TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY
The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 45 of 2021 March 04, 2021

US 72.80| EUR 87.75| GBP 101.57| JPY 0.68

NEWS CLIPPINGS

	NATIONAL NEWS
1	Shri Piyush Goyal emphasizes on integration of road, rail and waterways to achieve One nation, One market
2	Shri Piyush Goyal calls for working towards ensuring India's recognition on the global stage as a quality conscious country
3	GST body could correct inverted duty on textile, fertiliser, footwear in March
4	Piyush Goyal proposes uniform rate card for testing facilities for industry, TUFS like scheme for MSMEs
5	Higher global offtake to boost India's cotton shipments
6	Two mega textile parks to come up in Gujarat
7	India's cotton exports likely to rise 50% this year to 75 lakh bales this year
8	BIS certifications: Government looks to ease compliance process
9	MSME sector emerges as growth engine of economy: RBI governor

INTERNATIONAL NEWS

China's textile industry grows despite pandemic

At the 15th Annual Conference of the China Textile Roundtable Forum hosted by the China National Textile and Apparel Council, Gao Yong, Party Secretary and Secretary-General, China National Textile and Apparel Council, stated that despite the pandemic's impact, Chinese textile industry grew as it benefited from online sales, intelligent manufacturing and stable supply chain.

GaoYoung said, the Chinese textile industry can develop further during the 14th Five-Year Plan period by strengthening independent innovation of cutting-edge technology, brand and fashion soft power, green development leadership, control ability of international supply chain, etc., strengthen the advantages of the manufacturing system, and solve the shortcomings of the industrial chain supply chain.

According to Shan Zhongde, Academician, Chinese Academy of Engineering and President, Nanjing University of Aeronautics and Astronautics, China needs to promote research and development of intelligent high-quality textile equipment, improve efficiency, performance and digital level, truly realize automatic perception, intelligent decision-making, and automatic execution. At the same time, actively develop service-oriented textile manufacturing and promote personalized customized production models.

As per China Textile, the country's textile and apparel exports grew 9.6 per cent in 2020 to $291.22 billion. The total volume of textile industry declined year-on-year, but benefiting from online sales, intelligent manufacturing and stable supply chain of the industrial chain, the textile industry still has outstanding performance in the operation:

Domestic textile market recovered in the second half of last year. According to the National Bureau of Statistics, the year-on-year decline in retail sales of clothing, footwear, hats and knitted textiles of enterprises above designated size gradually narrowed from more than 30 per cent at the beginning of the year to 7.9 per cent in previous November.

Source: fashionatingworld.com– Mar 02, 2021

HOME

****

USA: January Air Cargo Demand Recovers to Pre-Covid Levels

The International Air Transport Association (IATA) released January global air cargo data Tuesday showing that demand returned to pre-Covid levels–January 2019–for the first time since the onset of the crisis.

January demand also showed strong month-to-month growth over December. Global demand was up 1.1 percent in the month compared to January 2019 and increased 3 percent from December.

The recovery in global capacity was reversed, owing to new capacity cuts on the passenger side, IATA noted. Capacity contracted 19.5 percent compared to January 2019 and fell 5 percent from December, the first monthly decline since April.

“Air cargo traffic is back to pre-crisis levels and that is some much-needed good news for the global economy,” Alexandre de Juniac, IATA’s director general and CEO, said. “But while there is a strong demand to ship goods, our ability is capped by the shortage of belly capacity normally provided by passenger aircraft. That should be a sign to governments that they need to share their plans for restart so that the industry has clarity in terms of how soon more capacity can be brought online.”

De Juniac said in normal times, one-third of world trade by value moves by air. This high-value commerce is vital to helping restore Covid-damaged economies, he said, “not to mention the critical role air cargo is playing in distributing lifesaving vaccines that must continue for the foreseeable future.”

All regions saw month-on-month improvements in air cargo demand, and North America and Africa were the strongest performers.

Asia-Pacific airlines saw demand for international air cargo fall 3.2 percent in January compared to the same month in 2019. This was an improvement from the 4 percent decline in December. International capacity remained constrained in the region, down 27 percent versus January 2019, which was a deterioration compared to the 26.2 percent year-over-year decline recorded in December.

North American carriers posted an 8.5 percent increase in international demand in January year over year, nearly doubling the 4.4 percent gain in December compared to December 2019.

"Economic activity in the U.S. continues to recover and its January manufacturing PMIs reached a record-high, pointing to a supportive business environment for air cargo," IATA said.

International capacity fell 8.5 percent compared to January 2019. In December, capacity was down 12.8 percent versus the same month in 2019.

European carriers' international cargo demand dipped 0.6 percent in January from a year earlier. This was an improvement from the 5.6 percent fall in December over the year-ago period. International capacity decreased 19.5 percent, a deterioration from the 18.4 percent year-to-year decline posted for December.

Middle Eastern carriers saw a 6 percent rise in international cargo volume in January year over year, which was an acceleration over the 2.4 percent gain recorded the previous moth compared to December 2019. Of the region's key international routes–Middle East-Asia and Middle East-North America–have provided the most significant support, IATA said.

January capacity was down 17.3 percent compared to the same month in 2019. This was a slight reduction from the 18.2 percent decline recorded in December compared to the year-ago period.

Latin American carriers reported a 16.1 percent decline in international cargo volume in January compared to the 2019 period, which was an improvement from the 19 percent falloff in December versus a year earlier. International capacity decreased 37 percent compared January 2019.

African airlines' cargo demand soared 22.4 percent compared to the same month in 2019, eclipsing the 6.3 percent year-over-year increase for December, thanks to robust expansion on the Asia-Africa trade lanes. January international capacity fell 9.1 percent from a year earlier.

Source: sourcingjournal.com– Mar 03, 2021

HOME

****

Logistics troubles on sea trade routes affect US retailers

US corporations of all sizes and types are reporting logistics struggles, especially on trans-Pacific trade routes. The issues can potentially disrupt inventories if they continue much longer. The supply strains, compounded by shortages of shipping containers, are beginning to hit operations of firms. The problems are expected to spill into the next quarter.

Added to the routine problems are incidents where containers full of goods in cargo ships went overboard in rough seas, and were pushed to the ocean floor.

Crocs Inc. said getting shipped to customers is really challenging right now due to logistics issues. Shoe-maker Wolverine World Wide Inc. said $20 million in sales would shift from the first to the second quarter because of the backlogs. Steven Madden Ltd. said supply chain disruptions cut the footwear company's first-quarter sales expectation by $30 million, a top global newswire reported.

A number of container ships keep waiting to enter the neighboring ports of Los Angeles and Long Beach, with an average wait of more than a week.

In the meantime, some companies are paying premiums to send goods by air, substituting products on shelves and trying to renegotiate arrangements with shippers.

Source: fibre2fashion.com– Mar 04, 2021

HOME

****

Peru terminates anti-dumping investigations against Chinese fabric

On February 28, 2021, the Peruvian National Competition and Intellectual Property Protection Agency's Committee on Dumping, Subsidies and Non-tariff trade barriers issued a notice stating that since the 100 per cent polyester fabric originating in China did not cause material damage to Peru's domestic industry, the anti-dumping investigation against Chinese polyester fabric would be terminated and anti-dumping duties would not be imposed on it.

The products involved are 100 per cent polyester fabrics of taffeta, white or dyed with a width of less than 1.8 meters and a unit weight of between 80g/sq m and 200g/ sq m..

On February 6, 2020, Peru issued notice No. 010-2020/CDB-INDECOPI in response to the Peruvian company TecnologaTextil S.A. and decided to launch an anti-dumping investigation into 100% polyester fabrics originating in China. The dumping investigation period was from January 2019 to December 2019, and the injury investigation period was from January 2016 to December 2019.

Source: fashionatingworld.com– Mar 03, 2021

HOME

****

Techtextil North America, Texprocess Americas to return in May

After a 2020 postponement, co-located trade shows Techtextil North America and Texprocess Americas will return in-person May 17-19, 2022 in Atlanta, but will shift their cycle permanently going forward.

Beginning in 2023, this major North American event for sewn products and technology will pivot to an odd-year cycle with the next shows taking place from May 10-13, 2023. The change is in response to moves made by parent shows Techtextil and Texprocess Frankfurt, which switched their sequence to an even-year schedule starting in 2022.

To keep the industry connected and informed between shows, the organizers have been producing a monthly virtual webinar series that runs through April 2021, with speakers and subjects addressing current industry topics across technical textiles, nonwoven and sewn products.

The next sessions include Smart Textiles (March 25) and High Performance Fibers (April 29). Attendees who missed the earlier sessions—including talks on 3D printing, sewing technologies, sustainability and "The Factory of the Future"—can register to view the recordings.

Source: fashionatingworld.com– Mar 03, 2021

HOME

****

Walmart says it will invest $350 billion in US manufacturing over the next decade

Walmart plans to invest $350 billion over the next decade in products made, grown, or assembled in the US to strengthen domestic manufacturing.

"More businesses are choosing to establish their manufacturing operations in the United States, and the result is more jobs for Americans - a lot more jobs," Walmart's President and CEO John Furner said on Wednesday.

The company estimates that this investment will create 750,000 new jobs over the next 10 years. It will also avoid an estimated 100 million metric tons of CO_2 emissions by sourcing products closer to customers, according to Walmart.

The investment will also support small businesses, diverse suppliers, and sellers who are based in the US, Furner said.

Walmart will focus on six product categories: plastics, textiles, small electrical appliances, food processing, pharmaceutical, and medical supplies, according to Furner.

US manufacturing, which has contracted over the past two decades, swiftly bounced back after COVID-19 froze the economy early last year. Manufacturing grew at the fastest pace in three years with the industry showing improvement in February despite supply shortage and increased material costs stemming from the coronavirus pandemic, according to the Institute for Supply Management's purchasing manager's index for the manufacturing sector.

Over 85% of Walmart's customers said that it's important for them that the retailer offers products made or assembled in the US, according to a survey conducted by Walmart's Global Customer Insights & Analytics team, Furner said.

The retailer is also launching American Lighthouses, a collaborative effort that will gather key stakeholders including suppliers and manufacturers to identify and overcome obstacles to US production. Walmart's efforts to support US manufacturing dates back to 2013 when the retailer said would invest $250 billion in American-made products by 2023.

Separately, the giant retailer told Reuters on Tuesday that it will raise hourly wages to at least $15 per hour for Walmart workers located at the East and West coasts. Last week, the company said that on March 13 it will start paying 425,000 frontline workers an hourly wage ranging between $13 and $19 an hour.

Source: businessinsider.in– Mar 04, 2021

HOME

****

Cambodia's garment exports to EAEU drop by 36.6%

Cambodian garment exports to the EAEU (Eurasian Economic Union) dropped by 36.6 percent year on year between April and June of 2020.

As per reports, the garment industry is a backbone of Cambodia's export industry with the Kingdom contributing more than half of the nation's total merchandise exports, said Fibre2Fashion.

It noted that most of the garment manufacturers of Cambodia still follow the cut-make-trim technique because of underdeveloped manufacturing technologies and lower capital availability. The US and the EU are Cambodia's major apparel export destinations and account for more than three-quarters of the sector's total apparel exports.

Bilateral trade between Cambodia and the EAEU reached $67.36 million in 2020. Exports from the Kingdom were $52.19 million. EAEU imports from Cambodia reached $15.17 million.

Products exported to the EAEU were primarily clothes, footwear and rice. Imports include gems, fertilizers, animal feed, tractors, paper and pharmaceuticals.

Source: fashionatingworld.com– Mar 03, 2021

HOME

****

Fashion Warns of Myanmar Sourcing Risks if 'Democracy Is Not Restored'

The international fashion community has issued a call for the "quick and peaceful restoration" of Myanmar's "legitimate civilian government."

In a joint statement Tuesday, nearly a dozen fashion trade and labor organizations, including the American Apparel & Footwear Association, the Ethical Trading Initiative, the Fair Labor Association and Social Accountability International, urged the Burmese military to cease its violent and deadly crackdown on civilians and anti-coup protestors, release those who have been detained, restore internet service and reject proposed legal restrictions on internet activity as damaging to freedom of expression and assembly.

"This coup, and the military's growing violence in support of it, threatens to reverse the progress and the thawing of relations between Myanmar and the international community ongoing since 2011," the letter said.

Clothing and textiles, Myanmar's top export earner after oil and gas, generated more than $2 billion in exports last year, according to the Myanmar Garment Manufacturers Association. The sector is a major jobs creator, too, with nearly 600 factories in the country employing roughly 500,000 workers.

"If democracy is not restored, the hard-fought social and economic progress of the country and the well-being of its people will be significantly put at risk," the letter said. "In addition, the rights of ethnic minority groups and women following the coup are at particular risk."

The coup, the organizations noted, has created a climate of uncertainty that is already rattling factory and cargo operations. These disruptions, coupled with the potential for sanctions beyond those imposed by the United States, could result in a re-evaluation of Myanmar as a "stable sourcing partner."

Because companies sourcing from Myanmar must "place special emphasis on the safety and economic security of workers," the letter's signatories are asking its member companies and all businesses sourcing in the country to exercise "enhanced" due diligence and supply-chain monitoring to ensure respect for workers' fundamental rights. Businesses, the organizations said, must ensure that workers' rights to peaceful protest are respected without discrimination or penalization and that trade union representatives are neither victimized nor targeted.

"We urge brands, and their suppliers, to immediately undertake enhanced human-rights due diligence and responsible purchasing practices to identify whether they are doing business, directly or indirectly, with companies that are known to be owned or controlled by the military services of Myanmar, and take steps to sever these business ties, while making best efforts to protect workers that may be impacted," the letter said.

The organizations don't recommend that buyers suspend or sever ties with Myanmar, however. Rather, companies should "engage proactively" with suppliers in the nation, closely monitor the situation at all of their supplier factories and strive to honor all existing commitments made to factories in terms of both payments and in-production orders.

"Companies should ensure workers are paid for the work they do and extend lenient contract terms on delivery dates if needed, especially as production and export are likely to be negatively affected due to varying factors," the letter said. "In addition, we urge suppliers to maintain an active dialogue with the elected worker representatives and trade unions in resolving differences and addressing the current crisis."

The Clean Clothes Campaign, the garment industry's largest consortium of labor unions and non-governmental organizations, likewise reiterated its support for workers in Myanmar on Wednesday with a joint statement of solidarity that appealed for allyship from garment companies operating in and sourcing from the Southeast Asian nation.

All garment manufacturers, brands and retailers active in Myanmar, the organization said, must publicly condemn the military coup, call for the restoration of democracy and the rule of law, protect and support the labor-rights movement and ensure that their business activities are not directly linked to the military.

"Brands and retailers must condemn the military's announcement declaring illegal labor-rights organizations and prohibiting them to continue their activities," the Clean Clothes Campaign wrote. "They must also voice and show their support for freedom of association and ensure their direct and indirect suppliers respect these principles."

Brands, retailers and responsible business initiatives that focus on the garment industry must also respond immediately to complaints or information regarding human and labor-rights violations occurring in factories where they or their members source from, the group said. To enable the identification of risks and a swift resolution of complaints and human-rights violations, brands and retailers should disclose an updated list of their direct and indirect suppliers in Myanmar, including names, addresses, product types and number of workers.

"We call on garment brands, retailers and manufacturers to make these commitments public, to share them with their direct and indirect suppliers in Myanmar and with relevant business partners," the organization said. "We urge improvement initiatives to publicly commit to these recommendations, to share them with their members and to closely monitor their corporate members to ensure they fulfill their obligations to respect human rights."

In mid-February, brands such as Adidas, Bestseller, H&M and KappAhl signed a statement of concern facilitated by the Myanmar Centre for Responsible Business expressing their support for the people of Myanmar.

"As investors, we inhabit a 'shared space' with the people of Myanmar, including civil society organizations, in which we all benefit from respect for human rights, democracy and fundamental freedoms—including freedom of expression and association—and the rule of law," the statement said. "The rule of law, respect for human rights and the unrestricted flow of information all contribute to a stable business environment."

The signatories, the statement said, will "continue to work hand in hand" with local business partners that share the same approach. "We believe our business presence, practices and advocacy for a level playing field for all businesses, and our commitment to international human-rights standards contribute in a significant way to the journey of openness and democracy in Myanmar," it added.

Source: sourcingjournal.com– Mar 03, 2021

HOME

****

ICAC revises cotton consumption forecast to 249.5 million tonne

International Cotton Advisory Committee (ICAC) has revised the 2020/21 cotton consumption forecast upward this month from 24.2 million tonne to 24.5 million tonne. While the projected 7 per cent year-over-year increase isn't nearly enough to offset the losses caused by the pandemic, it's expected to outpace production, thus drawing stocks down by the end of the season.

Stock levels are expected to drop to 21.1 million tonne by the end of 2020/21, which would represent a 1 per cent decrease from the previous season.

The Secretariat is projecting an increase in global trade. Both China and Pakistan are forecast to increase imports, the former benefitting from the price gap between domestic and foreign cotton and the latter due to a decrease in domestic production. This month, the Secretariat's price projection for the year-end 2020/21 average of the A Index is 75.7 cents per pound.

Source: fashionatingworld.com– Mar 03, 2021

HOME

****

Digital e-com rules may negatively affect developing nations: UNCTAD

Many digital rules being framed by a group of 86 countries under the Joint Statement Initiative (JSI) on e-commerce have high costs of compliance and could adversely affect trade competitiveness of developing countries in the digital economy, according to a research paper released recently by the UN Conference on Trade and Development (UNCTAD).

The paper shares progress on negotiations on digital rules under the JSI on e-commerce. An agreement would likely have a broad scope that would cover 'almost all actions' of the governments in the digital economy.

Key rules being negotiated aim at free flow of cross-border data, mandatory legal frameworks for electronic transactions, restrictions on data localization, no customs duties on electronic transmissions, no source code disclosure, mandatory membership of information technology agreement (ITA) and ITA expansion, and mandatory commitments of national treatment and market access.

The paper, titled, 'Joint Statement Initiative on E-Commerce (JSI): Economic and Fiscal Implications for the South,' clarifies that countries recognise that any initiative to negotiate e-commerce rules is outside the World Trade Organisation (WTO) agreement and its mandates and the JSI negotiations remain 'outside the ambits of the WTO'.

The outcomes of the JSI negotiations on digital rules will have no legal bearing in the WTO because the rules are not mandated for negotiations there, UNCTAD said on its website.

The paper states that acceptance of the proposed rules would 'severely restrict regulatory space of the governments in the digital economy', and strengthen the role played by foreign players, such as foreign investors and exporters.

It estimates that developing countries could lose around $10 billion per year as a result and that the potential tariff loss to sub-Saharan African countries is twice that of WTO high-income countries.

The paper also notes that WTO least developed countries (LDCs) could generate five times more tariff revenue than the developed countries if the moratorium on customs duties on electronic transmissions is removed.

Developing countries 'need at least the same policy and regulatory space' to build their digital infrastructure and their digital economies as developed countries had at the beginning of their digital advancement, the paper concludes.

Source: fibre2fashion.com– Mar 03, 2021

HOME

****

Pakistan: Cotton import sans PRA: Ministries lock horns over proposal

The Ministry of Commerce and Ministry of National Food Security and Research have, reportedly, locked horns over a proposal regarding import of cotton from Central Asian Republics (CARs) via Afghanistan till June 2022, sans Pest Risk Analysis (PRA), well-informed sources told Business Recorder.

The textile sector of Pakistan, consumes approximately 12 to 17 million bales (170 Kgs) of cotton per annum but domestic production of cotton has been very low in comparison to the demand in last one and half decade.

Pakistan is net cotton importer and has been importing on average 3.0 million bales per annum in last three years. Moreover, this year, ie, FY 2020-21, the cotton production target was 10.89 million bales, however in the 1st & 2nd Cotton Crop Assessment Committee (CCAC) meetings, cotton production was estimated to be 8.59 and 7.70 million bales respectively. Therefore, in order to bridge the gap between local production and demand it is imperative for Pakistan to import cotton.

Furthermore, Pakistani cotton is of short to medium staple length, therefore, long and extra-long staple cotton has to be imported for production of finer yarn counts, for subsequent transformation into high value-added finished products. Cotton is imported from various sources with the land route being the cheapest option.

The Commerce Ministry argues that Afghanistan and Central Asian Republics (CARs) are one of the top importing sources after all imports from India were banned, resultantly, reliance on Afghanistan and CARs for cotton imports has increased.

The cotton import is governed by Plant Quarantine Act, 1976/Rules, 1967. According to the Rule 28 of Plant Quarantine Act, 1976, cotton imports are allowed through the sea-route only, since quarantine facilities are only available at Karachi. In 2017-18 a special dispensation from the rule was given on political/commercial basis during a meeting between Secretary Commerce and Deputy Minister for Industries & Commerce, Afghanistan.

Consequently in years 2018-19 and 2019-20, import of cotton from Afghanistan and Central Asia through land route via Torkham was allowed on yearly basis after the approval of the ECC of the cabinet, provided that all Sanitary and Phytosanitary (SPS) conditions are fulfilled.

Commerce Ministry noted that considering the gap between supply and demand and to ensure availability of cotton for exports, Afghanistan and Central Asian States are economical sources for cotton import. Keeping in view the entire scenario, Commerce Ministry has proposed that: (i) import from Afghanistan and Central Asian States may be allowed till 30 June 2022; (ii) Ministry of National Food Security & Research (MNFS&R) and Commerce Division may engage the importers for establishment of facilities at Torkham, for cotton imports through land route; and (iii) necessary arrangements may be initiated in the plant quarantine Rules, in order to facilitate and meet SPS requirements for import of cotton via land routes.

However, Ministry of National Food Security and Research in its views has stated that cotton is high bio-security risk commodity and import of cotton from any country without conducting Pest Risk Analysis (PRA) can lead to influx of scores of quarantine and incorrigible diseases in Pakistan. It’s importation into Pakistan is also prohibited under Pakistan Plant Quarantine Rules, 2019 read with Pakistan Plant Quarantine Act, 1976.

Pakistan is importing ginned cotton from various countries under the provisions of agreed phytosanitary import conditions; with importation prohibited under Rule, l0 (1) (permit subject to pest risk analysis) of PQR, 2019, which stipulates that. 'Plant and plant products shall not be imported into Pakistan for commercial purposes unless the pest risk analysis is carried out by the Department based on the standards of the Convention subject to such restrictions and conditions as it deems fit to impose'.

However, Ministry of National Food Security and Research stated that Pest Risk Analysis between Pakistan and Afghanistan is under process and DPP shared technical audit report with the Ministry of National Food Security and Research, on November 26, 2019 for onward sharing with the Afghanistan side.

Following clarification from MALL/NPPO of Afghanistan was sought with reply still awaited: (i) area-wise cultivation and production; (ii) cotton insect pest data; (iii) pesticide registered on cotton specific insect/pests; (iv) official inspection procedure for export consignment of cotton; and (v) fumigation procedure/chemicals.

PRA process will further proceed after receipt of response from Afghanistan. DPP has proposed that the import of cotton may only be allowed after finalization of PRA as per provisions of the rules.

The Economic Coordination Committee (ECC) of the Cabinet is expected to take up this issue in its next meeting.

Source: brecorder.com– Mar 04, 2021

HOME

****

Pakistan: Cotton production registers woeful 34.18pc fall YoY

The cotton production in the country witnessed an alarming decline of 34.18 percent shortfall as compared to corresponding period of 2020 when arrivals comprised over 8.5 million bales.

According to the statistics released by Pakistan Cotton Ginners Association till March 1, on Wednesday exactly 5,631,191 bales underwent the ginning process i.e. conversion to bales. Cotton arrivals in Punjab were recorded at over 3.5 million or 3,501,580 bales, while Sindh generated just over 2.1 million or 2,136,169 bales.

Cotton arrivals in Punjab were recorded at over 3.5 million or 3,501,580 bales which is 1.5 million bales less as compared to the last years production of more than 5 million bales.

Cotton arrivals in Sindh were recorded 2.1 million or 2,136,169 bales which is 38.52 percent less as compared to the last year's production of more than 3.4 million bales.

Just over 5.4 million or 5,446,141 bales were sold out with major chunk of it, 5.37 million (5,375,941) bales, bought by textile mills and 70,200 by exporters. Exactly 191.608 bales were lying unsold at the ginneries.

Bahawalnagar district of Punjab remained on top with cotton arrival figure of 998,131 bales followed by Sanghar district in Sindh (791,278) and Rahim Yar Khan (656,885 bales).

A total of 22 ginning factories were operating in the country - all of them in Punjab, and none in Sindh.

Chairman Karachi Cotton Brokers Forum Naseem Usman while commenting on the report said that due to the alarming decline in the cotton production seven million bales of worth four billion dollars will be imported.

He said up till now agreements for the imports of 4.5 million bales had been signed. There is a pressure on the economy. He also said that cotton production is lowest in 30 years.

According experts government should take practical steps for increasing the production of cotton in the country. They said it looked that government was not serious in increasing the production of the country.

They also said after 18th amendment agriculture was a provincial subject but unfortunately it looked that both the provincial governments of Sindh and Punjab was not serious in increasing the production as they had not taken any positive steps in this regard.

Source: brecorder.com– Mar 04, 2021

HOME

****

Bangladesh: Knitwear makers, exporters baffled by soaring yarn prices

Knitwear manufacturers and exporters have called for keeping yarn prices unchanged for at least a month to help them to negotiate prices of their goods with global buyers.

They also called for a policy to ensure stable yarn prices as it is fluctuating abruptly and changing frequently without prior notice.

Exporters and trade leaders from the sector made the call amid fluctuation and soaring yarn prices at an extraordinary general meeting (EGM) of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) held at a hotel in the capital on Tuesday.

Shafiul Islam Mohiuddin, MP and former FBCCI president, attended the event as chief guest, while Selim Osman, BKMEA president, moderated the programme.

The EGM was convened to discuss the ways to come out from the present crisis caused by the Covid-19 pandemic, which pushed the prices of raw materials up and slashed demands of finished goods.

"We are getting good responses from the buyers and the work order flow is better. But the problem is soaring yarn prices, which goes up abruptly," said Shamima Akhter, managing director of KAP'S Fashion.

The lack of advance notice on soaring prices is forcing Bangladeshi exporters to lose their competitiveness in the global export market, she added.

"It is not understood why the prices of yarn are going up indiscriminately. They fluctuate so frequently that we cannot fix a deal with the buyers within the set prices," said Zakir Hossain Jewel, managing director of Best Style Composite.

It goes up by $0.10 to $0.20 per kilogram amid negotiations between a buyer and a yarn manufacturer, he also said.

According to BKMEA data, the prices of mostly consumed 30-carded yarn rose to $4.81, which was $2.78 last year.

As of February 2021, the average prices of yarn went up to $3.77 per kilogram from $2.94 a kg in 2020.

The exporters called for holding a tripartite meeting among Bangladesh Textile Mills Association (BTMA), Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and BKMEA to put a leash on the price hike.

They also urged for keeping the yarn prices static for at least a month, as well as informing the buyers about the change 15 days beforehand, so that negotiations can be better dealt.

However, textile millers claim that the cotton yarn prices increased sharply due to the surge in cotton prices in the global markets.

"As the cotton prices in the international market went up, the prices of yarn rose. We have to import as we are not a cotton-producing country," said Mohammad Ali Khokon, BTMA president.

As per BTMA data, per pound cotton cost $0.90 to over a dollar yesterday, which was $0.56 to $65 in 2020.

"Global cotton prices and cotton index is open to all. Let us meet and set a price keeping a 3 per cent profit based on the index of global cotton prices," said Khokon.

"We would like to work together and have to consider the reality for the sake of the apparel and textile industries," he added.

"We are going through a critical time and facing challenges one after another, amid the pandemic, said Selim Osman.

"Raw materials prices went up, while freight charges moved up manifolds. Amid the crisis, customs officials harassing us is rubbing salt on the wound of exporters," said the business leader.

"On top of that, within the next four months there will be two Eids, when we have to pay workers wages and bonuses," he also said.

"In the given context, it would be difficult for us to repay both loan instalments and interest. It is our earnest call to the government to consider either the installment or the interest," said Osman.

Osman also called for the new stimulus package considering the present situation.

"We are exporting and yet sacrificing our profits just to survive. The rising yarn cost is a burden amid the pandemic," said Fazlul Haque, a former BKMEA president.

In case of repayment of loans, the government should not take any steps that may pressurise the exporters. Within the possible limit, the government can think of a further extension for repayment, said Fazlul Haque.

Meanwhile, BKMEA First Vice president Mohammad Hatem urged the government to stop harassment by VAT and Customs officials.

When the government is working hard to improve ease of doing business, some of the officials are making the business process harder and unnecessarily harassing the exporters, he said.

BGMEA vice president SM Mannan Kochi and former senior vice president Faruque Hassan and BKMEA director Fazle Shamim Ehsan were present among the others.

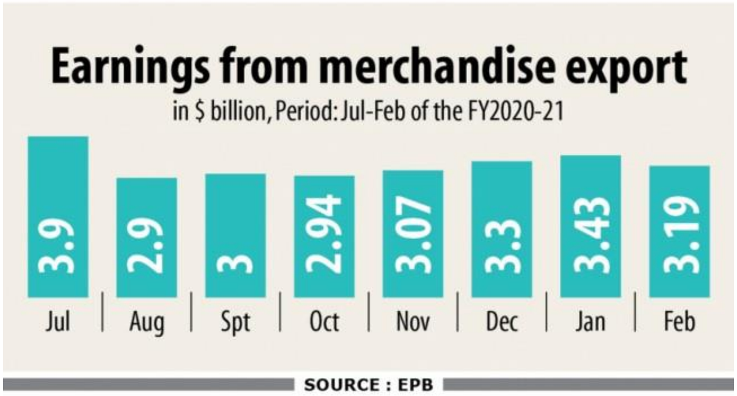
Source: dhakatribune.com– Mar 04, 2021

HOME

****

Bangladesh: Pandemic keeps hurting exports

Earnings from exports declined 3.92 per cent year-on-year to $3.19 billion in February because of a fall in apparel shipment as the lingering coronavirus pandemic continues to hurt the country's key markets.



The merchandise shipment was also 4.83 per cent below the month's export target of $3.35 billion, according to data from the Export Promotion Bureau (EPB).

Shipment of garments, particularly woven ones, are yet to fully recover because many major export destinations in Europe and the US are still under lockdowns due to the second wave of the Covid-19.

Although knitwear shipment has been recovering gradually thanks to increasing demand from people staying at home for longer periods and shorter lead times, the sale of woven garments did not recover as people have cut back on the use of formal wear.

Usually, the sale of woven garments grows with respect to the frequency of people going to formal events and offices.

Industry insiders say Bangladesh has already turned into a major knitwear sourcing hub for international retailers and brands because of its short lead time.

"Shorter lead time is very important in fast fashion," said Fazlul Hoque, managing director of Narayanganj-based knitwear exporter Plummy Fashions.

Local knitwear manufacturers can procure 90 per cent of raw materials from the domestic markets. This is because local spinners and weavers have built strong backward linkage integration for the garment industry, investing nearly $10 billion in the primary textile sector.

But, the woven sector is still dependent on the import of raw materials, mainly from China, India, Turkey and Pakistan, as the investment in the backward industry did not occur to a similar extent.

"So, the knitwear export has been increasing from Bangladesh even during the time of the pandemic," said Hoque.

Between July and February, or the current fiscal year's first eight months, garment shipment declined by 3.73 per cent year-on-year to $21.03 billion.

During the period, knitwear export accounted for $11.34 billion, registering a 4.06 per cent growth.

However, in the case of woven item shipment, there was an 11.49 per cent decline, meaning it amounted to $9.69 billion in the eight months.

"The woven sector is clearly in a distressed situation," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The growth of garment export in February was 5.71 per cent in the negative, of which knitwear export registered a 5.78 per cent positive growth and woven posted 15.47 per cent negative, Huq said.

"Woven garment export growth has declined for the 19th consecutive month due to a slowdown in demand in the time of lockdown in major markets," she said.

Given the backdrop of the faltering progress from Covid-19 and the impact on global business, the distressing situation may prevail for more months till demand at the retail end starts responding positively, Huq also said.

"The price fall issue is another major challenge the industry is facing due to recessed orders. An interim policy measure is required to support the industry to survive till the market shows silver linings," she said.

Apart from woven items, shipments of leather and leather goods declined 4.15 per cent to $605.67 million, frozen and live fish 10.28 per cent to $338.01 million, footwear (other than those of leather) 0.29 per cent to $218.84 million, and raw jute 5.96 per cent to $106.36 million in the eight months.

Export earnings from other important sectors like agricultural products, special textile, shrimp, vegetables, ceramics, plastic goods, terry towel, knit fabrics, crabs, fruits, golf shafts, headgears, furniture and paper and paper goods, also declined.

However, some sectors showcased earnings in positive.

They include jute and jute goods (23.67 per cent to $862.74 million), home textile (38.92 per cent to $730.82 million), leather footwear (0.20 per cent to $377.34 million) and chemical products (21.34 per cent to $172.37 million).

Moreover, the export of bicycles, dry foods, rubber, tea, light engineering products, pharmaceuticals, electronics goods, carpets and handicrafts also grew.

Source: thedailystar.net– Mar 04, 2021

HOME

****

Pakistan: Innovation and investment in textiles

Textile and apparel manufacturing not only serves as a creator of jobs, but also delineates a sustainable path to industrialization, and enables value chain relationships that modernize economies and add complexity. As stated in IFC's publication "Innovation, investment and emerging opportunities in today's textile and apparel value chain," value chains that support the textile and apparel industries are rapidly evolving – by integrating new technologies, embracing workplace innovations, adopting sustainable efficiencies, and inventing products and processes to meet the changing demands of global consumers and markets. The findings from IFC are referenced and analyzed in this article.

As IFC authors Manchanda, Schlorke and Schmitt pointed out, countries with an abundance of low-wage, minimally skilled workers enter the industry to conduct heavy manual labour and, with time and learned experience, build skills that enable them to progress towards complex products, integrating them into more important value chains and steadily advancing standards of living.

Today, the global textile and apparel manufacturing sector employs about 60 million workers — 80 percent of them in Asia, and mostly female — and employment is not expected to shrink anytime soon. At the same time, working conditions in the industry have been improving as a result of a more widespread and diversified value chain. Furthermore, public-private partnerships are key to leveraging policies that encourage value chain diversification.

Pakistan, with a developing economy that has established an industrial base, now needs to focus on developing supply chains, particularly by looking after its cotton sector. The lack of investment in cotton seed research and the failure to adopt new technology have led to heavily importing cotton to meet our industry's requirements.

In contrast, Brazil has laid the foundations for a strong cotton sector that can effectively respond to advantageous shifts in world markets. Their broad macroeconomic policy has encouraged investment in cotton, and their agricultural policies provide a safety net during periods of low prices. The Brazilian cotton industry is an excellent success story for us to emulate, as their struggles and triumph over adversity correspond to the struggles of the global industry in these current trying times. One can appreciate that the production of high volume, high quality cotton in Brazil is no small feat, but rather one that came about as a result of perseverance.

Uzbekistan's model of cotton production and the use of clusters in recent years has reaped positive results, and Pakistan may do well to emulate it. Every year the Government of Uzbekistan assigns the area to grow cotton for textile companies under the crop placement system. The reforms in the cotton sector have led to backward and forward integration, and improved productivity and sustainability manifold.

Cotton production in Pakistan has unfortunately plunged 34% to 5.57 million bales (of 155 kg per bale) in the current fiscal year 2020-21, compared to the same period of last year. Considering our current shortfall of 2.9 million bales, poor productivity in the cotton sector puts the viability of the export-oriented textile sector at risk, and therefore threatens an industry that has a 60 percent contribution to overall exports of the country. We are facing our lowest cotton production in 30 years, which is alarming. The production shortfall has forced the value chain to rely on imported cotton, with import expenditures of over 5 billion dollars (from FY16 to FY20) on cotton imports to meet the demands of the domestic textile industry.

Issues in Pakistan's cotton sector include the failure of cotton seed which is substandard and not resistant to pests and diseases. The world has shifted to genetically modified seeds and improved their cotton production and yield per acre but Pakistan still faces inferior seed quality. There is also a need to facilitate entry of international seed companies with transgenic technologies into the Pakistani market. The adoption of local varieties must also be fast-tracked.

Measures are necessary for the production of long staple cotton for value-added products and to meet domestic demand for high quality fabrics, including introduction of BT cotton on priority basis. Furthermore, the currently available pesticides have failed to yield results against major cotton pests.

We must cultivate backward and forward integration and diversification into global value chains through enduring connections with brands, technology, skill-building, and investments in base-material industries. There is also a dire need to support the production of complex materials such as synthetic fibers and encourage the upgrading of process technologies to improve sustainability. Therefore, we will be able to expand

and diversify the manufacturing base through textiles and apparel-based activities.

Productivity in Pakistan has been stagnant and aggregate gains have been mostly driven by more productive firms gaining market shares. This situation is likely to persist if timely efforts are not made to ease import conditions, rationalize tariffs, value competition and markets and modernize education in the country. It is about time the government, academia and industry linkages were strengthened in order to stimulate R&D and innovation, thereby paving the way for enhanced productivity. Policies should target and facilitate young innovative companies in order to build them up and help modernize Pakistan's business environment.

Apparel factories, unlike highly automated car plants or semiconductor assembly lines, continue to be labour-intensive enterprises despite technological advancement, requiring armies of low-wage workers to sew, dye, stitch, and handle hundreds of millions of pieces of fabric and apparel in every conceivable size and color, to produce a near-endless selection of clothing. As a result, big brands seek low-wage assembly workers, providing opportunities for the cheaper workforce to enter the industry.

"China, Bangladesh, Pakistan and Indonesia experienced surges in textile and apparel industry employment between 1980 and 2017, just as robotics and automation were booming in many industries." Now other countries that are geographically well positioned and that have low-wage workers are motivated geared to take their place in the industry.

This is a recurring pattern. When Japan's workforce became too expensive in the late 1960s, South Korean manufacturers took their place. When South Korea grew too expensive, China, India, and Bangladesh filled the void. Pakistan with its youth bulge and abundant workforce entering the employment arena each year, is centrally placed to avail the opportunity provided by China moving out of labour-intensive industries.

Technology that once presented barriers to entry for developing economies has become affordable and transferable and is creating opportunities to integrate into increasingly important value chains and markets. The trends of the new industrial revolution are driven by technological innovations that trickle down from the most advanced economies to developing economies through dynamic value chains that span the globe. It is a pattern that has been repeated for hundreds of years but is now accelerated by textile and apparel value chains.

For Pakistan's exporters, the TERF scheme has led to a substantial increase in investment levels at a time where capacity was already full, presenting a golden opportunity for expansion. In this leap towards technological advancement and capacity development at a scale never seen before, aggressive policy support from the government will play a critical role.

Source: brecorder.com– Mar 04, 2021

HOME

****

Pakistan and Bangladesh to promote trade ties

Bangladesh attached great importance to its relations with Pakistan and there were deep historic ties between the two countries, stressed the Bangladesh High Commissioner Ruhul Alam Siddique during a meeting with Rawalpindi Chamber of Commerce and Industry (RCCI) President Mohammad Nasir Mirza.

Underscoring the potential areas, he said that trade opportunities between Pakistan and Bangladesh could be explored in a variety of sectors including construction material, light engineering, surgical goods, sports goods, food processing, cotton yarn, tourism and pharmaceutical sectors.

The commissioner further said that the trade balance between both the countries has always been in favor of Pakistan. Exports from Pakistan to Bangladesh stood at $700 million while exports from Bangladesh to Pakistan were just $50 million.

Bangladesh is in fact the second top export destination of Pakistan in Asia after China and Afghanistan.

Pakistan's major exports to Bangladesh have been woven cotton fabrics, cotton yarn, raw sugar, raw cotton, tanned leather, machinery and its parts and synthetic fabrics including silk and woolen.

Raw jute, tea and mate, yarn & thread of synthetic fibers and tobacco are some of the products that Pakistan imports from Bangladesh.

Ruhul Alam Siddique emphasized the need of having regular meetings to strengthen the bilateral trade ties between both the countries, adding that the last Joint Economic Cooperation meeting was held in 2007 which was a long time ago.

He also guaranteed his support to the businessmen present in the meeting and said that his office was ready to provide full support to the traders seeking Bangladesh visa.

RCCI President Nasir Mirza also spoke on the occasion and stressed the importance of Bangladesh being a key member of the South Asian Association for Regional Cooperation (Saarc) bloc. He said that the chamber was ready to cooperate in exchange of delegations and holding bilateral business conferences.

Highlighting areas of cooperation between the two sides, Mirza stated that bilateral ties could be promoted in the fields of tourism, education, agriculture, IT and pharmaceutical. “Bangladeshi investors can take advantage of investment opportunities in Pakistan,” he added.

Despite the general unfriendly political environment, trade has been considered one of the primary factors raising hopes of thawing the otherwise cold relationship of Bangladesh and Pakistan. It is hoped that this meeting would pave way for cordial relations between the two countries.

Source: globalvillagespace.com– Mar 04, 2021

HOME

****

NATIONAL NEWS

Shri Piyush Goyal emphasizes on integration of road, rail and waterways to achieve One nation, One market;

Minister of Commerce and Industry, Railways and Consumer Affairs and Food & Public Distribution, Shri Piyush Goyal today emphasized on integration of road, rail and waterways to bring down the cost of transportation logistics and ensure success in achieving One nation, One market. Speaking at the Maritime India Summit 2021, he said that we are working on multi-modal logistics solutions to bring down the cost of transportation & increase supply chain efficiency

Appealing to all stakeholders to utilize this opportunity to transform from being 'service provider' to 'knowledge provider', the Minister said that if we re-invent with technology driven solutions like robotics, automation, artificial intelligence, big data analytics, our sector will be SAFE: Sustainable, Agile, Futuristic, and Efficient. “It's time that we plan our port sector in such a manner that we can have modern and efficient ports, turnaround time of ships is brought down significantly.

A more competitive spirit will help to keep the cost in freight and at port low. The Maritime India 2030 vision launched by Prime Minister highlights the priorities of our government. The slated investments of ₹3 lakh crore in various port projects will help create 20 lakh new jobs in this sector. The investment in the Sagarmala projects will boost our Maritime infrastructure and help expand our freight corridors.”

The Minister said that in the 6 years, the capacity of our major ports has almost doubled. He said that we have developed smart cities & industrial parks and integrated ports with the coastal economic zones. International and domestic freight costs will reduce from 13-14% Cost of Goods to a more acceptable international benchmark of 8%. Shri Goyal said that our Government's 3 mantras for the infrastructure sector are: Upgrade - Create – Dedicate.

The Minister said that We are working to turn our coastal region into a role model for ease of living & ease of doing business. He urged the industry captains to build industry at sea coasts. He said that we on our part will ensure ease of doing business, and will work in partnership with States for enhancing ease of doing business at state and local level. The Minister said

"Let us work together with a triple engine: - Engine of Central Govt - Engine of State Govt - Engine of our Robust Maritime Sector Let the engine of growth & development in India prosper & flourish."

Shri Goyal said that Maritime India summit 2021 will be the beginning of our victory against high freight costs, our victory to be an international player in maritime sector, and our victory in ensuring jobs for lakhs of brothers and sisters. He said that the hon'ble prime minister envisions the maritime sector as a very critical sector for Aatmanirbhar Bharat.

He informed that as on 28th February 2021, Indian Railways has moved 110 crore metric tonnes of freight traffic, which is exactly the same quantity that was moved in the previous year, as on 28th February 2020. "Despite COVID we have reached the same level of freight traffic. By December 2023, the entire rail network will be fully electrified and by 2030, the entire rail network will run of renewable energy".

The Minister said that we are working closely with the Govt of Andhra Pradesh to further develop road, rail and port infrastructure and promote dedicated freight corridor, for encouraging economic activities and bring manufacturing activity & promote industrial parks in the State. Shri Goyal said that we are now starting Roll on-Roll off services and double stack container trains from Andhra Pradesh which are helping industries in moving goods faster & bringing down carbon emissions.

Source: pib.gov.in– Mar 03, 2021

HOME

****

Shri Piyush Goyal calls for working towards ensuring India's recognition on the global stage as a quality conscious country

The Minister of Commerce and Industry, Railways and Consumer Affairs and Food & Public Distribution, Shri Piyush Goyal today said that We must work towards ensuring India's recognition on the global stage as a quality conscious country, as a country with which people can do business with a confidence.

Speaking at the concluding session of the Workshop on Easing Compliance of BIS Certifications, he said that Quality is profit, and it prepares businesses for greater profits. He said that Quality speaks for itself, and Quality is not expensive. It adds to the productivity, helps businesses to get bigger markets so that they can get economies of scale and helps to eliminate wastage

Urging for a greater collaborative effort through our industry associations, Shri Goyal said we should make the Indian standard a world-wide accepted standard. He said that Bureau of Indian Standards (BIS) should operate on 'QUICK' Model - Quality, Uniformity through One Nation One Standard, International Mindset, Conformity Assessment and Knowledge Sharing. He said that Our Mantra for the day should be Quick Action, Quick Response, and Quick Absorption of best practices and Quicker Ways of Working. The Minister said that we must work towards ensuring India's recognition on the global stage as a quality conscious country, as a country with which people can do business with a confidence.

Regarding Knowledge sharing, the Minister referred to Udyog Manthan exercise, a marathon of 2-month long webinars on Quality and Productivity, in which industry, experts, motivation speakers and line ministries took part. He said that it has set the tone to absorb quality and productivity as the mantras for an Aatmanirbhar Bharat where Make in India will hold centre-stage and we will expand the frontiers of our trade & business.

The Minister called for more and more use of artificial intelligence, big data and other technology related solutions to help resolve standardisation issues facing industry and other entrepreneurs. Shri Goyal said that 'ISI Standard Mark' should represent Quality, Productivity, Affordability& Accessibility.

The Minister said that the certification process will be simplified. Stating that BIS should ensure the cost of testing never becomes a detriment to conforming to quality and getting certification, he said that there will be reduction of fee for the certification for MSMEs. He said that this is a dawn of a new era of an Aatmanirbhar Bharat where digitalization & efficiency are going to determine India's success in the future. The Minister mentioned that it is protected by quality consciousness of consumers & also by our collective consciousness.

Secretary, Department of Consumer Affairs Smt. Leena Nandan also addressed the workshop. She applauded the workshop saying that this is very fruitful and rewarding session for all participants to reach out to the industry. She said the Department of Consumer Affairs & the DPIIT have been working closely to remove the difficulties faced by the industry.

The workshop was organized jointly by Department of Promotion of Industry and Internal Trade, along with the Department of Consumer Affairs and Bureau of Indian Standards, to facilitate closer interaction between various sectors of industry and the apex national standards body. This workshop has been organized to facilitate closer interaction between various sectors of industry and the apex national standards body. Four technical sessions on Standardization, Testing Activities, Certification Activity and Implementation of QCO’s were organized during the workshop.

Source: pib.gov.in– Mar 03, 2021

HOME

****

GST body could correct inverted duty on textile, fertiliser, footwear in March

The Goods and Services Tax (GST) council—the apex federal body on indirect taxation—is expected to consider removing inverted duty anomalies suffered by several sectors such as textile, fertiliser and footwear this month, two people aware of the development said.

This is an old issue that required urgent attention now as businesses involved in these sectors are unable to claim input-tax credit (ITC) because of higher levies on raw materials (or inputs) compared to the finished goods, they said requesting anonymity. Inverted duty structure is a situation in which inputs are taxed at a higher rate than finished goods.

The council could not correct it in the past, particularly during last year due to the pandemic, because it would have had an adverse impact on either GST revenue collections or consumer prices of the finished products, one person said. The GST council is chaired by the Union finance minister and has finance ministers of states as its members. The council's decisions are often unanimous.

The council is expected to meet this month, but a date is yet to be finalised, the first person said.

"Inverted duty structure can be corrected either by reducing GST on inputs or by raising levies on finished products. Now, with rapid economic recovery and robust GST collections, this matter could be resolved. But, the final decision depends on the GST council," the second person said.

The Indian economy has come out of recession in the third quarter of 2020 ending December 31, with a 0.4% growth after remaining in contraction mode for two consecutive quarters due to a 68-day hard lockdown since March 25 to check the spread of Covid-19. This also reflected in the GST collections. After remaining in contraction mode for six months in a row, GST revenue increased from September 2020 and crossed the ₹1 lakh crore mark in subsequent months.

Archit Gupta, the founder and chief executive officer (CEO) of the financial technology platform ClearTax, said the GST council had discussed the issue in the past, but without a conclusion. "The main reason is the loss of revenue resulting from any reduction of tax rates on the inputs," he said.

“The inverted tax structure causes a ripple effect on the fund flow of a business. It blocks the working capital for businesses due to input tax credit accumulation,” he added.

According to Divakar Vijayasarathy, the founder and managing partner of consulting firm DVS Advisors LLP, said GST on input is higher than GST on output in some manufactured goods such as footwear, man-made yarn and LED lights. “The most critical impact is on the working capital of the businesses since GST paid at higher rates on inputs is blocked till the grant of refund,” he said. The refund process is cumbersome and tends to be vulnerable to litigations, he added.

Experts said such anomalies should also be corrected vis-à-vis service inputs. “The same situation arises when traders use e-commerce platforms to trade lower GST rate items or nil rate items and the platforms charge commission at 18% GST. Input-tax credit on commission pileups is of no use to the taxpayer, which ultimately affects business profitability and increased prices of items,” Kapil Rana, a chartered accountant and founder of HostBooks Ltd, a cloud-based accounting platform, said.

“The solution to inverted duty structure is imminent as has been mentioned by the FM in the Budget and the time has come to put the matter for the consideration of the council,” the first person said.

Delivering the budget speech on February 1, Union finance minister Nirmala Sitharaman said: “The GST council has painstakingly thrashed out thorny issues. As chairperson of the council, I want to assure the House that we shall take every possible measure to smoothen the GST further, and remove anomalies such as the inverted duty structure.”

Source: hindustantimes.com– Mar 03, 2021

HOME

****

Piyush Goyal proposes uniform rate card for testing facilities for industry, TUFS like scheme for MSMEs

Commerce and industry ministry on Wednesday asked the Bureau of Indian Standards, the Quality Council of India and private sector to create a schedule of testing and certification charges for industry, similar to the rate card in Ayushman Bharat.

He also said the railways will be the first large organisation to dovetail all their standards with BIS in a move towards 'one nation one standard'.

"Focus on clusters and ensure that the cost of testing never becomes a detriment to conform to quality and getting certification," Goyal said at a Workshop on Easing Compliance of BIS Certifications.

The minister, who holds the charge of ministries of commerce, railways and consumer affairs, also asked the Department for Promotion of Industry and Internal Trade (DPIIT) to consider for the micro, small and medium enterprises a Technology Upgradation Fund Scheme (TUFS) kind of scheme that textiles sector has, to help MSMEs upgrade their quality.

"Can we give some interest subversion or some credit guarantee or some support to help MSMEs upgrade and put in technology to meet international quality standards," Goyal said. The minister also suggested BIS to create sectoral experts on standards who can handhold industry but should not be allowed to fill up the forms or do the process of certification.

"They should not become conduits for certification," he said, adding that the country has to move from the concept of standard compliance to standard consciousness by following the QUICK model- quality, uniformity (through one nation one standard), international mindset, conformity to standards, and knowledge sharing.

Goyal also said that the BIS is working on reducing the charges for MSMEs, startups and women entrepreneurs particularly in the initial phase of business.

Source: economictimes.com– Mar 03, 2021

HOME

****

Higher global offtake to boost India's cotton shipments

World cotton body cuts output estimate

India's cotton exports to get a boost with global cotton consumption seen going up.

In its latest cotton demand and supply estimates for March, the International Cotton Advisory Committee (ICAC) has revised upwards the global consumption projections at 24.5 million tonnes (mt) for 2020-21 against 22.8 mt in the previous year.

"With some signs of recovery, the seven per cent expected growth in mill-use would not be a complete rebound from the losses incurred during the pandemic but would exceed production for the current season," ICAC stated in its estimates released on Monday.

Export prospects bright

However, the rise in the global consumption will boost prospects for Indian cotton exports. Cotton Association of India (CAI) had projected India's cotton exports at 54 lakh bales (each of 170 kg) for the season 2020-21 against 50 lakh bales in the previous year. This, according to trade sources, is likely to further go up by the end of the season in September 2021.

A Rajkot-based cotton trader and exporter said informed that at the current higher rates of nearly 89 cents per pound, Indian prices are supportive for exports.

CAI estimates have shown that more than half of the projected exports, 29 lakh bales, have already been shipped in the initial four months of the season till January 31.

Indian exporters can look to capitalise on the uptrend in the international cotton prices towards 90 cents. July ICE Cotton futures quoted at 91.52 cents per pound.

In India, cotton futures on BSE quoted at ₹46,950 per candy (each of 356 kg of processed ginned cotton), against last month's ₹44,275.

Supply, offtake

Atul Ganatra, President, CAI, stated that India's cotton consumption is still sub-par, hence the outlook provided by the ICAC will not have much bearing on Indian market.

"We are a surplus cotton country. Spinning mills in South India are still not operating at 100% capacity. This means, there is not much room for India's domestic consumption to go up," said Ganatra.

Meanwhile, ICAC sees cotton supply to increase in the next season i.e. 2021/22 "as higher prices are correlated to expansion in planted area."

Source: thehindubusinessline.com– Mar 03, 2021

HOME

****

Two mega textile parks to come up in Gujarat

In a major boost to the textile industry and to enable forward and backward integration in the sector, the government of Gujarat has announced establishment of two mega textile parks during the budget presentation in Gandhinagar on Wednesday.

These parks will be set up as part of the Union Budget announcement, of setting up seven mega textile parks. Industry players feel the move will go a long way in making the industry globally competitive.

“Mega Investment Textile Parks will make the industry more competitive at a global level and this will not just boost exports but at the back-end, it will also help generate more employment. At the same time, a single cluster will definitely help bring in more investments in the textile sector,” said Chintan Thaker, co-chair, Assocham – Gujarat state Council.

“This will give an impetus to MSMEs in the textile sector, which is the highest employment generator after agriculture. It will help ancillary units in textiles in a big way. Moreover, the plug-and-play model for the park will aid employment generation and also give an ecosystem to exporters and domestic manufacturers,” said Thaker.

Industry stakeholders also said that the state government’s announcement on the Rs 1,500 crore outlay for providing subsidy to the industries under the textile policy will also go a long way in boosting competitiveness of the domestic manufacturers.

Vijay Purohit, president, Gujarat Garment Manufacturers’ Association (GGMA), said, “A cluster approach not just brings in investments but instead it also helps build an entire textile value chain, which is currently very segregated in different geographical locations. This will help the industry grow, scale-up and innovate while being more competitive.”

Source: timesofindia.com– Mar 04, 2021

HOME

****

India's cotton exports likely to rise 50% this year to 75 lakh bales this year

Cotton exports from India are likely to rise 50 per cent this year to 75 lakh bales in the 2020-21 crop year beginning October with revival in global demand from China and Bangladesh in the last one month, said trade bodies.

The exports can see a further boost if Pakistan opens its market for Indian cotton, said Mahesh Sharda, president of Indian Cotton Association. Trade between the two countries has been suspended since 2019.

Indian cotton is the cheapest in the world compared to the US, Brazil, and Australia and hence there is a huge potential to export, he said.

"In the last ten days, China alone has ordered over 10 lakh bales (one bale of 170 kg each) with global prices firming up. Also, Pakistan which has a shortfall in production may import cotton and yarn from India if trade between the two nations resumes. These factors can easily lead cotton exports to 70-75 lakh bales this year compared to 50 lakh bales in 2019-20," said Sharda. In 2018-19, India had exported 42 lakh bales.

Countries are regularly buying cotton from us as our cotton prices were 15 per cent cheaper than COTLOOK A index, which represents the international raw cotton market price, said Sharda.

Up to February end, India has exported 38 lakh bales of cotton largely to China, Bangladesh and Vietnam and has signed future contracts for 7 lakh bales, said exporter and trader Dharmendra Jain, partner at DP Cotton. "There is regular export demand and we can expect export of five lakh bales to Pakistan which can take total export for this year to 75 lakh bales," he said

Cotton can be exported from the Attari border in Punjab with mills from adjoining states to fulfil the contracts, said Jain.

Cotton prices gained nearly 5 per cent in one month due to tight supply and high demand from export and mills, said Saurabh Pahade, research analyst at Kedia Advisory.

In the last one-year prices have seen a 20 per cent growth. "China's demand for Indian yarn resumed to pre-Covid levels during November-December

2020. Pakistan may allow cotton import from India through land route as prospects of the gradual restoration of bilateral trade ties," he said.

In the domestic market, cotton prices increased gradually since October from Rs 40,000 per candy of 356 kg to current price of Rs 47,000 per candy, said Atul Ganatra, president, Cotton Association of India.

"The exports in the first 6 months of the season, beginning October have been good, but at this high rate may not sustain. Up to February we have done export shipments around 34 lakh bales and we can expect cotton exports in 2020-21 to be close to 60 lakh bales," he said.

Ganatra said the Indian cotton prices will move in tandem with the global trend which was firm due to a lower crop in the US.

Source: economictimes.com– Mar 03, 2021

HOME

****

BIS certifications: Government looks to ease compliance process

The government will hold a workshop on Wednesday seeking to ease the compliance process for obtaining quality certificates from the Bureau of Indian Standards (BIS). The workshop on 'Easing Compliance for Certifications' is being organised on March 3 jointly by the Department of Promotion of Industry and Internal Trade, along with the Department of Consumer Affairs and Bureau of Indian Standards, an official statement said.

Piyush Goyal, Union Minister for Consumer Affairs & Food and Public Distribution, Railways and Commerce and Industry will address the workshop."With an aim to promote Ease of Doing Business, the government is going to facilitate simplification of the process of compliances that are required to be completed for obtaining certification at BIS," it added.

This workshop will facilitate closer interaction between various sectors of industry and the apex national standards body. The workshop, which is being held at BIS headquarters, will focus on various aspects of standards formulations, conformity assessment processes and requirements of testing.

"Workshop will also focus on making Indian Standards attain global standards in all spheres so as to ensure that 'Make in India' mission achieves its objectives," the statement said. The interaction is aimed at understanding the problems being faced by the industries, particularly the MSMEs (Micro, Small, and Medium Enterprises), startups and small enterprises and take their suggestions for building a strong system that encourages and facilitates better adoption of Indian standards across products and services.

The focus of the Department of Consumer Affairs is to ensure quality and quantity of products, processes and services to the consumers by way of the BIS Act, 2016 and Legal Metrology act, 2009.

Through the Consumer Protection Act, 2019 the objective is to enable consumers to feel secure and empowered to make informed choices; ensure fair, equitable and consistent outcomes for consumers; and facilitate timely and effective grievance redressal.

Source: economictimes.com– Mar 02, 2021

HOME

****

MSME sector emerges as growth engine of economy: RBI governor

The micro, small and medium enterprises (MSME) sector has emerged as the growth engine of the economy and is showing signs of revival after the pandemic-led de-growth in early part of the current fiscal, according to Reserve Bank of India (RBI) governor Shaktikanta Das, who recently said the sector has been rendered vulnerable by the pandemic.

"MSME has emerged as the growth engine of the economy with a vast network of about 6.33 crore enterprises contributing 30 per cent of our nominal Gross Domestic Product (GDP) and 48 per cent to exports," he said while addressing an event on the occasion of 185th Foundation Day celebration of Bombay Chamber of Commerce and Industry.

Concerted efforts are needed to combat the stress and focus on the revival of the sector, he said.

Das called for increasing digital payment and digital penetration across the country.

"As digital capabilities improve and connectivity becomes omnipresent technological innovation and technology-driven revolution are poised to quickly and radically change India's economy," he was quoted by a news agency as saying.

Source: fibre2fashion.com– Mar 03, 2021

HOME

****