TEXPROCIL NEWS CLIPPINGS

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INTERNATIONAL NEWS

Cotton Highlights from February WASDE Report

The World Agricultural Supply and Demand Estimates (WASDE) report for February 2021 has been released by USDA. Here's this month's summary for cotton:

The 2020/21 U.S. cotton supply and demand forecasts show slightly higher exports and lower ending stocks relative to last month. Production and domestic mill use are unchanged. The export forecast is raised 250,000 bales to 15.5 million based on a strong pace of shipments to date. Ending stocks are now estimated at 4.3 million bales, equivalent to 24% of total disappearance. The upland cotton marketing year average price received by producers is projected at 68 cents per pound – unchanged from January.

The 2020/21 world cotton forecasts include higher production, consumption and imports, led by changes in China. World production is projected 1.3 million bales higher this month, with China's forecast raised by 1.5 million bales as the daily rates of both ginnings and inspections in Xinjiang continue to show unusual late-season strength.

Reports from China continue to suggest 2020/21 cotton area in Xinjiang was little changed from last year, but government classing data now indicates yields could be about 10% higher, while lower in Eastern China. India's production estimate is reduced 500,000 bales on increasing evidence of pest infestation, while Pakistan is 200,000 bales higher and Australia 100,000 bales higher.

World consumption is projected 1.5 million bales higher this month, with China's forecast 1.0 million bales higher reflecting growing domestic textile demand and exports. Much smaller increases are also included for India, Pakistan, Bangladesh and Turkey, while the outlook this month is for lower consumption in Indonesia and Thailand.

World trade is projected 350,000 bales higher than last month, with imports 500,000 bales higher for China, and smaller, partially offsetting changes elsewhere. World ending stocks are almost 600,000 bales lower this month, at 95.7 million bales – 3.2 million bales lower than in 2019/20.

Source: cottongrower.com– Feb 09, 2021

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Jeans Imports Saw Clear Winners and Losers in 2020

U.S. denim apparel imports declined nearly 25 percent to a value of $2.8 billion in 2020 compared to $3.73 billion the prior year, as the coronavirus pandemic severely curbed demand, according to the Office of Textiles and Apparel.

There were some clear winners and losers among the Top 10 suppliers of jeans and other denim clothing, with some patterns emerging amid the difficulties the year presented.

Those showing resiliency despite Covid and benefiting from the general flight from China were No. 1 supplier Bangladesh, which held its own to finish the year with shipments to the U.S. down 3.98 percent to $561.3 million and a 20 percent market share. The same was true of Vietnam, which ended the year with imports to the U.S. down 1.08 percent to $368.19 million.

Vertical manufacturing specialist Pakistan flattened the downward curve in the fourth quarter, finishing the year with a 2.8 percent decrease to $251.41 million in U.S. denim imports, 97 percent of which are jeans. Cambodia was the only country to post an increase for the year among the top suppliers, with an increase of 13.41 percent to a value of $143 million.

The only other Top 10 supplier that showed strength was Lesotho, with its shipments dipping 1.79 percent to $56.39 million. Other African countries that similarly receive duty-free benefits under the African Growth & Opportunity Act that continued to demonstrate potential as a denim sourcing alternative were Madagascar, with imports up 10.99 percent to $34.4 million; Ethiopia, gaining 21.37 percent to $22.99 million, and Tanzania, with a 5.48 percent increase to $13.85 million.

The biggest loser in 2020 was China, which saw its imports to the U.S. plummet 52.29 percent to $331.93 percent. Chinese mills were hit by the one-two punch of the tariff-driven trade war with the U.S. and the uncertainty and higher costs it brought, and factory closings early on in pandemic that combined to cause many brands and retailers to look elsewhere for their production.

Chip Bergh, president and CEO of Levi Strauss & Co., told analysts recently that the company's imports into the U.S. from China were now less than 1 percent, down from around 8 percent a few years ago.

"The supply chain team has done a great job mitigating any trade-related risks or other risks with imports from China," Bergh said.

No. 2 supplier Mexico also took a big hit, with 2020 shipments falling 41.54 percent to $469.12 million. Other Western Hemisphere manufacturing strongholds also had a difficult year. Imports from Nicaragua fell 23.14 percent to $100.69 million, while Colombia and Guatemala also has significant declines.

Rounding out the Top 10, imports from Egypt declined 39.08 percent to $105.83 million and shipments from Sri Lanka were down 18.38 percent to $50.26 million.

Source: sourcingjournal.com– Feb 09, 2021

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Sustainability – the prime focus for the US cotton industry

Since COVID-19, it has been observed globally that sustainability has been one of the topics that has gained attention among the brands, retailers and consumers. On the one hand, there has been a shift in consumers' choices for more sustainable products, and on the other hand brands and retailers are choosing sustainable practices throughout their supply chains.

The US cotton industry has always had a sustainability-focused approach and has one of the most comprehensive systems for monitoring and measuring the key metrics to reduce environmental impact. The 16,000 cotton farms in the United States have been committed to continuous improvement for decades. For the past 35 years, US cotton production used less water per bale, reduced greenhouse gas emissions, reduced energy consumption, all while reducing land use per bale. Minimal tillage, GPS and sensor-driven precision agriculture and the growing of winter cover crops are the practices adopted for improved soil health, reducing loss and erosion and increasing soil carbon levels.

U.S. COTTON TRUST PROTOCOL

In a period of ever greater supply chain scrutiny and an increasing demand for transparency and traceability, the U.S. Cotton Trust Protocol (Trust Protocol) sets up a new standard for more sustainably grown cotton. It offers quantifiable and verifiable goals and measurement to sustainable cotton production and drives continuous improvement in key sustainability metrics. It gives the brand and retailers the critical assurances they need to ascertain that the cotton fibre element of their supply chain is more sustainably grown, ensuring lower environmental and social risk. Trust Protocol helps the apparel industry to measure the sustainability commitments to its customers, stakeholders and to itself.

The Trust Protocol underpins and verifies the sustainability progress for US cotton through sophisticated data collection and independent third-party verification by Control Union Certifications (CUC). Brands and retailers will be able to access US cotton with sustainability credentials proven via Field to Market, measured via the Fieldprint Calculator and verified with CUC. The Trust Protocol complements the existing sustainability programmes that cater for cotton grown in developing countries. It has been designed from the ground up so as to fit the unique cotton growing environment of the United States.

In order to continue the progress, the Trust Protocol has established goals for 2025 mentioned above. Trust Protocol aims to have more than half of all US cotton production to be included in the programme by 2025.

The Trust Protocol will help brands and retailers achieve their goal by providing verified data on the sustainability practices used on US cotton farms. The cotton growers participating will benefit from data-driven insights and best practices from across the industry and establish a stronger connection with brands that ask for sustainably-grown cotton.

The Trust Protocol helps companies achieve their sustainability commitments and also contributes to seven of the Sustainable Development Goals (SDGs) which are Clean water and sanitization, Affordable and clean energy, Responsible consumption and production, Climate Action, Life below water, Life on Land and Partnership for the goals. U.S. Cotton Trust Protocol has been added to the Textile Exchange’s list of preferred fibres and materials. Trust Protocol is now one of the 36 fibres and materials that over 170 participating brands and retailers can select from as part of Textile Exchange’s Material Change Index programme.

The Trust Protocol has been included in Cotton 2040’s CottonUP guide, which is a toolkit that help sourcing directors make sustainable decisions. CottonUP guide recognises the Trust Protocol as a sustainable cotton standard alongside BCI, CmiA, Fairtrade, myBMP, organic and recycled cotton. It is a compressive guide that helps stakeholders in the cotton sector to navigate the complexity and better understand the major sustainable cotton standards that they could adopt, how they work and select the best option suitable for their business.

Cotton Council International (CCI) has joined the Sustainable Apparel Coalition (SAC) and will use the group’s sustainability measurement suite of tools, the Higg Index to drive environmental and social responsibility through its supply chain. As a member of the SAC, CCI joins more than 250 global brands, retailers, manufacturers, governments, non-profit environmental organisations and academic institutions that commit to improve supply chain sustainability in the apparel, footwear and textile industry.

Signatories of Trust Protocol

The Trust Protocol opened for membership in October 2020 and provides brands and retailers with the critical assurance they require to prove that the cotton in their supply chain is more responsibly grown.

There are 21 brands and retailers that have enrolled with Trust Protocol globally. Among the global brands and retailers, Gap Inc has joined the Trust Protocol to achieve its target of sourcing 100 per cent of its cotton from more sustainable sources by 2025 for its collection of purpose-led lifestyle brands like Old Navy, Gap, Banana Republic and Athelta. Similarly, Next, a leading British multinational clothing retailer has also recently joined the Trust Protocol.

Globally, 170 supply chain partners have signed up with Trust Protocol among which 13 of them are Indian textile mills.

Source: fibre2fashion.com– Feb 09, 2021

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Time for Change: Challenges and Implications for Apparel and Textile Manufacturers

Amid lockdown, the apparel and textile manufacturing sector experienced a double-digit decline from store closures and stay at home orders from the Government. As a result, a full recovery is not expected to take place until 2025. Signs of industry transformation from how garments are produced and sold are already apparent in Asia, and others are likely to follow.

Jorge Martin, Head of Fashion Research, Euromonitor International and Grant Budding, Senior Consultant, Public Sector and Professional Services, Euromonitor International talks about the demand supply-side shocks the apparel industry experienced in 2020 and key recommendations for brands moving forward.

Current State of Apparel and Textile Industries

According to the latest report by Euromonitor International, apparel and footwear is one of the most heavily impacted sectors along with personal accessories and luxury goods. Due to the pandemic, there is a double-digit revenue decline, and the reason behind this is that the major sales of these industries were taking place in the stores.

Global apparel and footwear industries will rebound in 2021. Yet, it will take several years to recover all revenue lost to the pandemic with recovery being sporadic across different markets and regions. India's CAGR from 2020-2025 for apparel and footwear industries is estimated to grow by 16 percent. Therefore, textile manufacturers outside Asia will be competing for a slice of a smaller pie. In this context, it is more important now than ever to differentiate your firm or brand. The key question is, how?

The global textile value chain is undergoing an extensive transformation characterised by a convergence of supply and demand trends. The implication for the government, manufacturers, and exporters is that the recovery of the apparel and textile industry is a myth, transforming reality.

On the demand side, three key trends are impacting consumers and the purchases they are making are - Value for Money, Sustainability, and Digitalisation.

The post-Covid consumer will purchase with a purpose. They will require a clear and compelling reason, especially within the context of frugality. Sustainability has become a catch-all phrase that extends beyond environmental sustainability. It includes re-branding of CSR as well as diversity and inclusion. Consumers are increasingly buying from the brand that supports social and political issues that aligns with their values.

In terms of digitisation, there is an increase in online purchases across all generations. As a result of the pandemic, consumers are looking to reduce their in-store shopping and are moving to digital channels. The implication of this is that Industrial 4.0 results in a more seamless transition between the consumer orders towards the purchase and production part of the process.

For e.g., the Japanese brand Wacoal's 3D Smart and Try includes a 3D body scanner where customers go in the measurement room, and the body scanner measures their specific body attributes and uses AI to match with a particular product that would suit them.

The sad reality is that these trends will not apply to everyone. The impact of the COVID-19 pandemic on global economies will result in a drop in the size of the middle class.

On the supply side, several trends and implications converge with the demand side. These include consolidation and vertical integration, the emergence of new players, and proximity supply chains. The implication of this is that post-Covid-19 will be driven by stronger, deeper relations between buyers and suppliers.

In terms of consolidation, frugality and lockdowns have fast-tracked bankruptcies. Consumers consistently rank saving money as their key priority in the post-COVID landscape. Apparel exports will need to pivot towards strategic partnerships, adapting their operations to each company's situation. The exponential growth of e-commerce has led the giant e-commerce players to move into the private label segments.

For e.g., Amazon currently has 74 private label brands, and 87.8 percent of them fall within clothing and apparel. As noted by the ILO, in the longer-term, the pandemic could affect the composition of global textile, clothing, leather, and footwear supply chains and trade, and accelerate reshoring or nearshoring production. Nearshoring is more efficient and environmentalfriendly as it reduces lead times, allowing for more frequent, smaller orders. The government increasingly supports such initiatives.

There are 4 key things companies should consider adapting-

1. Facilitate Internationalisation of Textile Clusters: Collaboration is the key to short-term survival to increase efficiency.

2. Seek Real-Time Support and Guidance: This will lead to more significant specialisations and higher margin in the contracting market.

3. Re-pivot Your Industry to Focus on Depth, not Breadth: With recovery to be sporadic and mixed across different markets, Government should support the industry with real-time market intelligence on logistic, pricing, competition, and supply chains to help the members to make key decisions and understand the pocket of growth.

4. Prepare Members for the Future: Given the current crisis, individual firms will face challenges in allocating resources to anything medium and long term. The government can fill the gap by developing and rethinking cluster strategies.

Source: indianretailer.com– Feb 09, 2021

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Lower tariffs in EU on Vietnamese apparel with ROK fabrics

Apparel items manufactured in Vietnam with fabrics made in South Korea will now enjoy lower tariffs in the European Union (EU), Vietnam's ministry of trade, industry and energy recently said. Clothes needed to be made with locally-produced fabrics earlier to enjoy benefits of the Vietnam-EU Free Trade Agreement. Vietnam relies on imports for four-fifths of its textile demand.

"With South Korea being the second-largest supplier of fabric in Vietnam, the latest policy will lead to stronger demand for South Korean products, compared with other rivals such as China and Taiwan," the ministry said in a statement.

In 2019, China accounted for 55 per cent of Vietnam's imports of fabrics, trailed by South Korea and Taiwan with 16 per cent and 12 per cent respectively. Japan accounted for 6 per cent, a news agency reported.

Last year, South Korea's shipments of fabrics to Vietnam were worth $2.35 billion, down by 18.4 per cent year on year.

Source: fibre2fashion.com– Feb 09, 2021

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Canada's RMG imports decline by 14.20% in value

The value of Canada's RMG imports declined by 14.20 per cent in 2020. The country imported $ 8.67 billion worth of garments in the pandemic-hit year down from $ 10.10 billion in 2019.

Knitted clothing constituted $ 4.37 billion in total Canadian apparel imports, declining 18.03 per cent in 2020 from 2019, while the fall registered by woven clothing segment was 9.89 per cent valuing US $ 4.30 billion.

The fall in import of woven clothing was less than the fall noted in knitted category which is somehow surprising as the other major apparel markets in the world have experienced a rise in demand in knitted clothing, especially in the second half of the year, owing to pandemic which led world's population working remotely or opting for work from home system.

Particularly in December '20, Canada's import valued $ 629.90 million which was down by 8.96 per cent on Y-o-Y basis.

Source: fashionatingworld.com– Feb 09, 2021

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$2 Trillion on the Table: How Digitized Circularity Helps Fashion Build Back Better

Fashion is a big industry—$3 trillion big—and that's based on the linear take-make-dispose model that sends resources trundling down a dead-end path. Upgrade the sector to a digitized circular economy that monetizes end-of-life and recycling for material manufacturers, however, and the same value could nearly double.

That's the conclusion Lablaco, a French blockchain-powered platform for circular fashion, reached after working with PwC, sustainable consultancy Anthesis, Wageningen University & Research and others to map out the different segments that could benefit from a more circular garment value chain, including fiber production, apparel manufacturing, digital fashion, 3D printing, packaging, product care, logistics and laundry. The report, published in December, estimated that the potential of all this could be as much as $5.3 trillion.

"Circular fashion is definitely really great for the environment in the world but it's also an incredible blue ocean of opportunities," said Lorenzo Albrighi, co-founder and CEO of Lablaco, said at a recent webinar organized by Canadian nonprofit Fashion Takes Action.

Digitization's potential starts right at the beginning. Fiber collection and processing are enormously fragmented with "a lot of blending and re-blending," said Amit Gautam, CEO and founder of TextileGenesis, a fiber-to-retail traceability firm based in Hong Kong and India. TextileGenesis deploys blockchain-based digital tokens known as Fibercoins to keep tabs on fibers, yarns, fabrics and garments as they wend their way through the supply chain. Though the company initially focused on viscose and recycled polyester—Lenzing, for instance, tapped the company in 2019 to boost the traceability of its Tencel and Ecovero fibers—TextileGenesis will soon be broadening its scope to include organic cotton and recycled cotton from textile waste.

Doing so is essential, Gautam said, noting that the textile industry has a 95 percent "traceability gap," meaning that nearly the entire textile value chain has very limited to no visibility. This has important implications for end-of-life management. "If you're not sure about the composition of the garment, then it directly impacts your circularity," he said. "Every single recycling technology, whether it's mechanical or chemical or biological, must know the composition of the fibers in a reliable manner, because your processes are tailored to that."

TextileGenesis tags every pound of fiber it handles with a unique digital code at the point of origin, which, in turn, improves the accuracy of how much certified material is logged. The company requires no technology investment on the part of participating brands. TextileGenesis's cloud-based platform is updated every time a node in the network—say, a spinner or dyer—captures the data from a transaction of fiber and uploads it to the system.

Natasha Franck, founder and CEO of Eon, says her tech firm powers connectivity in finished products in a similar way. By using a digital-identity protocol known as CircularID, the New York startup hopes to "bring each and every garment online" and create the "digital foundation for circular commerce in fashion and retail."

"Basically we connect products from production through use, reuse, next life and beyond," she said.

One thing driving the move toward digitizing products, noted Franck, who is working with Microsoft to "digitally twin" 400 million fashion products by 2025, is the sudden shift in consumption patterns that "brands are unable to service," such as resale, which is projected to quintuple in market share over the next five years. Brands are also scrambling to address not only growing customer demand for greater transparency but also their desire for more sophisticated digital experiences, such as digital wardrobes and smart checkouts, that will pave the way for the "store of the future."

While retailers typically have barcodes linking data to each product they sell, this information is stripped away at the cash register. "Without this product ID, brands can't support the management of products to new business models like resale," Franck said. "They can't build ongoing connections with customers. Their relationship ends at point of sale. They can't access data and insights post-sale. It is a black hole in terms of customer service and insights."

The CircularID helps create what is essentially a product's "digital passport," one that is continually updated every time a dress or pair of shoes exchanges hands. It could unlock brand experiences or other types of services or business models. To provide minimum friction, Eon designed its platform to be compatible with enterprise inventory databases.

"What's pretty exciting about this is that most product data—the data that you need to support the circularity of this product—already exists within a brand's existing system," Franck said. "And so we capture that data and enable the digitization of that product. We also enable that data to be shared with circular partners [that] need that data to fulfill their business functions. So, for example, Evrnu needs to know the material content of a pair of denim [jeans] to recycle it, or Trove needs data like the MSRP or original photos to facilitate resale for partners like Patagonia and Eileen Fisher."

The pandemic, she said, has "sort of accelerated this to the point of being overwhelming," particularly as fashion purveyors, feeling the sting of pulled-back consumer spending, see a wealth of untapped monetization opportunities—the same ones, in fact, that led secondhand sites like Poshmark and ThredUp to file for IPOs.

Today, Franck said, brands can only make more money by producing more goods. "Right now, when a brand sells a product, they don't participate in a resale revenue; they don't participate or benefit the more that product is used," she added.

Gautam agreed there are more "tailwinds than headwinds" around digitization because of the current crisis. If anything, he said, brands are now even more conscious of where their products are coming from. "I think it has also accelerated the need for sustainability, because look what has happened with Covid-19," Gautam added "You could say maybe it's [because of] human and nature [conflicting], and it has accentuated the focus around sustainability and climate change within consumers as well."

Forced labor has also become a critical issue, especially now the burden of proof that products are slavery free is shifting onto retailers.

"All those forces will drive higher level of traceability and transparency in the supply chain, and that ultimately would also help in terms of driving circularity because the material integrity becomes important as well," he said.

Source: sourcingjournal.com– Feb 09, 2021

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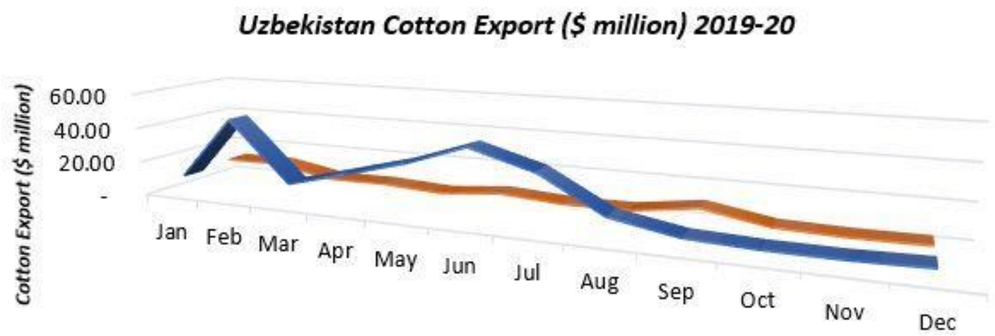
Uzbekistan cotton export shows sharp decline in 2020

Uzbekistan cotton exports plunged 65.35 per cent to $78.87 million in 2020 compared to $227.61 million in 2019. The drop to $5.98 million was first observed in March from $12.00 million in January.

The cotton exports remained low throughout the year except September at $10.38 million, according to Fibre2Fashion's market analysis tool TexPro.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Uzbekistan Cotton Export ($ million) 2019	10.52	46.57	12.21	21.06	30.16	42.17	32.14	12.49	6.06	4.60	4.37	5.25
Uzbekistan Cotton Export ($ million) 2020	12.00	12.17	5.98	6.08	4.21	7.39	5.06	5.30	10.38	4.02	2.99	3.27

Month

Uzbekistan Cotton Export ($ million) 2019 Uzbekistan Cotton Export ($ million) 2020

Uzbekistan planned to ban raw cotton exports to push companies into investing in added value production of finished and semi-finished products such as textiles and fashion.

Government funding and support for cotton clusters had encouraged foreign and domestic companies to implement a more fully integrated supply chain.

Uzbekistan cancelled state regulation of cotton production, price, and mandatory sale from the 2020 harvest season. A decree to this effect was signed by president in March. Cotton producers got the right to choose their zoned varieties, while a certified seed delivery system got maintained. The government cancelled to produce and sell cotton.

Setting the purchase price of raw cotton was also cancelled. According to the decree, in regions where there were no cotton clusters, voluntary cooperation of farms was organised with the participation of cotton-ginning enterprises, whose main tasks was to join use of machines, equipment, vehicles and factories by members of the cooperative.

From March 15, a new credit mechanism for production and processing of raw cotton was introduced. Commercial banks would provide loans for the purchase of raw cotton for up to 12 months for the collection of cotton and the final calculation.

The use of concessional loans and the lack of free distribution of funds have led to a 15-20 per cent reduction in cotton production. It was possible to freely use loans and freely choose service companies. The structure of agricultural expenditures was diversified, with an emphasis on areas such as science and seed production.

The Uzbek government estimated that ending the boycott, which was supported by more than 300 apparel manufacturers and retailers, could let the country earn extra $1 billion in a year alone by selling cotton and textiles on western markets.

In April 2020, Uzbek government urged to lift the ban on cotton exports of country to fight against the loss due to Covid-19 pandemic, but the cotton campaign said that only complete eradication of forced labour along with civil society reforms such as registering NGOs that monitor worker rights would prompt it to lift the boycott. Many Chinese firms were approaching Uzbekistan as it could provide high quality raw cotton, cheap labour, power that costs 3 cents per kWh.

In September 2020, Pakistan and Uzbekistan signed a memorandum of understanding (MoU) to set up of a joint working group on trade and economic affairs for promoting economic partnership. The agreement would help both the nations identify areas for trade enhancement, promotion of inter-governmental projects in different sectors and improve connectivity.

Source: fibre2fashion.com– Feb 09, 2021

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How Exiting PPE Business Weighed on Hanesbrands

Hanesbrands is refining its focus to its Champion brand, innerwear and e-commerce businesses.

In a Nutshell: Hanesbrands Inc., a global marketer of branded basic apparel, reported fourth-quarter results that reflected momentum across its business, with solid sales, adjusted operating profit and cash flow. During the fourth quarter, the company completed a comprehensive business assessment and began implementing its “Full Potential” plan. The plan focuses the company on four pillars to drive growth and enhance long-term profitability.

They are to grow the Champion brand globally, drive growth in innerwear with brands and products that appeal to younger consumers, build e-commerce excellence across channels and streamline the global portfolio. The latter includes exiting PPE and exploring alternatives for European innerwear. Hanesbrands has identified 20 strategic initiatives under these four key pillars to unlock growth and has launched a multiyear cost-savings program intended to substantially self-fund the investments necessary to achieve the plan’s objectives.

As part of the implementation of its Full Potential strategy, Hanesbrands said it determined that it no longer views personal protective equipment (PPE) as a long-term growth opportunity. In addition, as the result of a comprehensive strategic inventory review, the company is reducing its SKUs by 20 percent to enable greater focus on its highest-volume, fastest-growing and most profitable products.

Based on these decisions, during the fourth quarter Hanesbrands recorded $611 million in inventory charges consisting of a $400 million write-off of its entire PPE inventory-related balance and an inventory valuation write-down of approximately $211 million related to the company’s SKU reduction program.

In addition, the company said it was exploring strategic alternatives for its European innerwear business to simplify its operations and focus resources on its strategic growth opportunities. The company provided financial guidance for the first quarter of 2021 that it said reflects continued uncertainty related to the COVID-19 pandemic and its impact on the global consumer environment.

Hanesbrands expects first-quarter net sales to be approximately $1.49 billion to $1.52 billion. The midpoint of guidance represents net sales growth of 14 percent over first-quarter 2020 and includes a projected benefit of $50 million from changes in foreign currency exchange rates and implies growth of 10 percent in constant currency.

Hanesbrands expects first-quarter operating profit to range from $140 million to $150 million. Adjusted operating profit is expected to range from $150 million to $160 million. The midpoint of adjusted operating profit suggests an operating margin of 10.3 percent, compared with adjusted operating margin of 4.8 percent in the first quarter of 2020. The expected year-over-year margin expansion is due to higher sales, positive manufacturing variances and the anniversary of last year's COVID-driven volume deleverage. Earnings per share is expected to range from 24 cents to 27 cents.

Sales: Net sales for the fourth quarter ended Jan. 2 inched up to $1.8 billion compared with $1.75 billion for the comparable period ended Dec. 28, 2019. The company recorded $28 million in revenue from PPE garments globally in the fourth quarter. Excluding net sales of $88 million from the exited C9 Champion mass program and DKNY intimate apparel license recorded in the prior-year period, and the effect of changes in foreign exchange rates, total constant-currency fourth-quarter net sales increased 6 percent.

In the period, Hanesbrands said revenue growth continued across all three business segments, as year-over-year trends improved sequentially, excluding PPE. The company gained share in U.S. innerwear and global Champion sales were up 11 percent. Excluding the sports and college licensing business, which has been heavily impacted by campus shutdowns and limits on sports attendance due to the pandemic, global Champion sales increased 18 percent.

U.S. innerwear sales, excluding PPE, increased 13 percent, driven by strong point-of-sale trends, space gains in kids' underwear and continued inventory restocking by retailers. U.S. activewear marked its third consecutive quarter of sequential improvement, led by strong performance of the Champion brand. Revenue increased 7 percent, driven by growth in the online, wholesale and distributor channels.

Hanesbrands saw continued improvement in revenue trends in its international segment, with revenue up 2 percent. Australia continued its strong performance, with constant currency sales up 8 percent in the quarter, driven by growth in Bonds and Bras N Things. The company also saw growth in Canada and Latin America, while COVID-related disruptions continued to create challenges in Asia and Europe.

For the full year, net sales were $6.7 billion, including net sales of $959 million of PPE, compared to $6.97 billion in the prior year, which included net sales of $419 million from the C9 Champion mass program and DKNY intimate apparel license. Excluding the exited programs and the effect of changes in foreign exchange rates, total constant-currency net sales for full-year 2020 increased 2 percent year over year.

Earnings: Hanesbrands reported a fourth-quarter net loss of $332 million, or 95 cents per share, compared to net income of $185 million, or 51 cents per diluted share in the prior-year period. The loss per share includes $1.33 of charges primarily related to the PPE garment business and the 20 percent SKU reduction effort across company.

Adjusted net income, excluding after-tax charges of $467 million, or $1.33 per diluted share, totaled $135 million, or 38 cents per diluted share.

The fourth-quarter operating loss was $444 million, including the $611 million in inventory charges, as well as a $25 million non-cash impairment charge on its U.S. hosiery business due to impacts of Covid-19, a $17 million non-cash tax asset write-off and an $8 million charge primarily related to a previously disclosed supply chain restructuring. Excluding these charges, fourth quarter adjusted operating profit of $217 million decreased 10 percent as compared with the comparable year-earlier period.

For the year, the company posted a net loss of $75.58 million compared to net earnings of $600.72 million the previous year.

CEO's Take: Steve Bratspies, CEO, said: "I'm extremely proud of the Hanesbrands team for all it accomplished in 2020 under very challenging conditions, and I thank our global associates for their hard work and dedication. We delivered solid sales growth in the fourth quarter, with continued revenue momentum in our largest businesses and strong market share performance in our Innerwear and activewear segments.

"We are implementing our Full Potential plan with the goal of creating a consumer-centric company that delivers long-term growth and higher profitability," Bratspies added. "I'm encouraged by our rapid progress as we work to simplify our business and transform our organization to move faster, lower costs and focus on our highest-return growth opportunities."

Source: sourcingjournal.com– Feb 09, 2021

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Bangladesh: The most important BGMEA polls in recent times

An assured hand is needed to lead the garment sector in the bumpy journey ahead

There is no doubt that Bangladesh's apparel sector has been amongst the worst-hit for the pandemic. In 2020, garment, which brings home the lion's share of export earnings, posted a 17 per cent drop in receipts to $27.5 billion. And the trend continued into the new year: in January apparel export receipts contracted 4.7 per cent to $2.9 billion.

Even if shipments pick up, Vietnam and India are biting at Bangladesh's heels for the number two spot in global apparel trade. These suggest the road ahead is bumpy, and an assured leadership at sector's apex trade body is needed to steer the uncharted territory.

Which is why, the biennial election to select the Bangladesh Garment Manufacturers and Exporters Association's new committee for 2021-2023 has taken on added significance. The apparel manufacturers already have floated their panel leaders under Sammilita Parishad, Forum and Shadhinata Parishad to contest the polls, scheduled to take place on April 4.

Faruque Hassan, a former senior vice-president of the BGMEA, will lead the Sammilita Parishad, while ABM Shamsuddin, a former vice-president of the trade body, will lead Forum. Usually, only the Sammilita Parishad and Forum would take part in the polls, but from 2019 a third panel, the Shadhinata Parishad, began contesting.

Jahangir Alam, managing director of Design and Source, will lead Shadhinata Parishad as its panel leader.These panel leaders are also searching for candidates for the 35-member board to contest the polls.

In the present context of the pandemic, the Sammilita Parishad will be very meticulous in selecting its panel members, as there are steep challenges ahead, Faruque Hassan, managing director of Giant Group, told Dhaka Tribune.

"We are going to add second-generation entrepreneurs as well as women entrepreneurs in our panel based on their knowledge and business performance -- it will be a combination of old and new."

The criteria for selecting candidates would be their capacity to handle diplomats, global buyers, as well as workers, along with better negotiation skills to deal with the government to realise the demands of the business community. Capable women entrepreneurs are not willing to take up leadership positions.

"But we have included some who can deal with the issues. We do not want to add them in symbolic capacities. Rather, they will work boldly and contribute to the sector," Hassan added.

The world is still going through the pandemic, so the road ahead has to be faced with proper knowledge and experience, said ABM Shamsuddin, chairman of Hannan Group.

"To face the upcoming challenges with the existing one, we will select candidates for our panel who know the business and have enough knowledge about global happenings in trade and commerce."

Forum will include women entrepreneurs among its candidates.

"There are exceptional women entrepreneurs, who are leading their businesses successfully. We will include those women," Shamsuddin added.

Meanwhile, the Shadhinata Parishad wants to focus on representing the SMEs.

It also pledged not to include those outside of the apparel business.

"The voice of SMEs remains unheard. They are struggling to survive. To raise the voice of those exporters, we would select our candidates from that pool," Alam told Dhaka Tribune.
Of course, knowledge will be top on the priority list along with the mindset to serve the BGMEA members.

"In the past, we have seen some leaders in the board who are not in the business -- this raised question among the general members about the service. In our panel, there is no scope for such people; rather, we will select only exporters who feel the pain of the business community."

Alam also urged other panels not to select outsiders to contest the election, as it would deprive the rights of workers, as well as the general members.

Former BGMEA presidents also want knowledge-based leadership that will come up with innovative new ideas and take measures to soothe the woes of general members.

Factory owners are not happy with services offered by the BGMEA and the way they are operating, said Abdus Salam Murehedy, a former BGMEA president.

"It is time to find a leader who will talk and work for the small and medium entrepreneurs (SMEs) who are struggling to survive."

Panels should not select those who are only successful entrepreneurs; they should nominate an entrepreneur who has the mentality to work for the members and take the sector to new heights, said Murshedy, also the managing director of Envoy Textile.

"If there is a crisis, there is also a solution. To devise a permanent solution to the crisis is the task of the leadership," said Anwar-ul Alam Chowdhury, another former president of the garment sector's apex trade body.

The leadership has to work to strengthen trade and ensure benefits from the government so that every member can be benefitted.

"There are different panels and the motto of the panels is to work for the betterment of the sector. Their leaders should be knowledgeable," he added.

Md Atiqul Islam, the erstwhile BGMEA president and current mayor of Dhaka North City Corporation, said: "The Rana Plaza collapse was a great challenge for the industry, but we successfully handled it. What helped us was experienced leadership, along with a dedicated and experienced team."

Experience shows how to recover from trouble. The growth of the country's economy and employment opportunity depend on the success of the garment industry.

A candidate must have business acumen and experience to handle the issues and dedication to serve its members wholeheartedly, Islam added.

Source: dhakatribune.com– Feb 10, 2021

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Cotton, for long Pakistan's pride and joy, now faces a big threat

Not long ago one of the best introductions of Pakistan used to be its cloth industry, nay, more precisely, its cotton clothing.

Some of the finest finery of the world relied on imports from Pakistan as hundreds of thousands of growers, ginners, weavers, cloth makers and exporters created a supply chain that brought the country compliments and foreign exchange.

Then the cotton belt — essentially the south of the largest province of Pakistan, the Punjab, and several districts of adjoining Sindh — also wielded enormous political clout, typified by white shalwar-qameez wearing millionaires who sat in the assemblies and through family connections directed the nature and course of national politics beyond party lines. Those days now seem so far away. This year cotton has seen its worst decline in decades in terms of production. Consider a small comparison. About 25 years ago the total bales available for processing and export neared 24 million. A decade later these got reduced to almost 14 million.

This year they have dwindled to 5.5 million bales. To illustrate the point further, just last year these figures were 8.8 million — a loss of 3 million in a year. This is no less than carnage for a crop that is the country's pride and joy. Worse there is no hope that the crop will reclaim its lost share in the market and become the focus of the businessmen again. What has gone wrong? Several things including the preferences of the rich growers. They have now shifted to the more lucrative sugar cane. In a country where diabetes is touching national outbreak levels this switch to the deadly sweetness of the sugar may seem odd, but considering how sugar cane can be harnessed in different ways to fill individual coffers this shifting of the production base makes sense.

Cotton kings to sugar sultans

Now cotton kings have become sugar sultans and using their old connections control the market as a monopoly. In the last four years per kg sugar price has increased from Rs56 to Rs106. One rupee increase generally yields a profit margin of rupees 1 billion for the major industrialists.

The Imran government's last year's effort to take on what the prime minister himself called "sugar mafia" met a rather unspectacular fate as many inquiries and forensic reports later the network continues to survive and thrive. Inevitably, cotton growing area has shrunk drastically and the land available is now pressed into the service of the sugar industry. The less talked about factors contributing to the slow but steady collapse of cotton relate to radical changes in the climate. Researchers believe that traditional patterns of sowing have become unproductive because these no longer match the patterns of rainfall.

There is a shift of almost 33 days between how the farmers have for centuries been operating and the new climatic realities of the areas under cultivation. Since no significant research is carried out on these aspects and their impact on the cotton crop. There is little advice available to the ordinary tiller of the land on how to cope with these changes. Now cotton production faces decline since much of its seed sowing timing is amiss.

Not that the seeds are great shakes. Most cotton growers agree that the seeds are inherently problematic since their newer varieties are few and far between and the ones that are available are not strong enough to bear with the new climatic situation, enhance per acre yield, and remain resilient. Pest attacks and other generic problems also plague the crop and the cumulative result is its regression.

Interestingly, a large labour force is still connected with the textile industry which is still considered to be one of the strongest planks of the country's economy. The reason the cotton crash has not sent shock waves to the textile industry is because the door to import raw cotton always remains open.

However, this is an unsustainable situation because this raises the input costs or forces the textile tycoons to either shift the base of their business to other countries or simply become suppliers of unbranded material that is marked and marketed by other countries as their own.

None of this has any positivity to it. To allow a natural economic and agriculture advantage to drift and dissipate like this isn't a wise course. In a shrinking job market, a traditional crop going down means more unemployed. Import means more strain on precariously placed foreign exchange reserves.

Cotton cannot compete with sugar and other high money-producing crops but its decline can be halted by affirmative actions. Pakistan has much to learn from other cotton producing countries that have braved global recessions and environmental challenges to keep the white flag flying.

Source: gulfnews.com– Feb 09, 2021

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Pakistan: Govt may allow continuing imports of cotton from India

Abdul Razzaq Dawood, Adviser on Commerce, Textiles and Investment, has assured the industrialists at a Zoom meeting on Tuesday of continuing imports of cotton and yarn from Wagah border.

He said that the value added textile sector was facing a severe crisis due to the shortage of yarns and therefore Prime Minister Imran Khan would allow the import of cotton and yarn from India.

Mian Farrukh Iqbal, senior vice chairman of the Pakistan Hosiery Manufacturers and Exporters Association, welcomed the decision, saying it would not only increase exports but also reduce unemployment.

He said that importing yarn from other countries was not only expensive but would also take one to two months to reach Pakistan.

Yarns will be available to us on time from Wagah border and fulfillment of export orders will also be possible on time. He said that in order to promote the export of value added textiles, the government would have to take important steps to increase the production area and production of cotton.

He said that it was a matter of concern that the production of cotton in Pakistan was reduced to only 5.5 million bales.

He demanded the government ban the export of yarn to meet the shortfall. These measures will increase exports and become a source of multi-currency for the country.

Source: dailytimes.com.pk– Feb 10, 2021

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Trying to prepare scoping paper to quickly start FTA review with Japan, ASEAN: Goyal

The Commerce and Industry Ministry is trying to prepare a roadmap and a scoping paper to quickly start review of respective free trade agreements with Japan and ASEAN, Union minister Piyush Goyal said on Tuesday.

The Commerce and Industry Minister said that review of a free trade pact with Korea is underway. "With Japan and other ASEAN (Association of South East Asian Nations) countries, we are trying to prepare the roadmap and scoping paper so that we can start the reviews quickly," he told reporters here.

When asked about the proposed mini trade deal with the US, Goyal said "we have" to wait for the new USTR (United States Trade Representative) to come in and they have to hear from the new administration about the deal.

"We also have certain thoughts about it. It's only after we engaged with the new US administration, that we can comment on that," he said. The two countries are negotiating a trade package to iron out certain issues and promote two-way commerce.

"We believe that India has comparative advantages to look at greater engagement with developed countries like the US, the UK and the EU. The US just had a change in the administration and we are waiting for the new USTR to be confirmed.

"Once the new USTR is in office, we will start a dialogue with them to look at how we can expand our business and international engagement with them both on market access, and tariffs...," he added.

About a proposal submitted by India and South Africa for relaxing certain provisions in intellectual property (IP) agreement of the WTO (World Trade Organisation) with a view to contain the COVID-19 pandemic, the minister said about 100 countries have already supported the proposal and there is some resistance from the developed world.

"We are working along with other countries to try and come to a common position," he said.

India and South Africa have submitted a proposal suggesting a waiver for all WTO members on the implementation, application and enforcement of certain provisions of the TRIPS Agreement in relation to the prevention, containment or treatment of COVID-19.

The Agreement on Trade-Related Aspects of Intellectual Property Rights or TRIPS Agreement came into effect in January 1995. It is a multilateral agreement on intellectual property rights such as copyright, industrial designs, patents and protection of undisclosed information or trade secrets.

The minister also hoped that the WTO would quickly put in place the appellate body of the dispute settlement system and the benefits of S&DT (special and differential treatment) will continue for perpetuity or for a longer period of time.

The S&DT allows developing countries to enjoy certain benefits including taking longer time periods for implementing agreements and binding commitments, and measures to increase trading opportunities for them.

He hoped that various negotiations that are going on a plurilateral basis move to multi-lateral negotiations such as on e-commerce.

About the ongoing talks on fishery subsidy, Goyal said these subsidies should be based on “polluter pays” principle so that developing world like India has a policy space and “we can continue to give support at least proportional to the support that the developed world is giving, for a significant period of time”.

On the country’s exports, he expressed hope that economic activities in the developed world will pick up quickly and the country will continue to record positive growth in exports.

He added that the ministry is planning to roll out the next foreign trade policy on April 1.

On FDI, he said there are no plans to relax norms in the multi-brand retail sector.

Source: financialexpress.com– Feb 09, 2021

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India's MSP operations are compliant with WTO rules: Goyal

Clarifications on e-commerce policy being considered

The Minimum Support Price (MSP) operation that the government is currently carrying out is "completely compliant" with WTO rules as the country is protected by a 'peace clause' earlier negotiated, Commerce & Industry Minister Piyush Goyal has said.

On possible changes to the e-commerce policy, the Minister said the Centre was considering certain clarifications to ensure that e-commerce companies worked in the true spirit of the law and rules that had been laid down.

"We have a peace clause for public procurement purposes. We are permitted to buy from the market place. The MSP operations that we are currently doing are completely WTO compliant," Goyal said at a press conference on Tuesday answering a question on the government's assurance to farmers on MSP continuation and its implications at the WTO.

India's MSP for rice is under scrutiny at the WTO with members such as the EU and the US contending that the country has crossed its de minimis limit and also stating that the `peace clause' had not been properly used meeting all given conditions.

Commerce Secretary Anup Wadhawan defended India's subsidies by pointing out that these were mostly within permitted limits and were also much lower than the subsidies given by rich countries. "To the extent, because of public procurement for food security, if we exceed the de minimis limit, we have the peace clause. Our subsidies are within the WTO limit and are moderate compared to what the developed countries give. The distortion caused by developing countries' subsidies is of minimal quantum compared to the West," he said.

No change in policy

Elaborating on the government's stance on e-commerce, the Minister said that while no change in e-commerce policy was being planned per se, there were certain complaints from consumers and small retailers about certain practices of e commerce companies that were under investigation and needed to be addressed.

“We are considering certain clarification to ensure that e-commerce works in the true spirit of the law and as per rules that have been laid down. E-commerce is supposed to provide an agonistic platform so that buyers and sellers can trade with each other. The platform should not become part of the trading transaction,” he said.

The e-commerce companies should not fund transactions, have algorithms which give preference to one over the other or promote their own products, Goyal said. The platform should provide all data that is required for the consumer to make a free and rational choice. “We believe buyers and sellers should be given an opportunity to trade with each other. The platform is only a service provider.

Those who break that law will have to respond to our concerns and correct their business practices at the earliest,” he added.

The Minister also talked about developments at the WTO and said that India was happy that Ngozi Okonjo-Iweala was going to be the new Director General. Goyal said that he had several opportunities in the past to interact with her and found her to be very sensitive to demands and requirements of the developing world and the LDCs.

He said that India had a lot of expectations and hoped that the WTO Appellate Body will be put in place quickly and the benefit of special & differential treatment for developing countries will continue either for perpetuity or a long period of time.

On the on-going fisheries negotiations, Goyal said that India believes that subsidy restrictions should be based on ‘polluter pays’ principle so that developing countries have policy space and can continue to give support proportional to that developed countries have been giving for a significant period of time.

Source: thehindubusinessline.com– Feb 09, 2021

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Govt considering certain clarifications on FDI in e-commerce sector: Goyal

Amid domestic traders complaining alleged violations of FDI norms by foreign online players, Commerce and Industry Minister Piyush Goyal on Tuesday said the government is considering to come out with certain clarifications to ensure that the e-commerce sector works in the "true spirit" of the law and rules.

He said the current FDI policy for the e-commerce sector is robust and well-designed. However, there are certain complaints from consumers and small retailers about certain practices of the e-commerce companies, which are under investigation, he added.

"We have sought several information, they are being looked into. We are also considering certain clarifications to ensure that the e-commerce sector works in the true spirit of the law, of the rules that have been laid down for e-commerce," Goyal told reporters. He added that the e-commerce companies are supposed to provide an agnostic platform so that buyers and sellers can trade with each other.

The online platform should not become part of the trading transaction, "should neither be funding it, should neither be having algorithms which give preference to one or the other, should neither be promoting their own products." But, it should provide all data that is required for a rational choice, and the choice should be a free choice of the consumer, Goyal added.

The buyers and sellers should be given an opportunity to trade with each other as the platform only is a service provider, he said. "Those who break that law will certainly have to respond to our concerns and correct their business practices at the earliest," the minister added.

Recently, the ministry has forwarded representations by the Confederation of All India Traders (CAIT) of alleged violations by Amazon and Flipkart to the Enforcement Directorate and the Reserve Bank of India for "necessary action". CAIT has time and again alleged that the e-commerce players violated the Foreign Exchange Management Act and FDI rules.

Source: financialexpress.com– Feb 09, 2021

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Beyond the Union Budget 2021: Improving worker welfare

The Union Budget offers a basket of measures to bring the economy back on track. Two thrust areas are atmanirbharta and infrastructure development. Both will support growth and push forward the agenda of job creation. While not discrediting the employment effect, it is equally important to review the prevailing income levels of workers, more specifically wage rates (a preferred measure of the wellbeing of a large share of population that solely depends on wages).

Here, it is crucial to note the unusual behaviour in India's labour income share vis-à-vis that of peer economies. The latest ILO data shows a declining share of labour income in India's GDP, from 56.8% in 2010 to 49% in 2017. The dive-down places India lowest amongst BRICS economies, the US, the UK and the world level. However, wage share in labour income (emoluments) has been stable around 94-97% in the non-factory sector, or has increased from 68% during 2000 to 74% during 2015 in the factory sector. This underscores increasing importance of wage earnings.

In the past, income transfers and a progressive tax structure have been used to balance inequalities.

But a more stable mechanism is required to lift-up low-wage workers. Often, higher wage rates are attributed to education levels while ignoring inter-industrial disparities in wage rates of similar workers. Monthly wage rates have been the lowest in food processing, textile industries and wood products; wage rates in refined petroleum products, electrical equipment and transport equipment are on the higher-end. The industry-level differences have persisted over time as observed in a research at the Institute for Studies in Industrial Development sanctioned under the IMPRESS scheme of the MHRD.

Traditional explanations for differences relate to worker productivity and capital-intensity; but also relate to worker mobility and casual/seasonal/non-perennial nature of work. One way to counter proliferation of low-wage employment can be to improve inter-industry worker movement through better worker adaptability. During transition to another industry, a worker is less informed about the potential wage rate, limiting the ability to bargain based on past work.

Thus, convergence in wage rates could be inhibited by inter-industry movement of workers due to information asymmetry. Also, migrant workers generally have a priori less information on the job profile, resulting in under-payment. Another plausible reason is the casual nature of employment. The seasonal nature of employment prevents workers from taking advantage of their work experience when they return for work in the next season.

NSS data confirms high proportions of non-perennial employment in industries including food processing (6.1%), beverages (9.2%), tobacco products (10.1%), coke & refined petroleum products (26.5%), pharmaceutical products (28.4%), chemical products (5.3%), rubber & plastics (7.8%), and non-metallic mineral products (22%). Worker situation can be improved by accounting for the cumulative work done.

Setting-up a credit-based system acknowledging past job or work, subject to fulfilling criteria, will improve worker welfare. A seasonal worker would then be able to benefit from previous work. A formal mechanism in place will improve transparency in wage setting in the informal sector. This is important as the statutory minimum wage, which is at the lower end, does not take into account the worker experience. The work-based credit mechanism will effectively be an institutional pull towards improved worker wages without having to regulate the job market through full-time or permanent jobs, which tend to be burdensome for employers.

A work-based credit system, together with the recent announcement to set up Mega Integrated Textile Region and Apparel (MITRA) parks, will be a promising step for upliftment of textile workers. While creating jobs, accumulated work-based credits can be instrumental for realising higher wage rates without even transitioning to another industry. It would also improve the predictably of labour supply in the industry. A thoughtful implementation can support worker welfare without being unpleasant for the industry.

Source: financialexpress.com– Feb 10, 2021

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Cotton futures jump 0.56% to Rs 21,480 per bale on positive global cues

Cotton futures trade firm at Rs 21,480 per bale on February 9 as participants widened their positions as seen from open interest. Cotton prices had slipped 0.1 percent yesterday to settle at Rs 21,360/bale on the MCX.

Cotton extended gain after a gap-up open in the afternoon session to trade near day's high, tracking positive global cues.

Mohit Vyas, Analyst at Kotak Securities, said: "International cotton futures continued with positive momentum following market expectation of yet another month of lower world cotton stock revision by USDA."

Indian cotton continued to trade at a huge discount from overseas cotton prices, which may increase the attractiveness of Indian cotton in the global market. MCX February cotton contract trade at a discount of 14 percent from Cotlook A price of 90.90 cents on Friday.

In the futures market, cotton for February delivery touched an intraday high of Rs 21,500 and an intraday low of Rs 21,410 per bale on the MCX. So far in the current series, the commodity has touched a low of Rs 20,700 and a high of Rs 21,700.

Cotton futures for February delivery gained Rs 120, or 0.56 percent, to Rs 21,480 per bale at 16:00 hours IST on a business turnover of 6,435 lots. The same for March contract increased Rs 120, or 0.55 percent at Rs 21,760 per bale with a business volume of 1,434 lots.

The value of February and March's contracts traded so far is Rs 53.11 crore and Rs 24.20 crore, respectively. We expect cotton to continue with positive momentum for today. But any surprise in WASDE report may again drag cotton below 80 cents in no time, said Kotak Securities.

At 10:33 (GMT), US Cotton futures rose 0.94 percent quoting at 85.19 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com– Feb 09, 2021

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Odisha: Handicraft sector separated from Industrial Dept, Merged with Handlooms, Textiles & Handicrafts Dept

The Odisha government on Tuesday announced that with a view to giving independent focus and effort to Handicraft sector and considering the similarities between Handloom and Handicraft sector, the Handicraft sector was separated from the Industrial Department and merged with the Handlooms, Textiles and Handicrafts Department.

Also, the MSME sector was carved out from the Industries Department creating Micro, Small and Medium Enterprises (MSME) Department.

For Handicraft sector, total of 552 numbers of posts were earmarked and separated from the MSME Department. However, the officers/ staff continued to work for both Handicraft and MSME sector and they remained under the overall control of MSME department.

As per the arrangement, the activities and schemes of handicraft sector were implemented under the supervision of HT & H Department although the implementing manpower was under the administrative control of MSME Department. Their transfer, posting, disciplinary power etc. remained with MSME Department. As a result, difficulties are faced in smooth implementation of handicraft schemes and programmes.

To remove these difficulties, the creation of a separate cadres for handicraft sector, namely Odisha Handicrafts Services (Method of Recruitment and Conditions of Service) Rules, 2021 and Odisha-Subordinate Handicrafts Services (Method of Recruitment and Conditions of Service) Rules, 2021 for recruitment and management of Officers of Group A and B, were under active consideration of the State Government in Handlooms, Textiles and Handicrafts Department.

Now, the State Government announced formulation of the new cadre Rules – "Odisha Handicrafts Services (Methods of Recruitment and Conditions of Service) Rules, 2021" for recruitment and management of Group-A and B Officers who will work under the administrative control of the HT & H Department. The cadre will consist of posts of Assistant Director, Deputy Director, Joint Director, Additional Director and Director.

This was one of the priorities of the Department under 5T that has been successfully achieved.

Source: kalingatv.com– Feb 09, 2021

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DGFT introduces online system for importers to seek tariff rate quota

The Directorate General of Foreign Trade (DGFT) in a trade notice has said that it has prepared a new online module, e-TRQ System, for processing applications.

The commerce ministry's arm DGFT has introduced an online system for traders who seek tariff rate quota (TRQ) for imports, a move aimed at promoting ease of doing business in the country.

The TRQ is a mechanism that allows import of a set quantity of specific products. Tariff quotas are used on a wide range of products but most are in the agriculture sector. Cereals, meat, fruit and vegetables, and dairy products are the most common, and sugar is also protected in most producing countries.

The Directorate General of Foreign Trade (DGFT) in a trade notice has said that it has prepared a new online module, e-TRQ System, for processing applications.

Now, all applications seeking TRQ for imports are required to submit their application online.

It added that licences for all TRQs would be issued electronically and TRQ licence data would be transmitted electronically to the customs authorities.

No paper copies of the TRQ import license will be issued now.

Source: economictimes.com– Feb 09, 2021

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Gartex Texprocess India & Screen Print India postponed

On account of the developments around the COVID-19 vaccine roll out plan which has seen COVID care centres doubling up as vaccination centres, the Mumbai editions of Gartex Texprocess India and Screen Print India scheduled at the Bombay Exhibition Centre in March have been pushed ahead. The organisers intend to announce new dates for in the coming weeks.

With the rapid roll-out of vaccines in India’s fight against COVID-19, business sentiment in 2021 is upbeat together with enhanced resumption of economic activities. However, in preparation for the upcoming vaccination drives, mega facilities such as NESCO (Bombay Exhibition Centre, in Goregaon) is expected to be restructured as a state-run vaccination centre.

This makes the venue inaccessible for large-scale trade shows in the month of March. In view of the recent developments, the organisers, Messe Frankfurt Trade Fairs India and MEX Exhibitions, have had to act swiftly to reschedule the launch of its upcoming fair Gartex Texprocess India which was scheduled to open its doors in Mumbai, this March, Messe Frankfurt said.

Messe Frankfurt India additionally shared that the Mumbai edition of Screen Print India will also be rescheduled. As companies gear up for business revival, the organisers shared that a final decision will be taken in consultation with venue operators to host the show in the first half of the year, as soon as the venue is made safely accessible, according to Messe Frankfurt.

“With the start of local vaccination drives and gradual scaling back of lockdown, we see confidence returning in the market. Gartex Texprocess India will be a catalyst in the recovery of trade momentum for this sector and its new hybrid format will go a step ahead to ensure onsite exhibitors can increase their product and brand exposure and match with potential clients through their digital presence. We are glad to have the support from the industry and our exhibitors who’s interests are at the centre of this decision; and our efforts are now focused on finalising the dates and meeting the safety imperatives,” Gaurav Juneja, director, MEX Exhibitions said in a Messe Frankfurt press release.

Through Gartex Texprocess India's new hybrid format and its co-location with the premier fair for screen, textile, sublimation and digital printing technologies, Screen Print India, the platform aims to bring the entire textile value chain together and will be of key business significance for the textile and printing sectors.

Source: fibre2fashion.com– Feb 09, 2021

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