TEXPROCIL NEWS CLIPPINGS

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IBTEX No. 46 of 2021 March 05, 2021

US 72.87| EUR 87.15| GBP 101.19| JPY 0.67

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INTERNATIONAL NEWS

Textiles and apparel boost US manufacturing growth in February

The textile and apparel sector helped boost US manufacturing growth in February, new data shows, with the economy notching a ninth consecutive month of growth.

According to the latest Institute for Supply Management (ISM) 'Report On Business,' the February Manufacturing PMI (purchasing manager's index) registered 60.8% – an increase of 2.1 percentage points from the January reading of 58.7%.

This figure indicates expansion in the overall economy for the ninth month in a row after contraction in March, April and May. The New Orders Index registered 64.8%, up 3.7 percentage points from January, while the Production Index registered 63.2%, an increase of 2.5 percentage points.

The New Export Orders Index registered 57.2%, an increase of 2.3 percentage points on last month, while the Imports Index registered 56.1%, a drop of 0.7 percentage points. Textile mills, and apparel, leather and allied products were among the 18 manufacturing industries to report growth in February.

"A sense of urgency is being felt regarding new orders," one textile mill owner was quoted as saying. "Customers are giving an impression that a presence of stability is forthcoming and order flow is increasing."

Timothy Fiore, chair of the ISM manufacturing business survey committee, said: "Manufacturing performed well for the ninth straight month, with demand, consumption and inputs registering strong growth compared to January.

Labor-market difficulties at panelists' companies and their suppliers continued to restrict manufacturing-economy expansion and will remain the primary headwind to production growth until employment levels and factory operations can return to normal across the entire supply chain."

Source: just-style.com– Mar 04, 2021

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US suspends tariffs on UK fashion and textile exports

A total of 19 clothing and textile products exported from the UK will benefit from the 25% tariff suspension. This includes jumpers made of cotton, wool, cashmere and manmade fibres, women's anoraks, men's suits, pyjamas, swimwear, blankets and bed linen.

The tariff will be suspended for four-months, until the UK and US government finalise a long-term agreement. The tariff had been imposed since October 2019, following a decades-old battle between the US and European Union over illegal subsidies for aircraft manufacturers Airbus and rival Boeing. The changes will be implemented from the 8 March but will be backdated to 4 March.

Adam Mansell, CEO of UKFT, said: "I am delighted that the US 'airbus' tariffs have been suspended for UK exporters. The tariffs have cost UK fashion businesses dearly over the past year at a time when trade was already extremely challenging. We have been working very closely with the Department of International Trade on this issue and we will continue to work with them to reach a permanent solution."

Several fashion retailers and manufacturers have welcomed the move. Simon Cotton, chief executive of Johnstons of Elgin, the largest manufacturer cashmere knitwear in the UK, said: "We are delighted to see these additional Airbus/Boeing tariffs suspended and hope this will lead to a permanent removal of the tariffs in time for our main shipping season, later in the year.

"We have absorbed these tariffs for the last year, which has been a very significant cost to our business as a challenging time. This is extremely welcome news and gives us much greater confidence to pursue the growth opportunity which the US market continues to represent."

Bill Leach, global sales director at knitwear brand John Smedley, said: "We can breathe a huge sigh of relief that for at least the next four months, our US business is so much more viable than it was yesterday. We have absorbed these tariffs – almost treble what they would be normally – for more than a year, which is particularly hard given the challenges of the market in the UK and overseas. We hope that the two governments will make this a permanent solution."

Source: drapersonline.com– Mar 04, 2021

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Intertextile Apparel Fabrics to serve as textile trading platform

The Intertextile Apparel Fabrics-Spring Edition 2021 will be held from March 17-19, 2021, at the National Exhibition and Convention Centre, alongside Yarn Expo Spring, Intertextile Shanghai Home Textiles, CHIC, and PH Value. The show attracts a line-up of global companies, to help them seize business opportunities in China's recovering textile market.

From the finest European fabrics to inspirational design patterns, international exhibitors will satisfy visitors' sourcing needs with quality products and extensive offerings. This edition, exhibitors from Argentina, Denmark, Ethiopia, France, Hong Kong, Italy, Japan, Korea, Spain, Switzerland, Taiwan, Turkey, and the UK are taking part. Visitors will also be able to source from country and region pavilions from Hong Kong, Japan, Korea, and Taiwan, along with the Korea Textile Centre group pavilion. In addition, Chinese exhibitors will be grouped by product-end use, according to Messe Frankfurt.

For buyers who cannot attend the fair in person, Intertextile's online business matching platform, Connect PLUS, will be accessible two weeks before and four weeks after the fair. With a database of over 4,500 global exhibitors and buyers as well as AI-driven matching recommendations, users can search for products, chat via instant messaging and video call functions, and schedule online or onsite meetings.

Online exhibitors can also join the fair's Hybrid Showcase to display their products for onsite buyers to touch and feel. Complemented by the Intertextile mobile app, live-streams and webinars, these digital solutions maximise product exposure for exhibitors while enhancing sourcing efficiency for buyers, Messe Frankfurt said.

Located in hall 5.1, SalonEurope presents the finest European fabrics to cater to the increasing market demand for high quality solutions. Alumo from Switzerland will accommodate the rising trend for luxurious casual looks with its fine Swiss cotton and leading shirting fabrics, for example with its Zephirlino collection that combines elegance and comfort with 70 per cent fine cotton and 30 per cent pure French linen, according to a press release by Messe Frankfurt.

First-time exhibitor Sidogras from Spain will offer its finest fabrics for shirting, including the Continuity collection with permanent stock, the Season collection for responding to fast changing fashion trends, as well as its Bottom Up line for pants, jackets, dresses and drapery. For more specific sourcing needs, such as visitors looking for high-end wool suppliers for menswear and ladieswear, the Premium Wool Zone is the ideal place to stop by. This popular product zone will be expanding in the upcoming Spring Edition of Intertextile. Besides the return of renowned European mills, new exhibitors from Italy joining Premium Wool Zone for the first time include Carnet and Lanificio F.lli Cerruti, who will be showcasing their sophisticated fabrics for men's suiting, jacketing, overcoating and bespoke tailoring.

In addition, Verve for Design will be inspiring the apparel industry with original pattern designs created by studios from Argentina, Denmark, Italy, the Netherlands and the UK. Some of the participating exhibitors in this zone include Fairbairn & Wolf Studio, based in both London and Shanghai and known for its innovative print collections, and Anteprima Designs, an Italian studio specialising in hand-painted and digital textile designs, Messe Frankfurt said.

"We are extremely grateful for the support of our international exhibitors in spite of the challenges posed by the pandemic. The diverse line-up this edition allows us to ensure diversified supply chain options for our visitors. Given that many trade fairs around the world are affected, Intertextile going ahead in March means that the fair will serve as the main trading platform for the textile industry for the spring / summer season, both in an online and in-person format," Wendy Wen, senior general manager of Messe Frankfurt said in a statement.

Source: fibre2fashion.com– Mar 04, 2021

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Foreign investment law guarantee for rising FDI in China: official

China's foreign investment law has created a more market-oriented investment environment for foreign investors and enterprises, and has been acting as a guarantee for an increase of 4.5 per cent of foreign direct investment (FDI) to the country last year, according to Zang Tiewei, a spokesperson for the Legislative Affairs Commission of the National People's Congress Standing Committee.

Data shows the scale of foreign investment and the global share reached a record high, making China the world's largest destination for foreign capital, according to a top Chinese newspaper.

The result comes against the challenge of global epidemic and the law has shown Chinese government's determination on opening-up policy, Zang said.

FDI in China in 2020 increased by 6.2 per cent year on year (YoY) to reach a record high of 999.98 billion yuan, equivalent to $144, 37 billion and an increase of 4.5 percent YoY in US dollar terms, the ministry of commerce announced earlier.

Actual foreign investment in Chinese service industry expanded by 13.9 per cent YoY with 77.677 billion yuan and took 77.7 per cent of all FDI.

As part of the law, foreign-invested enterprises will be granted access to government procurement markets through fair competition. The law also bans using administrative licensing and penalties to force foreign investors and firms to transfer technology.

Foreign companies are entitled to equal participation as their domestically-invested peers in the formulation and revision of national, industrial and local standards in accordance with the law. They can make standards-related recommendations and undertake such work as setting standards.

The ministry recently released 22 measures to expand high-level opening-up, including technology and talent from global markets, to reinforce China's strengths in attracting foreign investment.

The ministry said it will promote the integration of international and domestic industry chains, and relax the requirements for foreign investors' strategic investment in listed companies, including such areas as qualification requirements, shareholding ratios, and shareholding lock-up periods.

Source: fibre2fashion.com– Mar 04, 2021

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Mutually beneficial partnerships can help the US overcome supply chain inadequacies

Hit hard by the pandemic, America's apparel manufacturers are moving away from the Trump administration's 'America First' Biden's 'Buy American' policy. As per a McKinsey report, 71 per cent of America's small businesses were negatively impacted by the pandemic and this once again brought into sharp focus the inadequacies in supply chains.

Carbon neutrality by 2050

The Biden administration aims to build tighter procurement and build supply chain resilience to make the country self-reliant in critical raw materials. As a per Innovation in Textiles report, it is currently focusing on addressing climate issues like rejoining the Paris climate accord and revoking permits for the Keystone XL pipeline scheduled to run from Canada to US along the West coast.

The administration also aims to achieve carbon neutrality by 2050 by accelerating its move to renewable energy, says John Kerry, Biden's special envoy for climate. Gina McCarthy, the President's domestic climate advisor said the government aims to use the Federal budget and its procurement opportunities to inform the market about technologies and products that need to be built in the country.

Eco-friendly partnerships

US textile and apparel manufacturers are also focusing on environmental and social impacts of domestic and imported goods. Manufacturers are embracing new sustainability initiatives as can be seen from industry conferences and trade shows such as the IFAI's annual Expo. American suppliers are also focusing on eco-friendly partnerships such as opening Hohenstein, a top European service provider and manufacturer opening an US office. The country also sees digital innovation as essential for achieving a transparent supply chain.

Change in shipping rules

Making a cautious move, the Biden administration is building international partnerships without disturbing existing tariffs and other trade barriers. However, it needs to give attention to rising shipping costs which have increased by almost 300 per cent in the past 12 months, says the FBX Freightos Baltic Index.

Special attention needs to be paid to the Jones Act that requires goods shipped within the country to be transported using vessels built, owned and operated by American citizens or permanent residents. Europe and other trade partners have been urging the US government to make changes in this Act and allow greater competition and lower costs. The government seems to be focusing on building domestic manufacturing capability, stronger environmental laws but retaining tariffs. It can also gain from building mutually beneficial partnerships.

Source: fashionatingworld.com– Mar 04, 2021

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Italy's Fashion and Textile Sectors Map Out Five-Year Rebound Plan

The Italian fashion sector is increasingly vocal about the need for support from the country's institutions, as it faces an unprecedented crisis.

While Italy's Camera della Moda has presented the government with a plan to restart the country's fashion system with investments of 3 billion euros, Sistema Moda Italia, the association that represents fashion, textile and accessories companies, is also bringing attention to the issues challenging the sector, impacted by the COVID-19 pandemic.

"In the wake of such an unprecedented crisis our goal was to carefully analyze the context and provide the institutions with a plan that is feasible and reasonable, without making resounding claims," said Marino Vago, president of SMI during a virtual press conference on Wednesday.

According to data from the National Institute for Statistics ISTAT, 8 percent of Italian exports from the manufacturing industry are from the fashion industry, which employs 400,000 workers and comprises around 45,000 companies, 14 percent of the Italy's overall manufacturing base.

University professor Massimiliano Serati from the Carlo Cattaneo LIUC business school, who led the research conducted for SMI assessing the impact of the pandemic on the sector and developed the aid plan submitted to the government, said, "The healthy condition of the fashion supply chain is directly interconnected with the wellness of the country." The association shared its requests with Italy's Prime Minister Mario Draghi, the Ministry of Economic Development and the Ministry of Labour and Social Policies, among other institutions.

The research and plan were devised to start an "open conversation with policymakers about the Italian fashion supply chain, which is among the most crucial ones within the country's manufacturing system," he added. The professor cited the international vocation, ability to provide bespoke products, and collaborative mind-set as distinctive qualities fashion suppliers can provide.

Aiming to spotlight the mid- to long-term impacts of COVID-19 on the sector if no action is taken to mitigate them, the research evaluated main key performance indicators including revenues, exports and employment, showing that if no investment is made, sales would drop 15.9 percent in 2023 compared to 2019 levels, while exports and employment are expected to see a contraction of 9.4 percent and 17.3 percent, respectively. This would mean losing around 68,200 jobs. “The plan is designed to amend the inertial evolution of the sector via industrial policies to support its rebound,” Serati noted.

The plan is organized over five years in three phases. The association is asking to channel 2 billion euros for emergency support measures that would entail extending the so-called “Cassa COVID” extraordinary wage support measure with no costs for the companies, helping enterprises to implement restructuring plans and manage job redundancies plus nonrepayable financial support for those businesses most severely impacted in the April to December period last year.

The second phase would require a blockbuster investment of 4 billion euros to guarantee a speed recovery in the span of 36 months. Actions to be taken in this phase are centered on five pillars, some of them — including sustainability and the circular economy — are in sync with mandates from the European Union requested to access the country’s COVID-19 Recovery Fund totaling more than 200 billion euros.

Other initiatives include supporting the technological and creative innovation of the country’s fashion companies, stimulus for employment in the sector via re-shoring projects and a reduction in the fiscal pressure linked to energy consumption.

The research projected the impact of phase two on the Italian fashion industry’s recovery, showing that all main KPIs would see a rebound, generating “a positive long wave,” as Serati put it. Sales, for example, would grow from 8.8 billion euros in 2019 to more than 11 billion euros in 2023, while the number of positions will inch up by 167 jobs.

Requiring an investment of an additional 2 billion euros, the third phase to be rolled out across five years is focused on investments on training and education of new and existing employees in the sector, as well as a communication plan to promote Made in Italy abroad.

“In spite of all the struggles we have faced over the past 20 years, we’re still committed to the future of the sector,” said Vago, capping off the meeting. “With these policies we will manage to safeguard the supply chain and its know-how, the only one in Europe which has remained intact,” he noted.

Source: wwd.com– Mar 03, 2021

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China: Freight keeps on rolling during Spring Festival

The Yiwu-Xinjiang-Europe freight train service ran continuously during the weeklong Spring Festival holiday, boosting international trade.

Statistics from Zhejiang province's Department of Commerce show that within nine days starting from Lunar New Year's Eve, 46 trains departed Yiwu carrying a total of 3,782 twenty-foot equivalent units of cargo. The trains carried anti-pandemic supplies, daily necessities, small household appliances, textiles, toys and auto parts.

Among them, a record 10 trains departed on Feb 17.

Lin Huihuan, general manager of Yitong Europe Logistics, said during previous Spring Festival holidays only one or two trains would depart Yiwu for Europe, but this year trains departed every single day of the holiday.

"It is expected that the demand for freight service will increase greatly after the holiday, so we have increased capacity by launching more trains in advance. This will help stabilize market prices and maintain stable freight transportation," Lin said.

In order to ensure the normal and efficient departure of the trains, local customs officials and station employees worked overtime during the holiday.

"The original halfday it took to process goods was completed in less than half an hour," said Zhao Yuanchao, an official with Yiwu Customs. The customs team used a large-scale container inspection system.

Gong Zigang, a dispatcher, said on the busiest day during the Spring Festival holiday, there were 2,600 containers processed at the station where he works.

To improve the operational efficiency, Luo Huayi, deputy manager of Yiwu Land Port Railway Port Development, said his company classifies containers according to their destination.

The Yiwu-Xinjiang-Europe freight service has played an important role in boosting international trade even as the COVID-19 pandemic spread around the world in 2020, local officials said. Thirteen cargo routes linking Yiwu and cities in Spain, the Czech Republic and Russia opened last year.

In 2020, a total of 974 trains departed carrying 80,000 TEUs of import and export goods with a total value of 20.6 billion yuan ($3.2 billion).

Source: chinadaily.com.cn– Mar 05, 2021

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USA: Storm at the Ports: West Coast Shipping Delays 'Unprecedented'

Though the surging tide of the pandemic and its effects might be ebbing, the consequences to the supply chain are lingering at best and dire at worst.

While manufacturing ground to a halt last spring, it returned with renewed force throughout the summer months as consumers began to loosen their purse strings. By fall, brands were fighting tooth and nail to import everything they could in time for the holiday season.

The boom saw freight forwarders flush with new and urgent business, while shipments had dwindled to a trickle just months prior. The rush to bring imports into the U.S. via West Coast ports—which has reached a fever pitch in recent weeks—has created increasingly challenging conditions for brands as well as the ports themselves.

"West Coast ports, particularly those in Southern California, have been pushed to the brink by record-breaking imports, container shortages, numerous longstanding supply chain supply inefficiencies, and at times, Covid-19 illness and quarantining of workers," Jennifer Sargent Bokaie, International Longshore and Warehouse Union (ILWU) coast longshore division communications director, told Sourcing Journal.

"The supply chain problems go far beyond the ports, and in fact have roots as far away as the Midwest and East Coast," she added. In fact, longstanding issues like intermodal rail congestion, limits on warehouse space, weather conditions (like the freezing temperatures currently seen across the Midwest), and a lack of available shipping containers and cargo handling equipment are contributing to the delays.

"On top of that, Covid-19 created unexpected lows in cargo movement last spring, followed by unprecedented highs in import levels as consumers' buying habits changed quickly during stay-at-home orders," she added. "It's a complicated system with many moving parts, and the ports are just the farthest West points in that system—it's rarely where problems originate, but often where they are most visible."

"Everyone has experienced volume increases in imports," Mario Cordero, executive director of the Port of Long Beach, told Sourcing Journal. "It's also fair to say that we're the nation's largest container complex, and the one with the closest proximity, comparatively speaking, to the largest trade region for the United States," he added, referencing Asia and China more specifically.

The Long Beach and Los Angeles ports together move about $400 billion-worth of cargo annually, he said, essentially evenly split between the two locations, which are part of the same complex. In 2020, a year riddled with supply-chain hiccups, Long Beach still saw $17 billion in product float through on its way to consumers. The port's February numbers revealed a 32.7-percent year-over-year increase in cargo imports from the same period in 2020. "It gives you some context for the increased volume coming into this port now," Cordero added.

The complex typically sees a minimal backup of vessels waiting to drop off their shipments at a dock. "Today, we had 33 in line," he said on Tuesday, and the site has seen as many as 37 teed up for a spot over recent weeks. "It is an unprecedented amount. There have been periods in the last couple of decades where we've had this kind of volume surge, but nothing compares to what we're experiencing this year."

Space on ocean carriers has become an impossibly hot commodity, as many operators pulled ships offline when business contracted last spring, and a number of vessels have remained inactive since, said Nate Herman, VP of international trade for the American Apparel and Footwear Association. "Demand continued to grow throughout the fall into the holiday season and into this year," he added, "and none of these problems have really been dealt with."

Brands are fighting for space for their products on vessels leaving ports in Asia, which can't come fast—or frequently—enough, he added. Shipping containers are stacking up at a ferocious rate once they arrive at West Coast ports, and the trucks tasked with removing the cargo and taking it to distribution centers are waiting in queues so long that they're sometimes forced to turn around—empty-handed—after whole shifts spent in line, Herman said. This means that shipping containers that should be empty and headed back overseas to be refilled are instead sitting in lots, full of spring stock that would ideally be on store shelves by now.

These "compounding stressors" stand to have a "huge effect" on brands' selling seasons, Herman warned. "[Brands are] missing delivery dates, which means they're missing out on sales," he added, and frustrated retailers awaiting stock are charging brands for each day that merchandise fails to arrive.

What's more, ocean freighters are price gouging for the limited space available on their vessels, added Matt Priest, president and CEO of the Footwear Distributors and Retailers of America (FDRA). In February, Priest wrote to Federal Maritime Commission chairman Michael A. Khouri urging the agency to insist that these carriers honor their contracts with FDRA's member footwear brands.

Many companies have been unable to depend on their advance bookings, and are being notified "days before departure that only a fraction (or perhaps none) of the space requested is available, leaving the companies in a scramble to find alternatives," Priest wrote. Brands are often forced to pay space guarantee surcharges, he added, "and these fees continue to escalate" to up to four times the agreed-upon rate. Often, the "best-case scenario" involves paying "exorbitant rates to book space on a vessel with a sailing date that is delayed, sometimes for weeks."

A February survey revealed that nearly 80 percent of FDRA's member footwear brands saw increases in landed product costs from six months prior, and well over half said they expect to see operating costs increase over the next six months.

"We basically took a year's worth of product and jammed it into six months of entry," Priest told Sourcing Journal of the current scenario, adding that the footwear industry has "made a ton of product" to meet burgeoning demand and make up for early 2020 losses. "We've just been jamming it through the ports, and that's going to create a lot of challenges, especially when you couple that with the fact that the longshoremen and others have been impacted by Covid like everyone else," he added. ILWU numbers showed that 1,134 workers tested positive for the virus between March of 2020 and February 28, with 14 deaths on the West Coast.

"It's the perfect storm," Priest said.

The impacts of these circumstances are already being felt by companies selling clothing and shoes. In an earnings call this week, Chico's FAS reported that fourth-quarter gross margins took a $98.1 million year-over-year nosedive. David Oliver, interim chief financial officer, senior vice president and controller fingered port delays for about $7 million in added shipping costs during the period as it moved some product from boats to planes. And though CEO Molly Langenstein echoed frustration over the backlog at West Coast ports, she also noted a “little bit of delays” coming out of Georgia’s Port of Savannah, too.

Meanwhile, Foot Locker CEO Richard Johnson said the company is working with its vendor partners on “alternate routing” for its products amid port delays lasting up to three weeks. The situation has had a “material impact” on fourth-quarter sales, he said, to the tune of a 2.7-percent revenue drop in the fourth quarter, which missed consensus estimates of a 4.8 percent gain.

Steve Madden chief financial officer Zine Mazouzi said that port congestion could negatively impact its first-quarter revenue by about $30 million, with slowdowns broadening lead times by three to four weeks. “For a company that turns their inventory as quickly as we do and really operates in sort of a just-in-time model, it’s pretty challenging,” he said.

And while Nordstrom beat analysts’ estimates in the fourth quarter, the retailer said it is still dealing with the impacts of shipping delays over the holiday season. “We experienced delays in inventory flow that resulted in higher inventory levels at the end of the year,” president Erik Nordstrom said on a call this week—and the retailer continues to contend with that excess product. Chief financial officer Anne Bramman added that Nordstrom saw “higher than planned outbound freight expense due to carrier surcharges,” which led to the retailer pursuing higher-cost options.

West Coast port congestion “obviously has slowed down some of the receipts coming into the country,” Ross Stores CEO Barbara Rentler told analysts this week on a fourth-quarter earnings call.

Will Urban, chief revenue officer of freight forwarder Flexport believes that companies should brace themselves for continued delays. “Port congestion will last as long as people are at home spending money on goods rather than services,” he said. “There’s simply more volume being generated by consumer demand than our current infrastructure can handle.”

Urban also noted in early February that China’s factories would not be taking their customary two-week break from production for the Chinese New Year holiday due to continued travel restrictions inside the country where the coronavirus originated. The absence of the regularly scheduled respite meant there was also no slowdown in shipments exiting the country’s ports, further adding to the pile-up currently seen in the U.S.

Companies should now be looking into premium ocean freight options, he said this week. “Often smaller vessels have dedicated berths at their ports,” meaning that they’re guaranteed space to dock. To reduce lead times, companies should also look into transloading cargo, or transferring shipping containers from vessels to trucks, and then warehouses, where products can be sorted and the empty shipping containers can be returned to the port, he said. He also noted that FCL shipments, which contain goods from multiple shippers, often receive priority for empty shipping containers over LCL shipments, where all goods in a container are owned by a single party.

“Delayed vessels means they are not coming back to Asia on time,” Urban added, “which often leads to equipment shortages and unavoidable blank sailings, further compounding challenges.”

Source: sourcingjournal.com– Mar 05, 2021

HOME

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J.C. Penney brings back Fieldcrest brand as Kohl's, Target watch for changes in home spending

Major retailers are pointing to home goods as a standout in quarterly results and expect the trend to hold in the first half of this year, following last year's spending inspired by the pandemic's stay-at-home economy.

It's also a category where venerable retailer J.C. Penney sees an opportunity to regain market share.

The department store chain's new owners are putting a renewed emphasis on its home department. It's bringing back home textile brand Fieldcrest in bed, bath, table linens and window coverings.

By this summer, 90% of home textiles at Penney will be new, said senior vice president Stacey Shively. "We feel good and positive about 2021 after last year's store closings due to COVID and our bankruptcy," which the company exited last year.

The home department is getting a new layout with the Fieldcrest addition — a brand exclusive to Penney, she said.

Penney is trying to create a mix that will help it start to regain market share with Fieldcrest, last year's new Linden Street brand, existing brands including Liz Claiborne and one more new brand that's coming this summer, Shively said.

Fieldcrest is a 125-year-old brand created by department store Marshall Field's.

Like so many legacy home brands that were once thriving in U.S. textile mills, it's now owned, licensed and marketed by a company that works with manufacturers to create products for retailers. Iconix Brand Group also owns Royal Velvet, Cannon and Waverly.

Kohl's CEO Michelle Gass said in her company's latest earnings report that home was a strong category and she expected it to remain so in the first half of 2021.

Waco's Joanna Gaines just launched Magnolia bedding on the retailer's website and Target just added a limited edition of home goods from Levi's, the first time the denim brand has entered the category.

Target chief financial officer Michael Fiddelke said it's also watching the hot home category for signs of waning.

Everything consumed at home, including food and beverages and essentials, accelerated last year, but some softness in the category could come as the nation emerges from the pandemic, Fiddelke told analysts on a conference call about Target's strong fourth quarter.

"However, the timing and extent is hard to predict and could be offset by permanent changes in consumer habits, including a higher percentage of work time spent at home and an elevated focus on cleanliness and heath resulting from the pandemic," he said.

Home improvement and textiles increased 23% and 16%, respectively, through November, according to a recent report by NPD Group analyst Joe Derochowski. While sales increases in the categories may taper off in 2021, he forecast that sales will be higher than in pre-pandemic 2019, indicating the consumer's home needs will continue and are evolving.

The home has historically been a core business for Penney.

For decades, Penney was the largest seller of home textiles before losing that spot in 2003 to Walmart. Its new owners, mall operators Simon Property Group and Brookfield Asset Management, are focused on giving the retailer a fresh start but have been quiet about overall plans.

Penney is searching for a new CEO to replace Jill Soltau, who exited abruptly at the end of 2020. Corporate employees are working remotely from home. The 118-year-old chain now operates 689 stores after closing 150 during its Chapter 11 bankruptcy.

Source: dallasnews.com– Mar 04, 2021

HOME

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USA: Linen, wool & premium cotton gaining share in a new world order

Among the many ways the pandemic has changed the way we live and the things we value, perhaps an unexpected shift has been how we consider the fibers and fabrics we wear and use in our homes.

In the latest episode of the Home Textiles Today Education Network series, representatives of organizations of three of the leading natural fibers in the world were in unanimous agreement that the global pandemic conditions of the past year have made cotton, wool and linen and flax both more popular and more in step with changing consumer attitudes.

Themed "The Case for Natural Fibers," the online session, while admitting that synthetics are still a big factor in textiles, especially in lower price point goods, pointed to the gains made by natural fibers recently. "Natural fibers are gaining traction as brands and consumers place greater value on sustainability and biodegradability," said Home Textiles Today editor-in-chief Jennifer Marks who moderated the session.

The panelists agreed and pointed to the factors causing the shift. "All the time we've spent at home over the last year has focused us on what we're wearing and what's in our home," said Gill Gledhill, director of the GGHQ Fashion Intelligence Ltd., the United Kingdom strategic partner of the European Confederation of Flax & Hemp. The organization, founded in 1951, represents linen and hemp growers in Europe, who are primarily centered on the northwest coast of the continent in France and Belgium. The group often goes by the abbreviation CELC.

"It's created a more informed audience for our products," she said.

Sarah Schlenger, research and development commercialization manager for the Americas for The Woolmark Company, said the environmental concerns raised as people focused more on health and wellness played a big part in the change.

"The sustainability conversation really moved the needle." Woolmark, which is a familiar brand name in both apparel and home, represents the wool industry in Australia where most of the world's fiber comes from the country's extensive sheep population.

"Even before the pandemic we saw a pick-up in the adaption of natural fibers from American consumers," said the third panelist, Marc Lewkowitz, president and CEO for Supima, the US-based organization that promotes the premium cotton worldwide. Echoing Gledhill's comments, he added, "We're seeing more informed choices being made when it comes to the kind of home and apparel products they are purchasing."

Gledhill said it is these changing consumer attitudes about the environment that are driving the shift to natural goods. "We're seeing people wanting to support our natural environment more than in the past. Consumers are saying they are willing to pay a little more for a natural product if it means it's sustainable and they can pass it on to the next generation or someone else rather than it going in a landfill."

All three panelists say that even though the fibers they represent are natural rather than man-made like synthetics they don't foresee any supply issues in the immediate future. The Australian sheep population is very stable and is maintained responsibly, said Gledhill, while Schlenger said linen flax is one of the easiest crops to grow and requires no special attention beyond the usual rainfall in its growing region.

Lewkowitz said he expects the Supima crop to be sold out in 2021, the result of increased demand and a slightly smaller crop last year. He forecast a similar situation for this year's crop, which will be harvested in the fall and available for use starting around the start of 2022.

And even though all three natural fibers are identified with their growing regions – wool from Australia, flax from Europe and Supima from the Western United States – each is overwhelmingly exported for processing and eventual use in finished home textiles and apparel products. It is the nature of the global textiles business, they all said.

Wherever it comes from and no matter where it ends up being put to use and then sold, these products continue to have a special appeal to consumers. "The value of natural fibers is something very unique," said Lewkowitz.

Source: hometextilestoday.com– Mar 04, 2021

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Vietnam's garment export stable in first 2 months

Vietnam's textile and garment export revenue totaled nearly 4.8 billion U.S. dollars in the first two months of this year, down just 0.01 percent against the same period last year, according to the General Statistics Office on Thursday.

In February alone, Vietnam's textile and garment export declined 6.4 percent year on year to 2.1 billion U.S. dollars amid impacts of the latest wave of new COVID-19 cases in the country.

Over the two-month period, local garment enterprises have been constantly receiving new orders, according to the Vietnam Textile and Apparel Association. The growth in new orders was due to the recovery of global demand following the rollout of COVID-19 vaccines around the world, said the association.

In 2020, Vietnam recorded an export turnover of roughly 29.5 billion U.S. dollars from textile and garment products, down 10.2 percent from 2019, according to the statistics office. Its largest export markets included China, Japan, the European Union, South Korea and the United States.

Source: xinhuanet.com– Mar 04, 2021

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Sri Lanka HC pins hopes on improved trade ties

Memoranda of understanding (MoUs) signed during Prime Minister Imran Khan's visit to Sri Lanka would pave the way for boosting mutual trade and cementing economic ties, said Sri Lankan High Commissioner Vice Admiral Mohan Wijewickrama.

During a meeting with business community at the Lahore Chamber of Commerce and Industry (LCCI), the envoy highlighted that both countries had historical social, political and trade relations but mutual trade did not reflect the true potential of the two countries. He said that joint ventures between private sectors of the two countries would be welcomed.

The high commissioner emphasised that both countries should take full benefit of the free trade agreement (FTA) between them, adding "Pakistan should increase import of best quality Ceylon tea from Sri Lanka."

Speaking on the occasion, LCCI Vice President Tahir Manzoor Chaudhry said Pakistan and Sri Lanka had enjoyed great relations historically, which dated back to the years when the two countries were created.

Chaudhry recalled that in 2018 the volume of bilateral trade peaked at $462 million but it slipped to $389 million in 2019 due to a decline in both exports and imports.

He added that in 2019 Pakistan's exports to Sri Lanka were worth $324 million while its imports were worth $65 million. He pointed out that exports to Sri Lanka consisted of woven cotton fabrics, cement, potato, pharmaceuticals, maize, etc whereas imports included vegetables, fibre board, natural rubber, copra, etc.

"We hope that the recent visit of prime minister of Pakistan to Sri Lanka can turn into a strategic partnership," Chaudhry said, adding that during meetings between the two prime ministers and different delegations, various important areas including tourism, education, defence, information technology and investment came under discussion to find ways of enhancing cooperation.

The LCCI vice-president mentioned that there was a considerable demand in Sri Lanka for products like light engineering goods, pharmaceuticals, surgical instruments, auto parts, industrial raw material and plastic goods.

"Pakistan has the capacity to enhance exports of these items to Sri Lanka," he maintained.

He added that business communities of the two countries should keep exploring the opportunities of mutual interest.

Source: tribune.com.pk– Mar 04, 2021

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Mitumba not a threat to local textile industry–report

Kenyan spend more on new clothes than used ones, a report launched yesterday shows dispelling concerns that the local textile industry is under threat.

The 'State of Second-Hand Clothes and Footwear Trade in Kenya' put together by the Institute of Economic Affairs (IEA) shows 91.5 per cent of households spend less than Sh1,000 on second-hand clothes, commonly known as mitumba, compared to 74.5 per cent who spend on new clothes and shoes.

A paltry 8.5 per cent spend more than Sh1,000 on second-hand clothes and shoes, an indicator the value of money going to mitumba remains low compared to new clothes.

About 25.5 per cent of households spend more than Sh1,000 on new clothes, placing spending on new merchandise higher than second-hand products.

The think-tank yesterday dismissed claims that importation of second-hand clothes is 'killing' the local textile industry, as it puts average spending on new clothes per household at Sh450 compared to Sh280 for mitumba, which is common with poor households.

“People are spending more money on new purchases than mitumba and there is no evidence that the mitumba's are affecting the local textile industry. Banning mitumbas is simply telling poorer people that they have no choices for clothing,” said Kwame Owino, IEA chief executive.

The report, which is the first for the mitumba industry, comes as government continues to push for increased uptake of local content, with the textile industry being a key sub-sector of the manufacturing industry, which is one of the Big Four Agenda pillars.
Kenya has a long history of the sustained demand for used clothing and footwear items mainly by rural households and lower- income earners, with mitumbas facing bans and restrictions over the years.

From the mid-1960s to early 1980s , the trade was banned with an aim to promote domestic production and protect the local cotton industry from foreign competition.

Restrictions were eased in the mid-1980s when second-hand clothes were allowed as donations for refugees.

Subsequently from the early 1990s, the ban was lifted, as the government focused on trade liberalisation.

China is Kenya's the top import source for mitumbas according to the United Nations, followed by Pakistan, Canada, UK, US, Poland, UAE, Germany, India with the Republic of Korea closing the top ten list.

Other markets are Oman, Australia, Netherlands, Hungary, Malaysia, Italy, Lithuania, Ireland, Belgium and Hong Kong.

Yesterday, the Mitumba Consortium Association of Kenya (MCAK) called for legislative and government support for the industry, arguing that it is a key job creator and revenue generator to the exchequer.

“Based on the Kenya National Bureau of Statistics (KNBS) Manpower Survey, the industry employs an estimated 10 per cent of the extended labour force, which translates to at least two million people,” Chairperson Teresiah Njenga said.

The sector paid Sh12 billion in 2019 to the exchequer in form of taxes.

“ This is a significant contribution to the economy in jobs and taxes, and this goes to show that this sector can no longer be ignored and needs order and policies to govern it. This report is the first step towards our goal of pushing for policies to govern the sector,” Njenga said.

Kamukunji MP Yusuf Hassan said with most Kenyan's still reeling with low incomes, the government needs to support the mitumba industry which has offered millions access to affordable clothing.

“We need to nature the sector until a time when we no longer need to buy mitumba. Because you are a high income earner dont assume that everybody can afford to make new purchases,” said Hassan, whose constituency hosts the famous Gikomba Market, common with mitumba trade.

Meanwhile, the office of the President has challenged the mitumba industry to 'Kenyanise' second-hand clothes by value addition on imports.

“Import mitumbas as raw material and customise them as Kenyan products using local content. This can be a catalyst to the growth of our apparel sector,” said Anne Kagwe, special advisor on SMEs–Executive Office of the President.

Kenya imported 185,000 tonnes of second-hand clothing in 2019 equivalent to an approximately 8,000 containers.

Each importer pays an average Sh1.5 million per container as import duty, with monthly revenue from the industry being at the tune of Sh1 billion.

The mitumba industry is said to support the livelihoods of 24 million Kenyans.

Source: the-star.co.ke– Mar 05, 2021

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Pakistan to import cotton from Central Asian states

Pakistan has decided to import cotton from the Central Asian states through Torkham border, it was learnt on Wednesday.

According to sources, the Ministry of Commerce has sought the ECC's approval to import cotton from Afghanistan and Central Asian states, including Turkmenistan and Uzbekistan.

The Economic Coordination Committee will take up the MoC's summary on cotton import on Friday.

As per the data released by the Ministry of National Food Security and Research, cotton production in the country would most likely clock in at 7.7 million bales this year, as against the consumption of 12 million bales. Cotton ginners, on the other hand, estimated 5.5 million bales for the year.

Sources said that MoC has also requested the food ministry to make arrangements for fumigation at Torkhum border. In addition, they added, the government is mulling to import cotton and yarn from India.

Adviser to Prime Minister on Commerce Razzaq Dawood shared in a tweet on Wednesday that the prime minister has expressed serious concerns over the shortage and escalating prices of cotton yarn. "The PM has instructed [officials] to take necessary measures, including cross-border trade of cotton yarn, to keep the momentum of value-added exports," he added.

According to sources, APTMA is currently exerting pressure on the government, asking it not to allow cotton and yarn import from India as some millers have allegedly hoarded the commodity owing to which rates were high in the market.

Presently, the price of cotton is at an all-time high of Rs12,000 per maund.

Source: profit.pakistantoday.com.pk– Mar 03, 2021

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Pakistan: 'Rising yarn prices jeopardising production'

Former Chairman of All Pakistan Cotton Power Looms Association, Chaudhry Muhammad Nawaz has said that due to the increase in the price of yarn achieving the production targets has become very difficult.

The textile industry in Faisalabad is in grave danger. Prices have skyrocketed due to an artificial shortage in yarn delivery.

Power looms owners also signalled a halt to production due to higher consumption and lower profits.

He said that profit was being made by creating self-made shortage of yarn in the market. Sellers have also increased the price by thousands of rupees per 47 kg bales due to declining availability of yarn.

Power looms owners say they can't make cheap cloth by buying such expensive yarn. With the current situation, the achievement of textile production targets seems to be in jeopardy.

Rising yarn prices and artificial shortages have left power looms owners bewildered, and if left unchecked, the economy could suffer.

Source: brecorder.com– Mar 04, 2021

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Pakistan: PM approves cross-border yarn import

Prime Minister Imran Khan nodded to cross-border import of cotton yarn as the shortage of industrial input is feared to stymie recovery in textile exports.

Commerce Adviser Razak Dawood said the Prime Minister showed his concern on shortage and escalating cotton yarn prices in the country during a meeting.

“[He] instructed to take necessary measures, including cross border trade of cotton yarn, to keep the momentum of value-added exports,” Dawood wrote on Twitter.

The government is considering import of cotton from India to meet the local demands, according to media reports.

Cotton production came down to 5.5 million bales from as much as 15 million bales recoded annually in previous years, causing unstoppable rise in its prices.

Textile and clothing exports increased more than eight percent to $8.8 billion in the seven months of the current fiscal year. The growth pace can slow down amid the shortage of raw materials, according to traders who called for duty-free imports of yarn from any country, including India.

Pakistan Yarn Merchants Association expressed deep concern over the unavailability of cotton yarn and its price reaching to an all-time high. It asked the government to immediately allow duty-free import of yarn and cotton from India to save the textile industry from collapse

If export orders are not fulfilled on time, the business will adversely be affected, according to the association.

The association’s office bearers said a large number of export orders from China, Bangladesh and India were transferred to Pakistani exporters, which led to an increase in production activities. However, these days the cost has risen sharply due to non-availability of raw materials as per the demand of the textile industry and the high price of yarn in the local markets.

“If we do not manage to import raw materials from other countries, including India, then export orders that have been transferred to Pakistan will not be fulfilled,” the association said in a statement.

“This will tarnish Pakistan's image in the world and we will not get new orders.”

The government was demanded to immediately lift duties on yarns and cotton and allow duty free import. With imports from India, freight charges come down and it takes less time.

“Hence, the government should allow the import of yarn from India for continuing textile production without hampering and fulfillment of export orders, so that Pakistani exporters can be saved.”

Source: thenews.com.pk– Mar 05, 2021

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NATIONAL NEWS

Why Pakistan textile sector faces an uphill task to import Indian cotton, yarn

Since the Pulwama attack, Pakistan has lost its MFN status with India thereby impeding the import of duty-free cotton

Hopes of Pakistan importing cotton from India have been raised after New Delhi and Pakistan renewed their agreement to observe a ceasefire along the Line of Control and the international border in Jammu and Kashmir last week.

But there are a few hurdles, especially political ones, for Indian cotton to surmount before it can reach Pakistan, according to traders and industry officials.

Earlier this week, Pakistan's The Express Tribune, quoting Islamabad Commerce Ministry officials, reported that adviser to Pakistan Prime Minister Imran Khan on Commerce Razak Dawood would decide this week on importing cotton and yarn from India.

The report was on the heels of Dawood telling the media on February 13 that Pakistan had no plans to allow the import of duty-free cotton from India in order to bridge the shortfall in the local market.

Higher prices, lower crop

The statement came after Pakistan withdrew all import duties on cotton on January 2 this year. Earlier, it imposed a 11 per cent import duty.

Signs from Pakistan are ambiguous, particularly after Imran Khan headed a meeting yesterday on surging cotton yarn prices. Dawood tweeted that the Pakistan Prime Minister had "instructed to take necessary measures, including cross-border trade of cotton yarn, to keep the momentum of value-added exports".

Yesterday's high-level Pakistan meeting was held after raw cotton (kapas) prices increased to an 11-year high in the neighbouring country to Pakistani rupee 12,000 (Indian ₹5,560) per maund (37.32 kg).

Cotton prices in Pakistan are literally on fire as its production for the current marketing year (August 2020-July 2021) is 24 per cent lower at 60.19 lakh bales (of 170 kg), according to the US Department of Agriculture (USDA). The US agency estimates Pakistan cotton imports at 60 lakh bales.

Pakistan's crop is lower as farmers cut cotton planting by 10 per cent, while the crop was hit by a heavy monsoon and severe pest infestation. Pakistan trade, however, is pegging the crop even lower at 56 lakh bales, the lowest in 30 years.

The drop in Pakistan crop comes at a time when global cotton prices have increased sharply since June last year to 87 cents per pound (₹50,050 per candy of 356 kg) now. Since the beginning of this year, cotton prices have increased by over 11 per cent in the global market.

At the same time, prices of Shankar-6 cotton, the benchmark for exports, in India are quoting below ₹47,000 a candy. Pakistan spinning mills could stand to gain from this as cotton could be transported by trucks across the border or even shipped from one of the western ports.

Besides getting cotton at a competitive price, they could also gain on the freight charges.

MFN status lost

The problem, however, is that after the Pulwama blast in February 2019 in which at least 40 Central Reserve Police Force (CRPF) personnel were killed, trade between Islamabad and New Delhi has come to a halt.

In retaliation to the blast and holding Pakistan responsible for it, the Indian government withdrew the most-favoured-nation status given to Pakistan and imposed 200 per cent Customs duty on imports from there.

Pakistan, on the other hand, has not been allowing imports from India and Dawood's meeting reiterated this. "There is no ban on exports to Pakistan from India. A political decision has to be taken. There is no political pressure here on us," said a government procurement agency official.

Advantage CCI

When contacted, Cotton Corporation of India (CCI) Chairman and Managing Director PK Agarwal told BusinessLine that Pakistan would have to withdraw its curbs on the import of Indian cotton.

“Currently, Pakistan could be willing to buy any cotton but so far, no one has approached from that side,” he said.

The CCI is among the best-placed organisations in the country to supply cotton to Pakistan as, according to traders, it has at least 65 lakh bales in stock with it. The corporation has procured nearly 100 lakh bales this season (October 2020-September 2021) from growers.

India is also well-placed to meet any export demand as it is carrying record cotton stocks from last year. According to the Cotton Association of India (CAI), the carryover stocks are 125 lakh bales.

The Committee on Cotton Production and Consumption (CCPC), a body representing all stakeholders in the textile industry including government officials, has estimated the carryover stocks at 120 lakh bales.

The carryover from the current season has been estimated at 115 lakh bales by CAI and 97.95 lakh bales by CCPC, which means ample cotton is available for exports.

CCI’s Agarwal told BusinessLine last week that cotton exports could top 65 lakh bales this year. Traders, too, are coming around the view after expressing fears over shipping delays, including container availability.

Till the end of February, 37 lakh bales of cotton have been exported from the country.

On top of the record stocks, India’s cotton production has been estimated higher by the Committee on Cotton Production and Consumption (CCPC) at 371 lakh bales (358.50 lakh bales). Cotton Association of India has projected the output at 360 lakh bales, the same as last year.

CAI President Atul Ganatra said that no one from the government or trade had approached for the supply of cotton to Pakistan.

"It is very difficult in the current political situation to export to Pakistan," he said on the possibility.

"Reports in the media are about Pakistan spinning mills asking their government to import from India since they are now relying on Africa and the US for their raw material," said Anand Poppat, Rajkot-based trader in raw cotton, yarn and spinning waste.

"There has been no direct enquiry yet from Pakistan," he said, adding that since Pulwama the political situation has not been conducive for exports.

Yarn imports

Besides cotton, there is also a demand for the import of cotton yarn. This has left the Pakistan textile industry divided.

While cloth and garment manufacturers are demanding that cotton yarn import be allowed to speed up manufacturing, spinning mills there are opposing this since it would be "disastrous to Pakistan's spinning sector".

In particular, it has opposed imports of cotton yarn from India, saying it could create a crisis in the spinning industry and lead to the closure of mills there.

But the value-added textile manufacturers have demanded permission to import cotton yarn from India, pointing to how Islamabad has allowed Indian drugs and pharmaceuticals to be imported.

Representatives of the value-added sector have directly told Pakistan Prime Minister's advisor Dawood that "it is also most crucial to allow the import of cotton yarn from the neighbouring country through the Wagah border as the quality yarn is not available and prices have increased manifolds."

"Pakistan can easily buy 10-15 lakh bales of cotton from India given the shortage it faces. Trade on both sides will gain but a political decision has to be made," Poppat said.

Source: thehindubusinessline.com– Mar 04, 2021

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FDI inflow into India rises 22% to $67.54 b in April-Dec of FY21

It is the highest FDI attracted in the first nine months of any financial year India's foreign direct investment (FDI) inflow in April-December 2020-21 increased 22 per cent (year-on-year) to $67.54 billion, which is the highest for the first nine months of any financial year, the Commerce & Industry Ministry said.

FDI equity inflow into India in the nine-month period increased 40 per cent to $51.47 billion, per an official statement issued on Thursday. The other components of total FDI inflow are reinvested earnings and other capital. "FDI inflow showed positive growth of 24 per cent in the month of December, 2020 to $9.22 billion compared to December, 2019 at $7.46 billion," the release said.

In the third quarter of 2020-21, FDI inflow increased by 37 per cent to $ 26.16 billion. The FDI quarterly fact sheet with details of the countries from which the FDI is flowing in and the sectors that are attracting most investments is yet to be updated by the Ministry for the first three quarters.

First half

In the first half of fiscal 2020-21, Singapore was the top source for FDI equity inflow with $8.3 billion investments, while the US ($7.12 billion) was in the second position. The other top investors included Cayman Islands ($2.1 billion), Mauritius ($2 billion), the Netherlands ($1.49 billion),the UK ($1.35 billion), France ($1.13 billion) and Japan ($653 million).

Top sectors attracting FDI in the first half of the fiscal included computer software and hardware ($17.55 billion), services ($2.25 billion), trading ($949 million), chemicals ($437 million), automobile ($417 million), construction activities ($377 million) and drugs and pharmaceuticals ($367 million).

Source: thehindubusinessline.com– Mar 04, 2021

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Virtual Summit between Prime Minister Shri Narendra Modi and Sweden's Prime Minister H.E. Mr. Stefan Löfven

Prime Minister Shri Narendra Modi will hold a Virtual Summit with Prime Minister of the Kingdom of Sweden H.E. Stefan Löfven on 5th March, 2021.

This will be the fifth interaction between the two leaders since 2015. Prime Minister Shri Narendra Modi had visited Stockholm in April, 2018 for the First India Nordic Summit. Prime Minister H.E. Stefan Löfven had visited India in February, 2016 for the special Make in India week.

Earlier, the two leaders had met on the sidelines of the UN General Assembly in September, 2015. In April, 2020, the two Prime Ministers had a telephonic conversation to discuss the situation arising out of the Covid-19 pandemic. In addition, Their Majesties Carl XVI Gustaf and Queen Silvia of Sweden had visited India in December, 2019.

India and Sweden have warm and friendly relations based on shared values of democracy, freedom, pluralism and rules-based international order. Both countries have very close cooperation in the areas of trade and investment, innovation, science & technology as well as research and development.

Around 250 Swedish companies are actively operating in India in various sectors such as health & life sciences, auto industry, clean technology, defence, heavy machinery & equipment. Around 75 Indian companies are also active in Sweden.

During the Summit, the two leaders will hold comprehensive discussions on the entire spectrum of the bilateral relations and exchange views on regional and global issues including further strengthening of cooperation in the post COVID era.

Source: pib.gov.in– Mar 04, 2021

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COVID-19: A chance for Indian PPE manufacturers to shine globally

The meteoric rise of India's personal protective equipment (or PPE) industry is now a familiar tale, extolled by ministers and manufacturers alike. Nevertheless, it merits a retelling. A year has passed since the first coronavirus infection was detected in Wuhan, China, setting off one of the great events of the 21st century.

When COVID-19 was declared a pandemic in March 2020, the World Health Organisation estimated that the global healthcare industry would need an astounding 89 million masks, 78 million gloves and 1.6 million goggles every month to effectively fight the disease. To ensure this, global PPE manufacturing would need to be boosted by 40 percent.

At the time of this announcement, India had no domestic PPE manufacturing capabilities and was entirely dependent on imports. Two months later, over 600 companies became certified PPE producers (including big textile players and several start-ups), propelling India to the world's second largest producer of protective gear, behind only China.

What India needs now is an ecosystem that can help it emerge as a global hub for protective gear. As management guru Peter Drucker famously stated, "Because its purpose is to create a customer, the business enterprise has two – and only these two – basic functions: marketing and innovation." It is precisely these two functions that can help create this ecosystem.

The role of public R&D investment

India may have managed to halt its reliance on PPE imports, but it is not alone. Efforts are currently underway in nations like the United States and the United Kingdom to boost domestic manufacturing to reduce their reliance on Chinese and Asian imports. If Indian manufacturers are to effectively compete in these markets and others, they will need to manufacture to global standards at low costs. Increased public investment in R&D will play a crucial role here.

The groundwork for this has already been laid. In the immediate aftermath of the COVID-19 outbreak, the Ministry of Textiles proactively contacted manufacturers and testing facilities across the country to build a supply chain from scratch. It initiated localised testing programmes, beginning with the South India Textile Research Association (SITRA) in Coimbatore, and then going on to include the Defence Research & Development Organisation (DRDO) in New Delhi and Ordnance Factories in Ambernath, Kanpur and Muradnagar, among other facilities.

India quickly demonstrated its potential to supply affordable PPE to the world. By July 2020, the supply of indigenous PPE kits had exceeded domestic demand and India exported kits to the US, the UK, the UAE, Slovenia and Senegal. Attention must now be given to enhancing quality.

As a recent report by the Institute of Competitiveness suggests, this can be achieved by implementing robust quality control (QC) and quality assurance (QA) procedures common to all manufacturers. This can help ensure consistent quality and reduce testing and rejection overheads. Further, India still relies on exports for critical components such as seam sealing equipment. Greater R&D investment by the government to enhance PPE quality can help circumvent these challenges.

Source: financialexpress.com– Mar 04, 2021

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Indian merchants almost halt exports to Iran as its rupee reserves fall: Officials

Indian merchants have almost entirely stopped signing new export contracts with Iranian buyers for commodities such as rice, sugar and tea, due to caution about Tehran's dwindling rupee reserves with Indian banks, six industry officials told Reuters.

"Exporters are avoiding dealing with Iran since payments are getting delayed for months," said a Mumbai-based dealer with a global trading house.

Iran's rupee reserves in India's UCO and IDBI Bank , the two lenders authorised to facilitate rupee trade, have depleted significantly and exporters are not sure whether they would be paid on time for new shipments, the dealer said.

Under U.S. sanctions, Tehran is unable to use U.S. dollars to transact oil sales. Iran previously had a deal to sell oil to India in exchange for rupees, which it used to import critical goods, including agricultural commodities, but New Delhi stopped buying Tehran's oil in May 2019 after a U.S. sanctions waiver expired.

Tehran continued using its rupees to buy goods from India, but after 22 months of no crude sales, Iran's rupee reserves have fallen, said the sources, who asked not to be named, citing business privacy.

Iran's reserves have reduced significantly and "will be over soon probably because trade has stopped," said a senior official with IDBI Bank. The Islamic Republic was buying mainly basmati rice, tea, sugar, soymeal and medicines from India.

"Rice exporters are concerned about the current payment mechanism," said Vijay Setia, a rice exporter and former president of the All India Rice Exporters' Association (AIREA).

"There was too much of delay in payments from last year's shipments. Exporters received payments six months after shipments," Setia said. In the first quarter of 2020 Iran imported nearly 700,000 tonnes of basmati rice from India, but in the same period this year shipments would be "very negligible," Setia said.

Last year, Iran was the biggest buyer of India's basmati rice and sugar. Iran fulfils more than one-third of its sugar and rice demand through imports, traders estimate. Iran's trade ministry and Central Bank of Iran declined to comment on the matter.

Payments hit by sanctions

"We are in talks with Indian government and Indian traders to resolve these payment issues and I believe it will be resolved soon," said a senior Iranian official, who asked not to be named due to the sensitivity of the matter.

"The delay in payments are due to U.S. sanctions on Iran's financial system that has made such payments very difficult," he said. As rupee reserves have depleted and dollar trade is not allowed, sugar exporters are exploring options to conduct trade in euros, Rahil Shaikh, managing director of MEIR Commodities India, said.

Sugar exporters are focusing on other destinations like Indonesia and Sri Lanka, as Iran is unlikely to buy significant quantities this year, said Shaikh.

India's overall exports to Tehran fell 42% in 2020 from a year ago to $2.2 billion, the lowest in over a decade, said an official with India's Ministry of Commerce and Industry. The fall is continuing in 2021 and in January this year exports more than halved from a year ago to $100.20 million, the official said.

India's ministry of commerce and industry did not immediately respond to a request for comment. Trading houses and exporters were hoping new U.S. President Joe Biden could reverse sanctions imposed by his predecessor Donald Trump on the oil-rich country.

"Exports would rebound even if Biden administration provides a few concessions to Iran like allowing oil trade in rupees," said a Mumbai-based dealer with a global trading firm.

Source: economictimes.com– Mar 04, 2021

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India Inc more optimistic of economic growth than global business leaders: Grant Thornton

Despite Covid-19-generated economic uncertainty, 71 per cent of Indian business leaders are optimistic about the economy's rebound to higher growth in 2021, compared to the global average of 57 per cent for the world economic recovery, reveals the findings of Grant Thornton International Business Report. The bi-annual global survey gathers responses from nearly 5,000 business leaders in 29 economies including the G20.

While the report ranks India's optimism the highest for growth in export in 2021, its increase in investment expectations is highest in new buildings, second-highest in plant & machinery and R&D and third-highest in technology, among the 29 surveyed countries.

There's a stark juxtaposition in the export growth expectation levels of Indian businesses, which stands at 65 per cent, against the APAC region average of 30 per cent. In the Western part of the world, 46 per cent of leaders in North America foresee a surge in export, the European Union export growth expectation stands at 24 per cent.

Interestingly, 43 per cent of businesses in India claimed to grow their exports by more than 5 per cent in 2020. Vishesh C Chandiok, CEO, Grant Thornton Bharat, said, "The government's consistent push for 'Make in India' and rising interest from companies and governments across the globe in meeting their sourcing requirements from India will pave the way for robust exports.

Relentless collaboration between the government and manufacturers and commitment to innovation will go a long way in improving exports. Development of an indigenous supply chain of PPEs within 60 days is one such success story."

"In our research, increasing investment in infrastructure and reduction in tax and compliance costs have been highlighted as key pillars of recovery. Along with the Aatmanirbhar (self-reliance) announcements of 2020, Budget 2021 has provided the economy with a big push – India is at a seminal moment and we now need to sustain the economic momentum that we will see this year and throughout the rest of this decade," he added.

The survey also highlights various measures the government can take to help India emerge as a cost-competitive alternative to attract companies looking to diversify their global manufacturing hubs and supply chains. About, 61 per cent of respondents cited ease of access to capital as the top enabler. While 59 per cent of respondents seek simplification of tax and labour laws, 55 per cent see logistics and infrastructure development as game-changers.

Siddhartha Nigam, National Managing Partner, Growth and India-US corridor leader, Grant Thornton Advisory Private Limited, said, "Despite being one of the hardest hit by the pandemic, business leaders' expectations for growth in revenue and profitability in India has improved from the first half of 2020, as they innovate and embrace the post-pandemic scenario.

The announcements made in Budget 2021 will also give the country much-needed growth impetus. The government has stressed 'self-reliance' with a focus on building robust infrastructure and domestic trade through capital expenditure, to revive economic growth and achieve India's aspiration to become a USD 5-trillion economy by 2026-27."

Source: thehindubusinessline.com– Mar 04, 2021

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Maritime India Summit-2021 celebrates 'Chabahar Day'

Chabahar Day was commemorated on the sidelines of the Second edition of International Maritime Summit-2021 in the virtual format. The event was attended and addressed by Mr Qudratullah Zaki, Minister of Transport, Islamic Republic of Afghanistan, Mr Suren Papikyan, Minister of Territorial Administration and Infrastructures, Republic of Armenia, Mohammad Eslami, Minister of Roads and Urban Development, Islamic Republic of Iran, Mr. Berik Kamaliev, Deputy Industry and Infrastructure Development Minister, Republic of Kazakhstan, Mr Oleg N Ryazantsev, Deputy Minister of Industry and Trade, Russian Federation and Mr. Mr Choriyev Jasurbek Ergashevich, Deputy Minister of Transport, Republic of Uzbekistan. Minister of External Affairs, Dr. S. Jaishankar, addressed the session.

The meeting was chaired by Shri Mansukh Mandaviya, Minister of State (Independent Charge) for the Ministry of Ports, Shipping and Waterways and Minister of State for Chemical & Fertilizers who also delivered the keynote address. Secretary (Ports, Shipping and Waterways), Shri Sanjeev Ranjan delivered welcome remarks.

The ministers stressed on the increasing need for closer cooperation in the creation of an integrated multi-modal transport system to enhance regional connectivity. Dr. S Jaishankar recounted the historic visit of Hon'ble PM to Iran in 2016 which paved the way for Trilateral Agreement between India, Iran & Afghanistan.

Shri Mansukh Mandaviya, Minister of State (Independent Charge) termed Chabahar port as the "connecting point" for the region to deliver humanitarian assistance, especially during the COVID pandemic. He also mentioned Chabahar Port as part of our shared commitment towards peace, stability and prosperity of the people of Afghanistan. Chabahar has allowed India to export humanitarian supplies to Kabul and has also helped Afghanistan diversify its export opportunities.

Shri Mandaviya while stressing on enhancing regional connectivity, stressed the significance of activation of INSTC along with the proposal to hold the next INSTC Coordination Council Meeting in DVC format. He informed that till 31st January, 2021, about 123 vessels have berthed at our terminal. IPGCFZ have handled approximately 13,752 TEUs and 1.8 million tons of bulk and general cargo. Efforts are going on to improve the traffic at Chabahar Port. Recently two Mobile Harbour Cranes have successfully been shipped to Iran from Italy via Mumbai in January, 2021. Four more will reach the port shortly.

Secretary (Ports, Shipping and Waterways), Shri Sanjeev Ranjan focused on the significance of Indian involvement for development of Chabahar Port and its achievements. He also stressed the role of Chabahar Port as a transit hub to support landlocked countries of Central Asia and Afghanistan by giving access to the open seas, optimizing logistic cost by bringing in efficiency, and creating a reliable and safe transport corridor.

The Ministerial level opening session was followed by two webinar sessions which had the presence of eminent personalities and dignitaries including Mohammad Rastad, Deputy Minister of Roads and Urban Development and Managing Director, Ports and Maritime Organisation of Iran; Dr Saeid Rasouli, Vice-Minister for Roads and Urban Development, Chairman of the Board and President of Railways of the Islamic Republic of Iran (RAI); Dr Davood Moradian, Director General, Afghanistan’s Institute of Strategic Studies; Ms Zakia Wardak, Consulate General of the Islamic Republic of Afghanistan; Mr Farhad Mammadov Deputy Director, State Maritime Agency under the Ministry of Transport, Communications and High Technologies of the Republic of Azerbaijan.

Source: pib.gov.in– Mar 04, 2021

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EPF subscribers to get 8.5% return for FY21 too

Over 6.4 crore people working in the organised sector will get a competitive 8.5% return on their employees' provident fund (EPF) deposits in 2020-21, the authority concerned announced on Thursday. The interest rate was same for 2019-20, which, though a seven-year low, was way higher than the returns small saver could get under any other fixed-income schemes.

Along with PPF and the Sukanya Samriddhi Account meant for parents of girl children, EPF is one fixed-income instrument that is completely tax-free under the exempt-exempt-exempt (EEE) regime. Of course, thanks to a proposal in the Union Budget FY22, effective April 1, 2021, the interest on employees' contribution to EPF above Rs 2.5 lakh a year will be taxed at the marginal income tax rate; however, barely 1% of the EPF subscribers will be impacted by the decision.

After the 228th meeting of Central Board of Trustees of the Employees' Provident Fund Organsiation (EPFO) held in Srinagar on Thursday under the chairmanship of labour minister Santosh Kumar Gangwar, KE Raghunathan, one of the trustees, said: "For the current year, EPFO's total income from debt and equity is expected to be around Rs 70,300 crore… after paying out 8.5%, it will still have Rs 300 crore surplus."

EPFO's accumulated corpus now stands at over Rs 18 lakh crore. On an annual basis, it receives approximately Rs 1.3 lakh crore as subscription. The EPFO is permitted to invest its incremental accretions in debt and equity instruments in the ratio of 85:15. Since 2015, the EPFO has been investing in exchange-traded funds, to build up an equity portfolio and this has enabled it to fetch higher returns. It is hoping to increase the returns in 2021-22, pinning hopes on a rising market.

Over the years, the EPFO has been able to distribute higher income to its members, through various economic cycles with minimal credit risk, thanks to relatively high interest rates and compounding. "This is despite the fact that EPFO has consistently followed a conservative approach towards investment, putting highest emphasis on the safety and preservation of principal first approach. Risk appetite of EPFO is very low, since it involves investing poor man's retirement savings also," the labour ministry said in a statement. Like in 2019-20, the interest pay-out for 2020-21 will be cleared in one shot, officials said.

The finance ministry has been putting pressure on the labour peer to keep the RPF rate under check, apprehending that higher payouts would increase the chances of the EPFO defaulting, precipitating a liability to the exchequer. “The 8.5% rate definitely means very good returns for the subscribers under current circumstances,” said former chief provident fund commissioner KK Jalan.

The Employees’ Provident Fund & Miscellaneous Provisions Act, 1952, makes it mandatory for all establishments having 20 or more employees earning less than Rs 15,000 monthly wage to join the EPF scheme. Others can also join the scheme voluntarily. An employee contributes 12% of the basic pay to EPF; her employer contributes 3.67% to the EPF and rest 8.33% towards the employees’ pension scheme (EPS).

The monthly average net addition to the EPF subscriber base was 6.54 lakh in 2019-20. But, owing to Covid-19 pandemic, EPF base shrank by 2.36 lakh in April 2020. In recent months, the addition of new subscribers was robust, showing that jobs are returning; net addition was 12.54 lakh in December 2020.

Around 1.7 lakh establishments and 74 lakh members returned or newly joined the EPF scheme in April-October 2020, reflecting a gradual revival in economic activity. The number of contributing establishments and members to EPFO increased to 5.04 lakh and 4.58 crore respectively in October from the lows of 3.33 lakh and 3.84 crore in April, the lock-down month. Subscribers, especially low-wage earners, have withdrawn huge amounts from EPF during the pandemic period. Between April-August last year, close to `40,000 crore was withdrawn, according to a statement made by the government in Parliament.

As part of the Pradhan Mantri Garib Kalyan Yojana (PMGKY) and Atmanirbhar Bharat, the governemnt took various measures including non-refundable Covid advance from the EPF by amending the EPF Scheme, 1952. Also, the Centre paid both the employers and employees’ total 24% share of contribution for six wage months from March to August 2020 for all establishments having up to 100 employees with 90% of such employees earning a monthly wage of less than Rs 15,000.

Source: financialexpress.com– Mar 05, 2021

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Weaving hope and a future: Handloom, handmade jewellery exhibition

It will showcase works of weavers, who have been hit by lull in market due to pandemic

A treat is in the offing for patrons of handlooms and handmade jewellery. Crafts Council of Karnataka presents Vastrabharana from March 5 to 9 at the New Gallery Spaces, which consists of seven large, "socially distanced halls at Chitrakala Parishat," says Padmaja Sakhamuri, the convenor-Vasthabharana Committee.

She adds that because of the pandemic, "we have cut down on the number of stalls. There will be just 42 weavers and three jewellery designers. We will also be following strict COVID-19 protocols and the weavers have been asked to go through tests."

According to Padmaja, the reason for them to organise the exhibition at this time is, "to showcase the works of the weavers as they have been hit real hard by this lull in the market due to the pandemic. We had already postponed the dates twice this year for this show, but finally decided that we had to create a platform for them to bounce back."

The exhibition will be inaugurated by Aditi Ranjan - a textile expert and designer and former Senior Faculty, NID, Ahmedabad at 10 a.m. on March 5.

This year, there will be jewel-toned Patan Patola by hereditary weaver, Nirmal Salvi (from the heritage town of Patan in Gujarat, tribal textiles from the interiors of India, Manibandha and Gopalpur Collective and Vani Vrtti Design Studio from Odisha; and Tangaliyas by Rathod Babubhai from West Bengal.

From Karnataka, there be North Karnataka weaves like Pattade Anchu and Gome Teni from Punarjeevana Trust, Ilkal saris by Kala Nele and Guledgadd Khan Choli weaves, that have recently been awarded with the Geographical Indicator (GI) tag.

The jewellery section will feature handcrafted silver jewellery with traditional and contemporary designs by Umiamma and Tiyasha. Charkhi from Kaldera will be presenting temple and fusion jewellery.

How will you manage the crowd? And she replies, "The crowd will have to be allowed in batches. We are trying our best to contain everything. Face shields and hand sanitizers will all be made mandatory. It is compulsory to wear a mask and maintain social distancing at the exhibition venue."

Why not a virtual exhibition? "We have done a few virtual exhibitions, but we do not have an active e-commerce site in action yet. We did promote those weavers who were active virtually. But, that way we were not able to reach out at the grass-root level and could not help those who were not tech-savy.

Today, we know that the majority is into buying online, yet, we personally believe that handlooms have to be felt by hands and the riot of colours seen in reality to admire the beauty of these hand made creations."

The exhibition is open between 10 a.m. and 7 p.m., and entry is free.

Source: thehindu.com– Mar 05, 2021

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