# NEWS CLIPPINGS

## INTERNATIONAL NEWS

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INTERNATIONAL NEWS

China's textile, garment exports expand in 2020

China’s textile and garment exports grew 9.6 per cent year on year to US$291.22 billion in 2020, official data showed.

In breakdown, textile exports surged 29.2 percent from a year earlier to reach US$153.84 billion. Garment exports shrank 6.4 per cent to US$137.38 billion, according to the Ministry of Industry and Information Technology.

In December alone, the country's textile exports expanded 12.6 per cent year on year to US$12.29 billion. Garment exports in December increased 2.8 per cent year on year to US$13.91 billion.

Meanwhile, South China's Guangdong Province is targeting economic growth of more than 6 per cent this year, Governor Ma Xingrui said Sunday.

The province recorded 2.3-per cent GDP growth in 2020 to exceed 11 trillion yuan (US$1.7 trillion), Ma said while delivering a government work report at the annual session of the provincial legislature.

Its GDP volume has continued to lead China's provincial-level regions, Ma added. Guangdong, a manufacturing heartland and leading foreign trade player in the country, has been successful in resuming production and business after the COVID-19 outbreak, according to the report.

Meanwhile, the province's total imports and exports of goods shrank by 0.9 percent year on year in 2020 to 7.08 trillion yuan, according to the provincial statistics bureau.

In breakdown, exports edged up 0.2 percent while imports dropped by 2.6 percent, the bureau said in a report delivered to the legislative session.

China’s national GDP increased 2.3 percent year on year last year, likely the only major economy to post growth in the pandemic-ravaged year.

Source: thestar.com.my – Jan 24, 2021
NCTO Says Biden’s Orders Will Boost US PPE Supply Chains

The National Council of Textile Organizations (NCTO) welcomed President Biden’s action plan and Covid-19 response issued Thursday, including an executive order to strengthen U.S. supply chains by directing federal agencies to use the Defense Production Act (DPA) to address shortages of personal protective equipment (PPE) and related vaccine supplies.

“We are closely reviewing President Biden’s national strategic plan to confront the pandemic and welcome the executive order signed today to strengthen our supply chains by directing all federal agencies to use the Defense Production Act to address shortages of personal protective equipment, vaccine supplies and essential products,” NCTO president and CEO Kim Glas said. “These are important steps that will help ramp up critical manufacturing of these essential PPE products and other critically needed supplies like tests and vaccines.”

Glas noted that American manufacturers have been at the forefront of the effort to build a domestic PPE supply chain since the onset of the pandemic. The U.S. textile industry retooled production and operations virtually overnight, producing millions of face masks, isolation gowns, testing swabs and other critical medical textiles.

The industry is dedicated to making significant investments in automated equipment for PPE, but the industry needs long-term, multiyear contracts to help realize that investment, Glas said. The deployment of DPA is one of the critical tools that will help incentivize investment in equipment, propel the hiring of U.S. workers and expand these critical production chains, she noted.

Glas noted that since its inception, the DPA has been utilized by the Department of Defense to make critical investments in domestic textile manufacturing infrastructure and capacity, creating private-public partnerships through the government’s capital investments under the DPA and guaranteeing purchases through long-term contracts.

NCTO anticipates further steps, including a reported order that will seek to strengthen government procurement of U.S. products, in the coming days. Glas said the industry has outlined critical steps that are necessary to strengthen the U.S. supply chain for essential products.
These include expanding investment in American-made PPE, appointing a high-level Covid-19 coordinating supply chain team, continued support for tariffs and strong trade enforcement, particularly against China, and providing targeted stimulus to U.S. manufacturers and workers.

In his executive action, Biden called for taking “appropriate action using all available legal authorities, including the Defense Production Act, to fill...shortfalls as soon as practicable by acquiring additional stockpiles, improving distribution systems, building market capacity or expanding the industrial base.”

“Within 180 days of the date of this order, the Secretary of Defense, the Secretary of Health and Human Services, and the Secretary of Homeland Security, in coordination with the Assistant to the President for National Security Affairs (APNSA), the Assistant to the President for Domestic Policy, the COVID-19 Response Coordinator, and the heads of any agencies or entities selected by the APNSA and COVID-19 Response Coordinator, shall provide to the President a strategy to design, build, and sustain a long-term capability in the United States to manufacture supplies for future pandemics and biological threats,” Biden’s order said.

Biden also called for “an approach to develop a multi-year implementation plan for domestic production of pandemic supplies.”

“We look forward to working with this administration and members of Congress to push legislation that will help bring these critical supply chains onshore permanently,” Glas said.

Source: sourcingjournal.com– Jan 22, 2021
US jeans imports down till November 2020

Bangladesh, the largest jean supplier to the US, saw shipments dip 3.73 per cent for the 11 months through November to $522.78 million, on par with the previous month’s data from the Commerce Department’s Office of Textiles & Apparel (OTEXA).

Denim purchase was hit severely during the pandemic but steadied in November amid holiday push. Denim apparel imports till November declined 26.01 per cent to $2.57 billion compared to the same 11-month period in 2019.

The decline was a slight development from the 27.42 per cent year-to-date decrease in October. While denim apparel imports from Mexico, the second largest producer, fell 43.6 per cent to $424.74 million.

Vietnam lost some of its gains from prior two months, with a year-to-date increase of 0.68 per cent to $342.09 million in November. This trailed by 1.08 per cent and 1.77 per cent year-to-date increase in October and September, correspondingly.

China continued to lose ground as a jeans production in the month. Till November, imports from China nosedived 53.75 per cent to $304.82 million.

Chinese manufacturers have been dealing with the fallout of the pandemic much like the rest of the world, while also suffering from strategic sourcing shifts by importers looking to reduce risk and costs from tariffs derived from the trade war with the US.

Among second-tier countries with a smaller market share, imports from Cambodia continued to strengthen, with a year-to-date gain of 13.62 per cent to $130.77 million. Pakistan flattened its decline to 3.25 per cent to $227.81 million in the period.

Source: fashionatingworld.com – Jan 22, 2021
US cotton exports rise on China demand: USDA report

Despite US cotton production falling 5 million bales from the previous year, the country's exports are forecast at 15.25 million bales for the ongoing marketing season 2020-21 that began in August. In the five months to December, China has accounted for almost half of US cotton exports, with the country’s total imports forecast at 10.5 million bales.

China's cotton import this season is expected to reach the highest level in seven years. Moreover, China's consumption is expected to recover 5.5 million bales from the previous year and reach 38.5 million bales, accounting for more than one-third of world use in 2020-21, the Foreign Agricultural Service of the US department of agriculture (USDA) said in its January 2021 report on 'Cotton: World Markets and Trade'.

The demand for US cotton in China has been mostly led by the State Reserve and State-owned Enterprises (SOEs), which have likely accounted for more than three-fourths of total imports of US cotton thus far in 2020-21. "Instead of sourcing from Brazil, the primary supplier in the previous two marketing years, the State Reserve and the SOEs have returned to the United States likely in part spurred by the Phase One Agreement," the report said.
Despite higher US prices relative to Brazil and India (second and-third-largest exporters forecast in 2020-21), US sales and shipments to China through December exceeded the previous year by more than 2.3 million bales. These export volumes are notable considering higher exportable supplies for Brazil and India, where both countries have record carrying and Brazil’s 2020-21 exports are forecast at a record, the report added.

Australia, another significant supplier to China, witnessed exportable supplies decimated by a 2020 drought. Like the United States, Australia is a significant supplier of high-quality cotton to the world’s largest importer. "In addition, a recent political dispute between it and China has diminished demand for Australian origin and boosted imports of US cotton," the USDA report said.

As a result of resilient China demand, US cotton exports are forecast to be mostly unchanged from the previous year, despite fewer shipments and sales to Vietnam and Bangladesh.

Source: fibre2fashion.com – Jan 23, 2021
Smart PPE market to close at $3 billion by 2030: Study

Increased awareness about safety and globally accepted regulations by companies have significantly increased demand for industrial IoT-integrated smart PPE solutions, especially in oil and gas, manufacturing, and construction industries, to ensure workers’ safety in various work environments. Mounting demand for smart PPE is due to the fact that, IIOT-integrated PPE delivers the best real-time preventive maintenance solutions.

Based on a Smart PPE Market by Fact.MR report global smart PPE market is poised to expand at a steady CAGR of 6 per cent, and touch $3 billion by the end of 2030. The study also states global smart PPE market is projected to create an absolute opportunity of more than $1.2 billion from 2020 to 2030.

Based on product type, the protective clothing segment is set to hold a share-wide market dominance with over 60 per cent of total market value by the end of 2030. The protective footwear segment is also projected to expand at a value CAGR of 7.5 per cent, and is expected to be valued 2X more than off-shore by the end of 2030.

The COVID-19 outbreak has resulted in impacting demand for smart PPE at the global level, as an aftereffect of halted production and construction activities in end-use industries. Furthermore, disrupted supply chains and reduced production at manufacturing companies have also contributed to descending demand. However, the smart PPE market is expected to show advancing growth post-pandemic period, as demand for reliable and efficient worker safety products with OSHA standards will surge.

Source: fashionatingworld.com– Jan 22, 2021
Chinese PPE suppliers ‘cautiously optimistic’ about exports to US

Immediately after US President Joe Biden's pledge for a serious fight against the COVID-19 pandemic, Chinese medical suppliers - in particular mask producers - have seen soaring orders and inquiries from the US. While some painted a promising picture of an export market that could top billions of yuan, a majority of Chinese personal protective equipment (PPE) makers are only taking a "cautiously optimistic" attitude, industrial insiders said.

Aiming to end the pandemic, Biden signed executive orders on Thursday, the first full day he was in office, to harness the Defense Production Act to produce more vaccine supplies like needles, syringes and PPE, a move that won applause from experts, CNN reported on Sunday.

Forecasting the new administration's priority would be to fight the epidemic, many US traders and importers approached Chinese factories weeks in advance, asking about or placing orders of an unprecedented magnitude, in stark contrast with the chilly period during the Trump administration last year.

Li Lin, general manager of Anhui Fumei Medical Co, told the Global Times on Sunday that there have been some US clients approaching him, making inquiries on N95 masks in recent days. Fumei produces masks and protective clothing, with exports totaling 900 million yuan ($138 million) last year. The firm's US clients include DuPont.

"The volume of inquiries is not very huge, as Biden just announced anti-epidemic measures after taking office. It may take some time for the industries to see a dramatic increase in exports to the US," Li said. But he noted that the firm's main focus for 2021 will remain the European market, where he has maintained "good relationships with long-term clients and an environment that is more predictable."

Li said that as qualified mask producers have all gained FDA certifications, there is no difficulty for Chinese firms like Fumei to scale up exports to the US, except that the company's production is fully scheduled until July. However, some industry insiders expressed concern over whether US customs would "deliberately set barriers" that would delay the exports of Chinese PPE.

Cao Haoquan, president of Weini Technology Development based in Guangzhou, South China's Guangdong Province, one of the top 10 mask makers in China, told the Global Times on Sunday that the company has received an actual order from
the US for 50 million masks, asking that they be delivered before the Spring Festival, a request that cannot be met.

"We cannot get adequate raw materials such as non-woven fabrics since many suppliers are now about to take a holiday," said Cao, noting that it will have to postpone the order until after the Chinese New Year. An order of 50 million masks from the US is common these days compared with December last year, but Cao maintains a cautious attitude toward the US market.

"American traders tend to keep the price very low to be profitable, and there are risks that the goods cannot be cleared in time when they arrive in the US," said Cao. In addition to masks, several large nucleic acid test kit suppliers in China also have some concerns, the Global Times learned.

A source at Maaccura Biotechnology Co, a producer of nucleic acid test kits, told the Global Times on Sunday that although the company wanted to make a great contribution to US epidemic prevention, due to relevant factors, the US was not a priority for the time being.

"In terms of the use of nucleic acid reagents, they need to be used in combination with a supporting operating system. We also hope to do a good job in the service work during the whole process, strengthen the mutual trust of both sides, and solve related problems," said the source, noting that all this is based on the normal development of trade.

Another PPE supplier said that it is seeing soaring orders from US traders every day. Although the company is looking forward to entering the US market, the FDA application that it submitted in January is not expected to be approved until May.

After relentless trade friction between China and the US, many PPE producers have not made the US their primary market in a bid to avoid uncertainty, Chen Hongyan, secretary-general of the Medical Appliances Branch of the China Medical Pharmaceutical Material Association, told the Global Times on Sunday.

"Even though trade may have been eased these days, it still took some time for companies to apply for the needed export markings like the FDA," said Chen.

Source: globaltimes.cn— Jan 24, 2021
Digital transformation must for apparel sector: BMA

With growing competition and challenges posed by Covid 19, digital transformation has become a must for companies in the apparel sector to compete effectively, a report by Brother Machinery Asia (BMA) and YCP Solidiance says. New technology, such as integrated internet of things, has increased apparel production and reduced costs and production time.

The global apparel market size has risen to $948.2 billion in 2020, recording a 5.1 per cent increase from 2019. This market size is forecasted to grow to $992 billion in 2021, with the Asia-Pacific region accounting for more than 50 per cent.

However, this overall perspective does not reveal the intensifying competition faced by players in the apparel industry. With technology, competition among apparel players is no longer domestic, but on an international scale.

The COVID-19 pandemic has accelerated the need to transform digitally. With apparel factories being forced to close, the apparel industry lost its functions and total sewing machine operating hours by 70 per cent and 27 per cent, respectively, in April 2020.

BMA and YCP Solidiance held a virtual webinar late December 2020 to address the current headwinds in the apparel industry and chart out strategies on how apparel players can innovate to achieve success.

The report titled "Digital Transformation in the Apparel Industry: How to Improve Efficiency in Apparel Factory Supply Chain" revealed that some apparel brands (Uniqlo, Nike, and Adidas), have adopted digitalisation in
their business process, eg supply chain management software, allowing them to monitor the production better and create a more transparent supply chain flow.

As the Asian labour market is no longer the cheapest, digitalisation allows apparel players to save costs in the long run. Hardware technology advancements, such as integrated internet of things (IoT) systems, have increased apparel production by 5 per cent and reduced costs and production time by 88 per cent.

"Digitalisation in the apparel sector aims to maximise the power of data and further enhance the manufacturing production," says Gen Kimura, general manager at BMA.

The report also provides a framework for apparel players looking to digitalise which includes identifying current productivity problems due to manual processes, prioritising each problem by urgency and feasibility, using IoT to efficiently gather production data, analysing data and identifying points for improvement.

As more opportunities arise, digital transformation will help apparel businesses compete effectively and achieve success, the report says.

Source: fibre2fashion.com– Jan 25, 2021

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HOME
What Impact Will Biden Bring To The Textile And Garment Market

Biden, the new president of the United States, officially took office, and the impact of the new term on the U.S. and global markets has been discussed by all parties in the market. Since the outbreak of the Sino US trade war in 2018, the United States has raised import tariffs on some textiles and garments from China, which has had a great impact on China's cotton textile market. Since then, the trump government has repeatedly launched difficulties and even issued bans on Xinjiang cotton and its products, and listed relevant enterprises in the physical list, which has brought adverse effects on the market.

As a result, the domestic market expects Biden to take office to warm up bilateral trade between the two countries and reverse the situation of "decoupling" of the economy.

China is the world's largest consumer of cotton textiles, but also an important global processing place, cotton production has been maintained in the top three of the world.

In particular, Xinjiang's cotton production has accounted for nearly 90% of China's cotton production. A large number of yarns exported to Europe, the United States and Japan are basically used in Xinjiang cotton. Therefore, many regions in the world will see the shadow of Xinjiang cotton, which will involve China's processing industry.

As an indispensable living material, China's cotton textile industry has been integrated into the world. Therefore, simply raising tariffs and restricting imports are not conducive to the rights and interests of American consumers, but also detrimental to the economic integration between China and the United States.

In particular, since the signing of the first phase of Sino US economic and trade agreement, China has increased the purchase of American cotton and other agricultural products, and the two countries have been carrying out tariff elimination work. The industry expects that the new US government will promote the industrial development of the two countries to a new height.
Since the outbreak of the epidemic in 2020, in order to meet the needs of China and the global market for medical protective clothing, masks and other materials, some textile enterprises in China have adjusted the production direction in time, expanded the production capacity of protective materials, and enhanced their own competitiveness.

At the same time, they avoided the risk of continuous decline in benefits and realized turning losses into profits. As a result, it indirectly promoted the improvement of domestic cotton consumption and boosted the confidence of cotton market operators.

As for the future development direction of the two major economies of China and the United States, there are various views in the market. In dealing with the relevant interests, competition between the two sides may not be avoided. However, whether the ruling party of the United States can take reasonable measures to promote the development of trade between the two countries is the key.

According to some relevant people in the United States recently, the Biden administration may not adjust the early Sino US trade policy soon, but will focus on how to promote bilateral trade in the later stage, and pay attention to the benefits of trade with China on the US economy and employment.

In addition, the new U.S. government will control the U.S. epidemic situation and expand fiscal stimulus as soon as possible, which may promote the recovery of global and domestic cotton markets to a certain extent.

Source: sjfzxm.com– Jan 23, 2021
Belarus unveils five-year light industry plan

Bellegprom, the light industry concern of the Belarusian ministry of light industry, has unveiled a five-year light industry development plan. The plan for 2021-25 includes setting up a vertically-integrated linen holding company in Belaurs, introduction of robotic systems in the country's light industry, and increasing production of polyester fabrics.

“During this five-year period, we will focus on increasing the processing depth of flax and leather – this is seen as a growth point for the light industry. The document also stipulates construction and commissioning of new production facilities, introduction of robotic hardware and software, and creation of a vertically-integrated linen holding company in the future,” Belarusian news agency said quoting the press service of Bellegprom.

The plan also includes expansion of the production of polyester fabrics, as well as improving cooperation and specialisation in the light industry, which pertains to materials like low-grade flax fibre, yarn, flax cotton, composite thermal insulation materials, and nonwoven textile materials.

Set up in 1992 by the ministry of light industry, Bellegprom includes 94 industrial enterprises that are into manufacturing of textile, weaving, fabric making, leather, footwear, fur and porcelain-china.

Source: fibre2fashion.com– Jan 23, 2021
Bangladesh the preferred option in an uncertain world

Among the main characteristics which brands look for when entering a sourcing destination are political stability. Stability brings confidence and certainty and allows brands and retailers to plan long-term. The last thing any brand wants is to be shifting from one sourcing destination to another.

Here is an example: China. In the past 18 months, serious concerns have been raised about the province of Xinjiang, due to issues around forced labour and the repression of the Uyghur Muslim population.

I am not here to discuss the rights or wrongs of Xinjiang but what I can say is that as a direct consequence of these issues coming to the fore, fashion brands and retailers now have a huge headache on their hands. The reason is that the US has subsequently banned all products entering the country which contain cotton from Xinjiang.

This creates huge problems for brands which use Xinjiang cotton but it also creates a challenge for brands sourcing any apparel from China, as much of the cotton used to feed China's textile industry is from Xinjiang.

China, the world's largest exporter of apparel, is not the only competitor of Bangladesh which has political instability right now. Ethiopia was viewed as a threat to Bangladesh not so long ago. Its business model was seeking to replicate our own—exporting cheap ready-made garments and competing heavily solely on price.

But now Ethiopia is also causing brands and retailers to have sleepless nights. Until last year, the country had relative political stability in comparison to other countries on the notoriously unstable African continent. It was selling itself as an investment hub for textile manufacturers, creating a number of business parks which have attracted customers such as H&M, PVH and Gap.

However, recent months have seen violent conflict in Ethiopia's northern Tigray region. This has been fuelled by ethnic power politics and is threatening the country’s political and economic stability. According to some reports, the violence has likely killed thousands of people, including many civilians, and displaced more than a million people internally.
Many commentators are now suggesting that the scale of the conflict could scare off foreign investment in Ethiopia's garment industry. Some brands have already been forced to close some of its production units and this kind of instability is the last thing Ethiopia needs at a time when it is trying to develop its fledgling garment sector. Why would brands look at sourcing from there given the political instability and associated reputational risk of sourcing from a war-torn country?

In fact, everywhere I look, in terms of the competitive landscape for Bangladesh's RMG sector, I see challenges for brands. Even neighbouring Myanmar has problems, and the issues there typify the challenges brands face when looking to source from developing countries. Myanmar only began exporting garments again in 2012 as the country had previously faced economic sanctions following a military coup in 1988. Many brands have begun sourcing from Myanmar since that time and, again, commentators have suggested Myanmar is a competitive threat to Bangladesh.

Again, however, political instability has reared its head. In fact, the current war between government forces and the ethnic Rakhine Arakan Army in western Myanmar is believed by some to be the most serious by far of the country's numerous, decades-old internal wars, with some of the most intense fighting seen in years. After the conflict escalated in early 2019, the government ordered a strong military response and designated the Arakan Army as a terrorist organisation. Such measures appear to have made matters worse, and problems and instability in Myanmar continue. What brands will make of all this, who knows?

Do we have our own problems in Bangladesh? Of course, we do. No country is perfect. But compared to our key competitors, it is fair to say that Bangladesh is pretty stable right now and has been for many years. Full scale safety remediations after the tragic Rana Plaza has transformed Bangladesh into probably the safest apparel sourcing country. The country also has the highest number of green garment factories in the world. It has an abundance of trained workers, strong backward linkage, infrastructure, logistics and the entrepreneurial know-how.

Brands know what they are getting with Bangladesh. They know they can be in for the long haul as our country has for decades proved itself to be a reliable, low risk partner for apparel sourcing; such partners are becoming increasingly difficult to find in an uncertain world.
These are important issues which need bringing to the fore at a time of change. Over the next few months, maybe beyond, brands will be reassessing supply chains as business picks up again after Covid-19. The industry is, in many ways, in a state of flux.

Our country, its leaders and its business owners must strike while the iron is hot to once again make our case as the trading partner of choice. Political instability among competitor sourcing destinations and pandemic chaos has only strengthened our hand in a world where brands and retailers more than anything crave certainty, familiarity and business continuity.

As Bangladesh will continue to be the world's preferred destination for apparel sourcing, brands and retailers should strengthen their partnerships with Bangladeshi apparel manufacturers to best serve themselves. It will be a win-win for both the buyers and manufacturers. While the journey will be longer, the best thing all the passengers could do is enhance cooperation and partnership to make it more successful.

Source: thedailystar.net – Jan 25, 2021
$7.8-mn garment factory project approved in Cambodia

The Council for the Development of Cambodia (CDC) recently approved a project with a total investment of $7.8 million in Takeo province.

The project by HC Global Textile Co. Ltd. will construct a garment factory in the Roneam commune in Traing district and is expected to create 843 jobs. Since early this month, CDC has approved four investment projects.

The four projects have a total capital investment of nearly $16.5 million, generating over 2,000 jobs, according to Cambodian media reports.

Source: fibre2fashion.com– Jan 23, 2021
Global Millennials Are Snatching Up American Fashion Brands Online

Millennials, or at least those ages 25 to 34, appear to be the generation most likely to shop across borders, according to eShopWorld.

In a survey conducted online by the cross-border e-commerce platform last month, 33 percent of consumers within this segment said they made 11 or more e-commerce purchases outside their country in the past year. Consumers ages 35 to 44 and those ages 18 to 24 came in close behind, at 32 percent and 29 percent, respectively.

“Younger consumers have always been more comfortable shopping online, but our survey data show that they are now increasingly embracing international e-commerce as more retailers and brands eliminate friction by offering conveniences such as locally popular payment types and delivery date promises,” eShopWorld CEO Tommy Kelly said in a statement.

The ESW Cross-Border Shopper Survey also found that, overall, the vast majority of shoppers—68 percent—had made at least one e-commerce purchase outside their home country last year.

Clothing, favored by 30 percent of cross-border shoppers ages 25 to 34, proved to be the age group’s most popular category over the previous six months, the survey found. Toys and health and beauty followed, both coming in at 19 percent.

The United States topped the list of countries patronized most frequently by younger consumers. According to eShopWorld’s survey, 55 percent of non-U.S. consumers ages 18 to 34 shopped from U.S. sites over the prior 12 months.

Though paying via credit and debit card remained popular—72 percent of all respondents used the two classic payment options to complete their cross-border transactions—newer methods gained ground with younger consumers.

Roughly 10 percent of respondents ages 18 to 24 and 11 percent of those ages 25 to 34 said they had used buy now, pay later to shop from international merchants.
Though shoppers have shown themselves willing to purchase internationally, eShopWorld said offering a localized experience remained key to a successful e-commerce experience. Survey respondents said being able to shop a site in their local language (34 percent) and local currency (34 percent) and seeing all charges, taxes and duties clearly displayed (33 percent) were the most important factors contributing to their decision to make a purchase.

“People are still restricted in their ability to travel and shop in person around the world, and cross-border e-commerce continues to be an attractive alternative for these shoppers,” Kelly said. “Our study also indicates that consumers are purchasing a variety of product categories from foreign brands, so companies that can provide a safe, localized shopping experience have a significant opportunity to capture a much larger piece of the international market.”

EShopWorld said the survey reached more than 22,000 consumers in 11 countries: Australia, Canada, Chile, France, Germany, Mexico, Russia, Singapore, Turkey, the U.K. and the U.S.

Source: sourcingjournal.com– Jan 22, 2021
Pakistan: Now the cotton production crisis

It takes a special kind of talent to waste a country’s natural comparative advantage, especially one that feeds into its primary export industry, in the way successive Pakistani governments have neglected cotton production. From a one-time big producer and exporter Pakistan now needs to import increasing amounts of raw cotton just to keep its textile industry alive; and production has now reached a 30-year low.

“If the government does not take serious steps for increase in cotton crop,” Chairman Pakistan Cotton Ginners Association (PCGA) Dr Jassu Mal very rightly warned during a press conference at the Karachi Press Club the other day, adding that “Pakistan will be completely deprived of cotton cultivation and accordingly textiles.”

One very important reason why we have lagged behind over the last decade or so and countries like Bangladesh have waltzed right past us is our failure to mechanize our farming and keep abreast of technological developments in the field, while other producers have been moving towards production of contamination-free cotton, we still pick ours by hand which contaminates the product. As a result we have to forego the premium for the farmers and the efficiency for the yarn producers that comes with using the contamination-free variety. And there’s still nothing to suggest that any serious consideration is being given to produce new varieties.

This is, unfortunately, another one of those big problems that the government would have to address with great speed. That there would necessarily be a time lag before whatever it decides to do begins to show results only adds to the urgency of getting the ball rolling.

The government is already struggling to prop up industry and exports and the last thing it needs is for the textile sector to cave in because of a problem that should never have arisen in the first place. It is sincerely hoped that whatever change the government brings to this sector would be technology-driven, just like our competitors did and ultimately left us behind.

Source: brecorder.com– Jan 25, 2021
Pakistan: Weekly Cotton Report: Bullish trend continues

The bullish trend remained continued in both national and international cotton markets. The cotton sowing is going to be started very soon but no strategy is seen for increasing the production of cotton. Pakistan Cotton Ginners Association and brokers have been activated. Farmer organizations and related government departments and All Pakistan Textile Mills Association and Karachi Cotton Association should play their role for increasing the production of cotton. Industrialists were worried due to continuous increase in imports and suspension of gas supply.

In the local cotton market during the last week bullish trend was witnessed because of continuous buying by the textile and spinning mills of the good quality cotton. The trading volume remained satisfactory as ginners were selling cotton because they were getting reasonable rates. The rate of good quality cotton reached at Rs 11000 per maund which is highest in ten years.

It is difficult that rate of cotton will come down as there are chances that it will increase because the production of cotton is very low as well as the increasing rates of cotton in international cotton market.

Majority of the textile mills have signed agreements for the import of cotton in abundance due to which their buying is low but the mills which still have the capacity are present in the market. On the other hand the rate of polyester fibre is also increasing.

The government raises energy prices every day, and the biggest problem is that government has approved the suspension of gas in industry which is getting gas from the captive power plants. The government has also approved the suspension of gas supply to export sector from March 1. Council of All Pakistan Textile Association has opposed the decision of suspension of gas supply to all value added sector.

The rate of cotton in Sindh is in between Rs 10200 to Rs 10700 per maund. The rate of Phutti is in between Rs 4000 to Rs 4900 per 40 kg. The rate of Banola is in between Rs 1600 to Rs 1900 per maund. The rate of cotton in Punjab is in between Rs 10300 to Rs 11000 per maund. The rate of Phutti is in between Rs 4000 to Rs 5500 per 40 kg. The rate of Banola is in between Rs 1700 to Rs 2200 per maund while the rate of Phutti which is only available in Dalbadin district is in between Rs 5500 to Rs 5600 per 40 kg.
The spot rate committee of the Karachi Cotton Association increased the rate of cotton by Rs 200 per maund and closed it at Rs 10800 per maund.

Chairman Karachi Cotton Brokers Forum Naseem Usman told that bullish trend remained continued in the international cotton markets especially the rate of New York Cotton reached at the level of 82 American cents per pound. The weekly export report of USDA shows 10% decline in exports due to which it is expected that rates remained stable. This time instead of importing China had cancelled the deals of importing 22000 bales of cotton. The bullish trend remained continued in the rate of cotton in Brazil and Central Asian states especially the rate of cotton remained stable in India where cotton is prepared in abundance from the crop of 2020-21.

The crop is also satisfactory in India. The ginners and the cotton farmers got much relief in India because Cotton Corporation of India bought Phutti from farmers in huge quantity in the minimum support price announced by the government as well as they bought cotton from ginners also.

More over government of India also gave incentives to the farmers and ginners in order to encourage them but in Pakistan government did not give much incentive to the farmers and ginners while there is also shortage of good quality seeds and pesticides due to which both ginners and farmers are disheartened.

According to Naseem Usman many stake holders related to cotton business are demanding from the government that strategy should be evolved on war footing to increase the production of cotton. Up till now only PCGA and brokers are active. It is the need of the hour that farmers organisations, relevant government departments, APTMA and Karachi Cotton Association should made all out efforts for increasing the production of cotton in the country. The days of cotton sowing are coming but no body looks serious.

Prime Minister Imran Khan had constituted a Cotton Task Force under the chair of central leader APTMA Goher Ejaz. According to Gohar he will start effort for increasing the production of cotton with the support of five big textile groups. They will bring technology from abroad but no practical step was seen in this regard. Gohar Ejaz should give up date to the stake holders who are very much worried.

PCGA is trying it’s best to increase the production of cotton in the country and also trying to solve the issues faced by ginners.
In this regard they organised a cotton seminar in Islamabad two months back which was attended by Advisor to Prime Minister on trade Abdul Razak Dawood and minister for National Food Security Syed Fakhar Imam in their speeches clearly said that government was not interested in increasing the production of cotton.

Naseem Usman told that after the seminar he told Chairman PCGA Dr Jasu Mal that seminar will not be of any use as the Minister for National Food Security Syed Fakhar Imam had made it clear in his address that we will not allow import of cotton seeds but we will make cotton seeds indigenously.

The question is when? On the other hand Advisor to Prime Minister on trade Abdul Razak Dawood said that cotton is not silver crop it is golden but he clarified that government has no plan of announcing support price of cotton. Both the ministers refuse to do anything then what is left behind.

Naseem Usman further told that for the last three months we are giving suggestions for increasing the production of cotton in the country through columns and for the last two months we have been saying that if a positive policy is not formulated to increase cotton production and if serious steps are not taken, the next cotton production will be further reduced.

We have been giving warning to the government officials that it is a situation like “Now or Never” because cotton growers have suffered tremendously over the years and if they move on to other crops, it will be very difficult to convince them that they will harvest cotton crop.

He also said that friends such as Major Muhammad Kashif, Ahsan Ul Haq are very active and giving suggestions for increasing the production of cotton but the time for giving suggestions is going to be over. It’s time for the government departments that they should show seriousness and evolve a strategy. Putting pressure can solve the problem.

The PCGA held a crowded press conference at Karachi Press Club and in Multan last week in which the following suggestions and demands were put forward to increase cotton production in the country.

The demands include that government should take immediate steps to save the ginning industry from destruction and save the jobs of millions of workers. Secondly government should constitute cotton board immediately and set the target of production of two crore bales. Cotton crop zoning should be made mandatory and it should be implemented in letter and
spirit. Government should announce cotton support price and ensure availability of certified cotton seed.

Due to low cotton production over all products of 8 billion dollars will be imported. In order to fulfil the needs 80 lac bales - cotton worth 3 billion dollars - will be imported.

Source: brecorder.com– Jan 25, 2021
Full labour rights implementation by Dhaka key to EU GSP+

Experts in Bangladesh feel the country should fully implement labour rights and codes of international conventions to be eligible for the European Union generalised scheme of preferences (EU GSP) plus benefits. They have called for legislative, structural and administrative amendments to address the challenges related to labour standards.

Major revisions include the elimination of provisions that allowed employment of workers under 12 and the setting up of an administrative process for trade union registration and labour inspection.

With the graduation from the least developed country (LDC) status, Bangladesh will face several challenges, including the loss of preferential market access in the EU.

Local exporters will enjoy the same trade benefit in the EU even after Bangladesh’s graduation if it can obtain GSP plus status by fulfilling the conditions, experts said at a virtual dialogue, titled ‘EU’s EBA & Prospect of GSP+ for Bangladesh: Addressing challenges related to Labour Laws and Rights’, organised jointly by the Centre for Policy Dialogue (CPD) and Networks Matter.

Bangladesh has made a lot of progress in terms of ensuring a decent work environment in factories, especially in the garments sector, and some progress is still needed to make in nine other areas, said CPD’s research director Khondaker Golam Moazzem.

He recommended including addressing workplace harassment issues in the legal framework, properly tackling forced labour issue, concerns of the International Labour Organisation (ILO) committee of experts and the improvement of overall monitoring and implementation framework of decent work, according to Bangla media reports.

Source: fibre2fashion.com– Jan 25, 2021

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NATIONAL NEWS

Production Linked Incentive for textiles may be capped to ensure better distribution

While minimum turnover for eligibility under the scheme could be ₹100 crore, it need not be for the specific item for which a company wants to claim PLI - Arunangsu Roy Chowdhury

The ₹10,683-crore scheme covers 10 technical products, 40 man-made items

The Textile Ministry is likely to impose caps on the incentive that can be claimed by a company under the Production Linked Incentive (PLI) scheme for man-made fibre and technical textiles to ensure that big players do not corner a large part of the funds, according to sources.

“A cap on the maximum amount that can be claimed under the PLI scheme by a textile company is likely to be put in place so that a big player can’t take most of the amount that has been earmarked for the sector and there is a more even distribution,” a person tracking the matter told BusinessLine.

The PLI scheme was launched for 10 sectors in November 2011 to promote domestic manufacturing by providing financial incentives on incremental turnover for five years. The textile sector has been allocated ₹10,683 crore under the scheme which, the Ministry has decided, will be offered for incremental production in 40 identified man-made fibre items and 10 technical textiles products.

“The 40 MMF lines identified for the PLI push are the ones where India’s share in world market is negligible while the 10 technical textile products are the top globally traded lines,” the source said. As soon as the Union Cabinet approves the PLI scheme for the textile sector, which is in the last stages of discussion and finalisation, it will be notified by the Textiles Ministry and the modules for registering interested players will be made, the source said.

According to sources in the industry who have been part of the government’s discussion on the contours of the PLI scheme, the incentive rates offered for the textiles sector is one of the highest (compared to other sectors). It is likely to be fixed at 9 per cent of turnover in the first year for companies with...
a turnover between ₹100 crore and ₹500 crore and 7 per cent for those above that. In the subsequent four years it would keep tapering.

Eligibility norms

While the minimum turnover for eligibility under the scheme could be ₹100 crore, it need not be for the specific item for which a company wants to claim PLI. “In case a textile company is presently engaged in production of cotton, woollen or jute products but wants to get into a technical textile item that is covered under the PLI scheme, it can be eligible if it meets the minimum turnover criteria through production of the other items.

While the incremental production has to be of the item for which PLI is being claimed, the applicant has to maintain the level of turnover of the items it was originally manufacturing,” the source said.

To claim incentive under the PLI scheme, the industry will have to get registered with the government. “The eligibility is for both domestic sale and exports as restricting it to exports would make the scheme incompatible at the WTO,” the official said.

Other sectors offered PLI incentives include pharmaceuticals, automobiles and auto components, specialty steel, capital goods, technology products, white goods (ACs and LEDs), telecom and networking products, high-efficiency solar PV modules and advanced battery cells.

Source: thehindubusinessline.com – Jan 24, 2021
To bring in more transparency, govt tightens CSR norms

To slap penalty on corporates for not spending 2% of the net profit on CSR activities

The government has tightened the norms on the mandatory corporate social responsibility spend and levied a penalty on corporates not meeting their commitment.

Annual action plan

Corporates can now register the projects undertaken by charitable institutions under its CSR, provided the project is registered separately with the Ministry of Corporate Affairs in a specified format, along with the impact assessment report on CSR project.

To ensure that the social projects committed by corporates do not remain in paper alone, the government has directed the CSR committee of corporates to submit an annual action plan, in addition to the CSR policy.

Recently, the government had allowed corporates to consider their spend on Covid relief as part of CSR activity.

Companies can now spend more than the mandated 2 per cent of their net profit on CSR, and the excess amount spent can be set off against the CSR obligation in future years. This flexibility is available in perpetuity.

Seshagiri Rao, Joint Managing Director, JSW Steel, said the amendments have made corporate spending on CSR stricter even while allowing the set-off of higher spend in a particular year against the commitment in later years.

The move will bring in more transparency and increase the burden on compliance for corporates, he added.

Monetary penalty

The government has also implemented monetary penalty on corporates for not spending 2 per cent of the net profit on CSR or for not transferring unspent amounts to specified accounts.
Following protests from corporates on default of CSR spend, the government has introduced a penalty of ₹1 crore for the defaulting company and ₹2 lakh for each defaulting officer.

Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL, said the decriminalisation of CSR violations and treating them as a civil mistake and not a criminal act is a matter of great relief for corporates.

Exempting companies having CSR obligations below ₹50 lakh from the need to form a CSR committee and permitting them to fulfil their CSR obligations through the respective boards is not only a practical change, but also eases the burden on small firms, he said.

Other changes like making it mandatory for companies to transfer capital assets created from CSR funds to public trust, society or Section 8 Company (non-profit organisation) will ensure transparency in compliance and generate public good will and trust with the community at large, he added.

Source: thehindubusinessline.com– Jan 24, 2021
Budget expectations: Domestic industry seeks increase in import duty of man-made yarn

Cheap imports, especially from Vietnam, Indonesia, have captured 25% of local market, producers complain

Domestic manufacturers of man-made yarn have sought an increase in import duty on the product to 10 per cent from the existing 5 per cent in the forthcoming Union Budget to put a check on its rising imports.

“Average monthly imports of man-made yarns in 2020 were 5,212 tonnes out of the total domestic monthly consumption of 22,000 tonnes. This means that imports enjoy 25 per cent of the total market share.

Moreover, this trend is increasing with great speed,” pointed out the Northern India Textiles Mills Association (NITMA) in an official release circulated on Saturday.

Monthly average imports of virgin polyester spun yarn have increased by 972 per cent between 2015 and 2020, the association further pointed out, adding that imports from Vietnam alone had increased by a steep 10,512 per cent, that is, 107 times.

“Import numbers have been rising substantially year after year due to unreasonably low prices offered by Indonesian & Vietnamese spinners on account of huge idle capacities created owing to their government’s incentives,” the release stated.

The association proposed that the Ministries of Finance and Textiles should consider increasing the customs duty on man-made yarn to 10 per cent from its present level of 5 per cent in the forthcoming Budget for the growth and expansion of domestic MMF Industry and to prevent mass level loss of employment.

Low-priced imports

The low-priced imports of man-made yarn into India have been causing considerable injury to domestic manufacturers for the last 5 years or so, said NITMA President Sanjay Garg.
“The industry has deep concerns over the rise in import quantities being dumped into India, which can potentially cause permanent damage to the domestic MMF sector with the cascading effect, from closure of units to NPAs, and eventually resulting in huge employment loss,” he added.

Source: thehindubusinessline.com– Jan 23, 2021
Shortage of containers to linger

Soaring freight costs, demand-supply imbalance and shipment delays hit trade

The Covid-19 pandemic in 2020 derailed every sector, and the shipping industry was no exception. While many industries, including manufacturing, are slowly bouncing back, the shipping sector is still struggling with a severe shortage of containers affecting trade.

The fall in imports after the pandemic led to a huge imbalance in the demand and supply of containers, hitting the availability of containers for exports.

The trade that is mainly dependent on maritime transport is trying to cope with the continuing shortage, which led to the spiralling of freight costs and delays in shipments. In some sectors, freight rates increased by 100-200 per cent.

Adding to the woes is the cancellation of scheduled vessels while the rescheduling of regular calls has created a demand for container slot allotments on vessels. This is affecting exports and is also leading to escalating freight cost.

The bleak situation may continue beyond the present financial year, said G Raghu Shankar of the ICSA Group, an integrated logistics service provider. The freight rate from Chennai to Hamburg has more than tripled to $1,800 per 20-foot equivalent unit (TEU) from $500 in April 2020; to Felixstowe by over four times to $1,800 from $400; and to New York to $4,800 from $2,200. These are fluctuating rates based on demand and supply, Shankar added.

Echoing a similar view, Sanjay Lulla, Managing Partner at SM Lulla Industries Worldwide, a Chennai-based exporter of leather garments, said: “The situation was bad last year and our shipments were delayed. We had to wait for containers for 2-3 weeks.

Now it is better, but we need to pay premium rates to get containers almost immediately.”
Empty container shortage is a concern for major exporters as they are facing difficulties in exporting bulk shipments with the shipping lines rationing it, said Ennarasu Karunesan, Founder & CEO, UMK Group, and an expert in ports and logistics.

Sino-Indian Trade is getting stabilised as import cargo from China into India has increased and the container repositioning for exports to China improved considerably.

However, exporters are hit by freight rates that are at least three times higher than their pre-Covid-19 spendings.

Source: thehindubusinessline.com – Jan 24, 2021
White gold glitters for farmers

In an affirmation of the Minimum Support Price (MSP) regime, the purchase of more than 80 per cent of the cotton in mandis of Punjab by the Cotton Corporation of India (CCI) is helping farmers get higher prices from private traders and industrialists these days. Farmers have sold cotton for as high as Rs 6,000 per quintal against the MSP of Rs 5,515.

“I got Rs 5,900 per quintal for my yield this time. My friend from a neighbouring village told me that he got Rs 6,000 a few days ago,” says Dharinder Pal of Kanakwal village in Bathinda district. The CCI entered the mandis last year after a gap of five years and gave good prices to farmers. Last year’s profits motivated the farmers to plant more cotton this season. The CCI again made the bulk of the initial purchase, prompting private parties to pay even higher.

Cotton farmer Sukhpal Singh from Kot Shamir says, “I have not yet sold my cotton produce. However, I have been told that the prices have fallen by about Rs 100 compared to rates yesterday. This is not alarming because the prices have not fallen below the MSP. I am assured of a good sale.”

Rattan Singh, a farmer based at Bucho in Bathinda district, says private traders and industrialists do not enter the market early, when the crop arrives, hoping that the crop might sell cheaper than the MSP. “It sold cheaper during the years the CCI did not come to the mandis.

They anticipate that that farmers would sell cheaper in case they did not get the MSP in the initial days. The story turned out to be different this year. Paddy and wheat are the only crops that get assured MSP on the list of 20-odd crops. So, the government entering the market could give a better deal to farmers of other listed crops as well.”

He adds, “Assured MSP holds the key to resolving the current standoff between the Central government and the farmers. If the government can ensure MSP on all listed crops, it will change the face of Indian farming. We need more organisations like the CCI.”
The general manager of CCI (Punjab), Neeraj Kumar, says, “The entry of the CCI has definitely given a boost to procurement as farmers are fetching rates above than the MSP. This has led to a situation where the purchase of cotton by the CCI has stopped as farmers are getting a better deal. The rates had fallen during the years the CCI chose to stay out of the market. Last year, when the CCI announced its re-entry into the mandis, farmers still had apprehensions. They grew only 12.03 lakh bales. Spurred by the handsome dividends last year, farmers grew nearly double the crop this year.

According to Kumar, private players are buying cotton because of a sizeable increase in the demand at the international level. They are getting good rates internationally and are also learnt to be storing stocks to sell later, expecting a rise in prices, he adds.

Till January 18, 2021, the CCI had purchased about 22.3 lakh quintals against about 8 lakh quintals by the private parties out of the total arrivals. The bulk purchase by the CCI has led to a major decline of 55 per cent in the total procurement by the private players this year. It was 17.8 lakh quintals last year and is about 8.01 lakh quintals this time.

The CCI procures only Bt cotton. The desi (ordinary) cotton is purchased by private parties. A total of 9,481 quintals of desi cotton has been procured by private traders this year. The desi variety is used largely for domestic purposes like fillings for pillows, quilts and soft toys.
The cotton MSP fixed by the Commission for Agricultural Costs & Prices (CACP) for 2020-21 is Rs 5,515 (medium staple) and Rs 5,825 (long staple) per quintal.

The success story of cotton this year will be incomplete without mentioning the efforts by the state government, particularly amid the Covid-19 pandemic. Since Bt seed is produced in southern states, it was a hard task to transport a stock of 20-25 lakh seed packets during the lockdown, when there were strict travel restrictions.

For the first time, the seeds were transported from the southern states of Karnataka and Tamil Nadu by rail rakes. The challenge of supplying seeds from rail rakes to farmers was also handled well, with farmers getting the seeds, fertilisers and pesticides on their doorstep.

Source: tribuneindia.com– Jan 25, 2021

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A case for refining the WTO

A lucid account of the challenges facing the WTO and India’s engagement with the multilateral trade body

In 2020, the World Trade Organisation marked the 25th anniversary of its establishment. Undoubtedly, the WTO-led multilateral trading system has been a catalyst not only to the growth and expansion of global trade but it has significantly contributed to global prosperity, peace, and stability.

Despite its remarkable success and contribution in facilitating global trade, the institution faces ineluctable challenges in the view of the changing nature of global production, trade, and consumption of the 21st century. Developed and developing countries are quite fragmented on fundamental principles that fostered global trade.

There is a growing demand in the developed world to reform the institution in the realm of new global trade realities as well as updating the rulebook to ensure greater discipline from developing countries.

On the contrary, developing countries understand the importance of institutional reforms to restore multilateralism but they want to resolve existing issues of the Doha Round such as public stockholding before any attempt to create rules in new areas.

The authors of World Trade and India: Multilateralism, Progress and Policy Response argue in favour of resuscitating the WTO through institutional changes and refinements. They underline that India needs to adopt a pragmatic approach at international trade negotiations to shape the future rules on global trade.

This book is a collaborative project supported by Engineering Export Promotion Council (EEPC India) and Export-Import Bank of India (EXIM Bank).

There has been a thorough and detailed work on a few core areas of the WTO and India’s engagement, with a high level of academic sophistication, objectivity and policy orientation.
Tunnel vision

Most of, if not all, the authors are established scholars in the area of international trade policy. Some of them have worked with the Government of India for international trade negotiations.

This book has six sections covering a total of 17 papers, covering a range of issues including trade in goods and services, trade policy and development, anti-dumping, trade facilitation, digital trade, global value chains, TRIPS, growth, poverty, and inequality.

However, it misses critical issues of discussions ranging from a legal analysis of WTO rules, institutional reforms, non-tariff barriers, agriculture subsidies and public stockholding, which need to be studied from the perspective of the developing countries.

There are some papers which deal with a diverse range of issues of trade, development, FDI, and environment. Overall, there is an underlying assumption that there is a need to foster a liberal investment climate, ease of doing business, a better ecosystem for standards and related institutions to make India an attractive destination for trade and investment. Many of these points are well researched in the literature.

A detailed analysis of India’s trade in goods and services in the context of WTO and RTAs (Regional Trade Agreements) demonstrates that India has benefited from the liberalisation of trade in goods and services but it needs to adopt a more holistic approach and view goods and services as an integrated approach rather than a fragmented one in the world of value chains. On FTA, a chapter on RCEP not only supports India’s decision but argues for a comprehensive study to understand the product value chain implications of a mega trade pact. However, issues related to investment receive little attention in the analysis.

Impending crisis

There is one paper that makes an attempt to discuss impending crisis at the WTO. It takes a review of a wide array of issues such as China-US trade war, fourth industrial revolution and trade rules.

It accentuates that the WTO must reform fast enough not only to manage challenges posed by the digital world but also to ensure global trade remains inclusive.
There is an interesting paper that makes a compelling assessment of India and East Asian countries in global value chains. It argues for a liberal trade policy regime and fostering an ecosystem to realign India’s specialisation pattern towards labour-intensive exports. There is not much evidence of addressing domestic induced distortions in value chain trade.

A few papers that focus on horizontal issues affecting India’s trade competitiveness are well-argued. India’s efforts on trade facilitation are laudable in consonance with WTO TFA (Trade Facilitation Agreement) but it lacks evidence on emerging technologies in facilitating trade.

A paper from the perspectives of stakeholders’ competing interests on the formulation of a national e-commerce policy and India’s position on e-commerce at the WTO also catches the attention of the readers. However, thoughts on the e-commerce paradigm seem to be influenced by neo-liberal assumptions.

Exhaustive treatment

In a nutshell, the book is a rich collection of academic and policy papers. It provides an exhaustive and lucid account of various challenges that WTO is confronting in the changing geography of global trade. Most importantly, it analyses multilateral trade issues from the Indian vantage. It expostulates India’s trade challenges and lays down comprehensive recommendations for Indian policymakers for future international trade negotiations.

However, it does not deal with many substantive issues related to dispute settlement, agriculture, non-tariff barriers, and their implications for the global trading regime.

Trade policymakers, trade economists, and students interested in academic and policy issues affecting global trade will find the publication useful.

Source: thehindubusinessline.com – Jan 24, 2021
‘India cannot achieve $5 trillion economy unless we assist MSMEs’

ITV Network, NewsX & The Sunday Guardian organised the “India Next Conclave: The Post Unlocking Era” on Friday in which eminent industry leaders discussed India’s roadmap for a post Covid-19 world. Union Jal Shakti Minister Gajendra Singh Shekhawat joined the conclave and discussed several issues. During the conclave, Shekhawat said that the coronavirus pandemic had paralyzed the whole world.

“India started the world’s biggest free meal drive and turned the pandemic into an opportunity,” the Union Minister said. The Jal Shakti Minister also talked about the ongoing farmers’ protest during the session. “The government is ready to talk to the farmers and these three reforms should not be looked at in isolation,” he said.

During the “Real Estate: Road Ahead in 2021” session, the panellists discussed how boundaries in the real estate sector have disappeared. Gaurav Chopra, Managing Director, FIVD said: “Geographical location will not matter anymore and mobile phones will change the way we look at things.” Dikshu Kukreja, Architect, Infra & Town Planner, said: “Real estate is not a luxury, but a necessity for the people of India.”

During the session on “MSMEs: Key to India’s Growth?” the experts discussed that the MSMEs will have to come out of their comfort zone. R.K. Srivastava, Exec. Dir., MCDPD, Ministry of Textiles, said: “The textile sector is one of the largest employment providers in the country. In the real definition, they are the MSMEs.”

Dr Ranjeet Mehta, Deputy Sec. Gen., PHD Chamber of Commerce, said: “The Indian economy cannot achieve the target of 5 trillion dollars until we support the MSMEs.”

The guests also discussed the impact of the coronavirus pandemic on the education system of the country and how it changed the lives of students and teachers.

Jyoti Gupta, Director & Principal, DPS, said: “I must compliment the teachers of the entire world that within no time they were able to adapt and adopt to the new technology.” Sandeep Singhal, M.D, Pace IIT/ Medical, during the session said that education online now is not just limited to
coaching institutes. It has to go around to the remotest child at the most affordable price.” The hospitality sector was also one of the worst affected sectors due to the coronavirus pandemic. During the session on “Reviving Hospitality Inc”, the experts discussed how staying afloat was the biggest challenge last year.

Vineet Wadhwa, Founder & CEO, FIO Restaurants, said: “We conserved our resources, downsized, and most of all we postponed a lot of our business plans.” Gitanjali Shah Mandawa, Hotelier & Revivalist, said: “85% of our customers were international tourists. We had to rethink and, in a way, it was a learning curve. we tried to remodel ourselves.”

Another sector that was massively hit by the pandemic was tourism. During the session “Tourism Post Covid”, experts said that they were looking forward to the government giving more visas and further opening flights now. Naveen Kundu, MD, Ebixcash Travel, said: “People will continue to travel in India because they have now started to rediscover their own country. The story of India is of prime importance to us.”

During the session “Rethinking Events Post Covid session”, Nitin Arora, MD, Katalyst Ent, said: “Till 2019, the entertainment quotient used to be huge. But unfortunately, post Covid, things have changed and people are not spending that kind of money.”

Samit Garg, Co-Founder, E Factor Entertainment & Executive Vice President, EEMA, said: “As far as we are concerned, the last 10 months was creatively very rejuvenating.” The fashion Industry also saw its share of ups and downs due to the pandemic.

During the session “Healthcare: The New Paradigm”, the panellists talked at length about how the non-Covid cases were affected as the whole attention was on containing the spread of coronavirus. Dr Rahil Chaudhary, MD, Eye 7 Group of Hospitals during the session said: “Being an eye doctor, we were generally not into emergency procedures.”

Dr Vimal Kumar Nakra, Assistant Director, Internal Medicine, Max Hospital, Patparganj, said: “Patients are still afraid of going to the hospitals and elective surgeries are still less.”

Source: sundayguardianlive.com– Jan 23, 2021
TIDITSSIA sets in motion preparation for Trade Centre

The Tiruchi Trade Centre Private Limited (TTCPL), the Special Purpose Vehicle formed by Tiruchi District Tiny and Small Scale Industries’ Association (TIDITSSIA) for executing the project, has got off to a start by making a token payment to SIDCO towards value of the 9.4 acre land at Panjapur on the city outskirts, following receipt of the allotment order.

A four-member delegation of TIDITSSIA comprising its president R. Ilango, Secretary S. Gopalakrishnan, Treasurer P. Rajappa and former president and Chairperson of TTCPL N. Kangasabapathy called on SIDCO officials at Chennai and handed over a cheque for ₹18 lakh as the initial payment for the land valued at ₹1.14 crore. The balance amount for the land would be settled by the end of February, after which a Memorandum of Understanding will be signed for the first-phase construction.

A Detailed Project Report that would be submitted to the SIDCO for construction of a 25,000 sq. ft. building to house a maximum of 2,500 persons. Provisions will be made for parking of 500 cars and over 1,000 two-wheelers, to begin with, Mr. Elango said. The TIDITSSIA has fixed ₹1 lakh as the value per share. It has been decided that to gain eligibility to become a director, a member will have to purchase a minimum of three shares. A cap of five shares has been fixed for each member, Mr. Elango said.

For the ₹11 crore project, the government had sanctioned ₹5 crore during 2016-17 as 50% grant. The SIDCO will be releasing the fund as and when the members of TTCPL scale up their contributions. The Trade Centre that has begun to take shape will foster business opportunities for industry clusters in the entire central region to showcase their products.

The district administration is understood to have promised to strengthen the small stretch of road from the Madurai National Highway, along the alignment of the semi-ring road, on a priority basis.

Through the Trade Centre, the TIDITSSIA intends to project the strength of fabrication industry in Tiruchi, the textile sector in Karur, the readymade garment sector at Puthanatham, marine sector in Nagapattinam and other products the central districts are known for.

Source: thehindu.com– Jan 23, 2021
Textile industry pins high hopes on Union budget

The textile industry, which has been crippled by the Covid-19 pandemic, has shown good signs of recovery in the last few months and now has a lot of expectations from the upcoming budget.

The anti-China sentiment, quality goods and timely production have helped the manufacturers and exporters attract good global business and the textile industry feels that it is the opportune time for the Centre to provide appropriate support to the industry to fuel its next phase of growth.

In its pre-budget recommendations, the Apparel Export Promotion Council (AEPC) has proposed enhancing the interest equalization scheme to all apparel exporters and not just the micro, small and medium enterprises (MSMEs). The council has also sought procedural simplification by Tax Collected at Source (TCS) and concessional tax regime (CTR) for expansion to boost investment in the sector.

AEPC believes the Centre should also take measures to encourage investment in green energy and eco-friendly technologies by offering tax benefits to the players and at the same time it should also look at simplifying the clearance of import goods from FTA Countries.

“Exporters are facing difficulty in clearance of import goods from FTA Countries in the wake of implementation of Customs Administration of Rules of Origin under Trade Agreements (CAROTAR), 2020 in respect of Rules of Origin under Trade Agreements,” said AEPC chairman, A Sakthivel.

Raja M Shanmugam, President of Tirupur exporters’ association has also proposed to set up a research and development (R&D) centre for the design-driven industry, which has been attracting many global fashion brands of late.

Source: newindianexpress.com– Jan 22, 2021

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Industries place various demands before CM

Industry associations submitted their demands to Chief Minister Edappadi K. Palaniswami at an interaction he had with the heads of the associations here on Friday. The Joint Council of Industrial Associations of Coimbatore sought single window clearance online for industries that want to get building plan approval.

The 6 % interest subvention provided to MSMEs should be extended and collateral free loans up to ₹ 3 crore through the Tamil Nadu Industrial Investment Corporation. It also sought 25 % capital subsidy for MSMEs in six select sectors, including automobiles, textiles, pumpsets and solar energy. The Council said the government should come out with a scheme to identify and train domestic workers in the State.

The Southern India Mills' Association's Cotton Development and Research Association (SIMA - CDRA) has sought allocation of ₹15 crore in the coming budget to develop cotton cultivation in the State. While the textile mills in Tamil Nadu consume nearly 170 lakh bales of cotton every year, the State grows just about six lakh bales. Only this year, the production in the State touched 10 lakh bales of cotton. The government should allocate funds to raise the production to 35 lakh bales a year.

SIMA said the State government should remove the market committee cess on cotton as the MSME textile mills buy cotton in small quantities depending on their requirement. The cess adds to the cost of the raw material. The Association had submitted a memorandum to former Chief Minister Jayalalithaa on removal of market committee cess on waste cotton and she had assured to take necessary measures. However, the cess continues. SIMA appealed to the Chief Minister to remove the cess on cotton and waste cotton.

The Tamil Nadu Association of Cottage and Tiny Enterprises (TACT), which has micro units as its members, has sought housing facilities for the thousands of migrant workers who are employed in the industries here. It also said the government should develop multi-storeyed industrial estates for the micro units. The State government should constitute a welfare board for micro units, the association said.

Source: thehindu.com– Jan 22, 2021
Gujarat, APSEZ ink pact for country's largest multi-modal logistics park

The Gujarat government and Adani Ports and Special Economic Zone Ltd (APSEZ) signed a memorandum of understanding (MoU) on Friday for setting up India's largest multi-modal logistics park.

Spread over 1,450 acres at Virochan Nagar, close to the auto hub of Sanand, the park is expected to attract investments worth Rs 50,000 crore in the logistics and transport space.

The construction on the project will begin within six months post the necessary statutory approvals, while the completion is expected within three years by 2023.

The MoU was signed by M K Das, additional chief secretary to the chief minister and industries & mines department in Government of Gujarat and Karan Adani, chief executive officer of APSEZ in presence of the CM Vijay Rupani.

Rupani said that the park will not only be directly connected with the Dedicated Freight Corridor (DFC) and all major ports in the country but also make businesses in the state more competitive globally. According to Rupani, the park will provide direct and indirect employment to more than 25,000 people.

According to a Government of Gujarat statement, the park will have textiles, bulk, e-commerce and BTS facilities spread across 3.8 million sq ft, bonded warehouses in 900,000 sq ft, grade-A palletized facilities in 400,000 sq ft and temperature and palletized facilities across 60,000 sq ft.

In addition, four twenty-foot equivalent units (TEU) handling lines with a capacity of 330,000 metric tonne will be established in the container yard.

Further, a 400,000-metric-tonne car yard to handle nearly 30,000 cars, agri silos of 100,000 metric tonne, POL tank farm of 350,000 kilo litres and a cement silo of 100,000 metric tonnes are also set to come up in the park.

Elaborating on the park, Das stated that it will also provide a global platform to the local export and import market. "A Rail Freight Terminal will also be established. This will be directly connected to the Delhi-Mumbai Industrial
Corridor," said Das, while adding that the park will have a dedicated Air Cargo Complex with a 4.6-km runway to make it capable of handling large carrier vehicles like airplanes.

Logistics infrastructure facilities at the park will include a nine million square feet warehouse zone aimed at providing an Air Freight Station with a capacity of 4.5 metric tonnes, a grade-A warehouse, and cold storage, among other things.

Meanwhile, the park will also boast of a shopping plaza or a business centre with a total retail footprint of over 300,000 sq ft, apart from a dedicated skill development centre aimed at ensuring availability of skilled manpower.