all the parameters required to transform into a logistics hub," Rao said after inaugurating a logistics park at Batasingaram under Ibrahimpatnam constituency here.

Many industries, especially manufacturing units, are coming up in and around Hyderabad. In tune with this development, there is a need to focus on improving transport logistics. Already, the Mangalpally Park is operational and now Batasingaram Park is open. There is a lot of scope for setting up more such parks, the Minister said, adding that efforts were being made to establish more logistics parks along the Outer Ring Road synchronizing with eight important corridors, including the Mumbai Highway, Vijayawada Highway, Ramagundam Highway and others.

Pointing out that JLL and several other agencies had declared several times that Hyderabad city was fast expanding, he said growth should facilitate in improving people's standard of living, health, employment and education prospects. Setting up logistics parks will not only aid in boosting the prospects of the manufacturing industry but will also generate more employment for local residents, especially youth. It will also generate more revenue for the State, he said.

The State government through TS-IPASS has granted permissions for over 14,000 industries, with each application being cleared within 15 days. This apart, the State government has accorded top priority for infrastructure development, especially power supply. Quality power is being supplied for both domestic and industrial sector round the clock, he said.

Emphasis is also being laid on drinking water supply. While cities like Chennai are facing severe drinking water scarcity, Hyderabad will not have such problems as an exclusive reservoir was being constructed to meet the city requirements. This was possible due to the vision of Chief Minister K. Chandrashekhar Rao, he added.

Source: telanganatoday.com– Jan 28, 2021

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