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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

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INTERNATIONAL NEWS

China exports spike to new high after Covid-19, electronics, textile contribute

China's export growth jumped to the highest in over two decades, official data showed Sunday, with imports also surging in a sharp bounce-back from the coronavirus outbreak that had brought activity to a near halt.

Electronics and textile exports such as masks contributed to the spike in outbound shipments, as demand for work-from-home supplies and protective gear against the virus outbreak soared during the pandemic.

Exports spiked 60.6 percent on-year in the January-February period, well above analysts' expectations, while imports rose 22.2 percent, official data showed Sunday.

The latest figures stand in stark contrast to last year's fall of around 17 percent in exports and 4 percent drop in imports. The country struggled to contain the spread of Covid-19 early on, with consumers staying home and businesses seeing a slow return to operations.

The customs administration said comparison to last year is also likely to have bolstered the latest figures, saying in a statement that the "low base is one of the reasons for the larger increase this year."

On Sunday, official data showed that electronics exports rose 54.1 percent, while textiles including masks rose 50.2 percent. China's overall trade surplus came in at $103.3 billion, its customs administration said.

Meanwhile, the country's trade surplus with the US -- a key point of contention during the trade war pursued by former president Donald Trump -- doubled from the same period last year to $51.3 billion.

Chinese authorities started combining January and February trade data last year, while it battled the coronavirus outbreak.

This is in line with how some other indicators are released, to smooth over distortions from the Lunar New Year holiday, which can fall in either month.

Off-season

China's foreign trade data remained strong despite the "off-season", the customs authority said Sunday.

Trade was also high due to a recovery in production and consumption in major economies such as Europe and the United States amid the coronavirus pandemic, as well as improvements in domestic consumption.

Although business activity usually falls during the Lunar New Year period when workers return to their hometowns, official appeals to avoid travelling this year to keep the Covid-19 outbreak in check supported production, the customs administration added.

"Many enterprises in major foreign trade provinces such as Guangdong and Zhejiang maintained production during the Lunar New Year," it said. "Market demand is expected to rebound further."

Some companies have also been stocking up on goods such as integrated circuits, iron ore and crude oil imports. "Global electronics demand has risen strongly due to the global shift to remote working and online shopping," said Rajiv Biswas, Asia-Pacific chief economist for IHS Markit.

This had driven demand for electronics products such as laptops, mobile phones and wearables, he said. Meanwhile, the strong import growth also reflected a "normalisation of consumer spending" in China, he told AFP, after a severe slump due to lockdowns.

Analysts have warned the demand boom for protective equipment supporting Chinese exports could fade as pandemic controls improve globally, although this may not happen too soon.

"The pandemic might have already changed people's behaviour... I think this kind of demand will still be in place for some time," said ANZ Research senior China economist Betty Wang.

But Chinese authorities cautioned Sunday that, given global uncertainties, there is "a long way to go towards steady growth in foreign trade".

Source: hindustantimes.com– Mar 07, 2021

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I've never seen anything like this: Chaos strikes global shipping

Americans will again shift their spending — from goods back to experiences — reducing the need for containers.

Off the coast of Los Angeles, more than two dozen container ships filled with exercise bikes, electronics and other highly sought imports have been idling for as long as two weeks.

In Kansas City, farmers are struggling to ship soybeans to buyers in Asia. In China, furniture destined for North America piles up on factory floors.

Around the planet, the pandemic has disrupted trade to an extraordinary degree, driving up the cost of shipping goods and adding a fresh challenge to the global economic recovery. The virus has thrown off the choreography of moving cargo from one continent to another.

At the center of the storm is the shipping container, the workhorse of globalization.

Americans stuck in their homes have set off a surge of orders from factories in China, much of it carried across the Pacific in containers — the metal boxes that move goods in towering stacks atop enormous vessels. As households in the United States have filled bedrooms with office furniture and basements with treadmills, the demand for shipping has outstripped the availability of containers in Asia, yielding shortages there just as the boxes pile up at U.S. ports.

Containers that carried millions of masks to countries in Africa and South America early in the pandemic remain there, empty and uncollected, because shipping carriers have concentrated their vessels on their most popular routes — those linking North America and Europe to Asia.

And at ports where ships do call, bearing goods to unload, they are frequently stuck for days in floating traffic jams. The pandemic and its restrictions have limited the availability of dockworkers and truck drivers, causing delays in handling cargo from Southern California to Singapore. Every container that cannot be unloaded in one place is a container that cannot be loaded somewhere else.

"I've never seen anything like this," said Lars Mikael Jensen, head of Global Ocean Network at A.P. Moller-Maersk, the world's largest shipping company. "All the links in the supply chain are stretched. The ships, the trucks, the warehouses."

Economies around the globe are absorbing the ripple effects of the disruption on the seas. Higher costs for transporting US grain and soybeans across the Pacific threaten to increase food prices in Asia.

Empty containers are piled up at ports in Australia and New Zealand; containers are scarce at India's port of Kolkata, forcing makers of electronics parts to truck their wares more than 1,000 miles west to the port of Mumbai, where the supply is better.

Rice exporters in Thailand, Vietnam and Cambodia are forgoing some shipments to North America because of the impossibility of securing containers.

The chaos on the seas has proved a bonanza for shipping companies like Maersk, which in February cited record-high freight prices in reporting more than $2.7 billion in pretax earnings in the last three months of 2020.

No one knows how long the upheaval will last, though some experts assume containers will remain scarce through the end of the year, as the factories that make them — nearly all of them in China — scramble to catch up with demand.

Since they were first deployed in 1956, containers have revolutionized trade by allowing goods to be packed into standard size receptacles and hoisted by cranes onto rail cars and trucks — effectively shrinking the globe.

Containers are how flat panel displays made in South Korea are moved to plants in China that assemble smartphones and laptops, and how those finished devices are shipped across the Pacific to the United States.

Any hitch means delay and extra cost for someone. The pandemic has disrupted every part of the journey.

"Everybody wants everything," said Akhil Nair, vice president of global carrier management at SEKO Logistics in Hong Kong. "The infrastructure can't keep up."

The Havoc Begins Like This

More than a decade ago, during the global financial crisis, shipping companies saw their businesses savaged.

As a mysterious virus emerged in China early last year — prompting the government to shut factories to contain its spread — the shipping industry braced for a replay. Carriers cut their services, idling many of their vessels.

Yet even amid the downturn, orders surged for protective gear like surgical masks and gowns used by frontline medical staff, much of it made in China. Chinese factories ramped up, and container ships carried their products to destinations around the planet.

Unlike the financial crisis, when the economic recovery took years to gather force, Chinese factories came roaring back in the second half of 2020, yielding robust demand for shipping.

As shipping companies deployed every vessel that could float, they concentrated on routes with the greatest demand — especially China to North America.

Pressure built as Americans refashioned their spending. Deprived of vacations and restaurant meals, they bought video game consoles and pastry mixers. They outfitted their homes for remote work and distance learning.

Exercise equipment shipped by container from Asia to North America more than doubled between September and November, compared with the same period a year earlier, according to analysis by Sea-Intelligence, a Copenhagen-based research company. Shipments of stoves, ranges and cooking equipment nearly doubled in that span. Disinfectants increased by more than 6,800%.

“All of the stuff that’s been growing has been basically pandemic induced,” said Alan Murphy, the research group’s founder.

Viewed broadly, the volume of global trade dipped by only 1% in 2020 compared with the previous year. But that doesn’t reflect how the year unfolded — with a plunge of more than 12% in April and May, followed by an equally dramatic reversal. The system could not adjust, leaving containers in the wrong places, and pushing shipping prices to extraordinary heights.

Peter Baum's company in New York, Baum-Essex, uses factories in China and Southeast Asia to make umbrellas for Costco, cotton bags for Walmart and ceramics for Bed Bath & Beyond. Six months ago, he was paying about $2,500 to ship a 40-foot container to California.

"We just paid $67,000," he said. "This is the highest freight rate that I have seen in 45 years in the business."

In early September, he waited 90 days to secure space on a ship for a container of wicker chairs and tables.

Another U.S. importer, Highline United, which imports women's shoes from China and Hong Kong for brands like Ash and Isaac Mizrahi, is paying more than five times its usual price for shipping.

"It's a classic supply and demand issue," said Kim Bradley, the chief operating officer of the company, which is based in Dedham, Massachusetts.

Traffic Backs Up at California's Jammed Ports
At the twin ports of Los Angeles and nearby Long Beach, unloading has been slowed by a dearth of dockworkers and truck drivers as the virus has sickened some while forcing others to quarantine.

"It is anticipated that the backlog in volume will remain until midsummer," the director of the Los Angeles port, Gene Seroka, said at a recent board meeting.

The ships off Los Angeles have exhausted available anchorage spots, resorting to so-called drift boxes — zones where they float freely, like planes circling over congested airports.

Major consumer brands — from the sportswear-maker Under Armour to Hasbro, the game and toymaker — have been dealing with shipping bottlenecks.

Peloton points to port congestion as a factor behind its delays in delivering its high-end stationary bicycles. To shorten wait times, Peloton outlined plans to invest $100 million in air shipping and expedited ocean freight.

But even in normal times, airfreight is roughly eight times the cost of sea shipment. Most airfreight is carried in the cargo holds of passenger jets. With air travel severely constrained, so are available cargo slots.

Some shippers have rearranged their schedules, stopping off in Oakland, California, 400 miles to the north, before continuing to Los Angeles. But containers are stacked on ships in configurations set by their destinations. A sudden change in plans means moving the stacks around like a Jenga game.

And the port in Oakland is dealing with its own pandemic problems. Dockworkers are home tending to children who are not in school, said Bryan Brandes, the port's maritime director.

"In normal times, vessels come directly into Oakland," Brandes said. "Right now, we're ranging anywhere from 7 to 11 vessels at anchorage."

Empty Containers Are Being Shipped Back to Asia

The dysfunction on America's West Coast has caused problems thousands of miles away.

Scoular, one of the largest agricultural exporters in the United States, loads grain and soybeans into containers at terminals like Chicago and Kansas City, and then sends them by rail to Pacific ports en route to Asia.

Given the prices fetched by containers in Asia, shipping carriers are increasingly unloading in California and then immediately putting empty boxes back on ships for the return leg to Asia, without waiting to load grain or other U.S. exports. That has left companies like Scoular scrambling to secure passage.

Delays at the ports frequently bump Scoular's containers to different vessels, forcing the company to redo its customs paperwork — another delay.

"It's the schedule reliability that is a problem," said Sean Healy, Scoular's carrier relations manager. "It's a global issue."

No One Knows How This Ends

In recent weeks, shipping carriers have aggressively moved empty containers to Asia, increasing availability there, according to data from Container xChange, a consultant in Hamburg, Germany.

Some experts assume that as vaccinations increase and life returns to normal, Americans will again shift their spending — from goods back to experiences — reducing the need for containers.

But even as that happens, retailers will begin building up inventories for the holiday shopping binge.

The stimulus spending plan moving through Congress may generate hiring that could prompt another wave of buying, as previously jobless people replace aging appliances and add to their wardrobes.

“There could be a whole other subset of consumers out there that haven’t been able to consume,” said Michael Brown, a container analyst at KBW in New York. “You are potentially looking at some shortages for quite some time.”

Source: economictimes.com– Mar 08, 2021

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Hot sea cargo market quadruples prices for used container ships

A variation on that buy-low, sell-high strategy is exactly what some container shipowners are opting to do, capitalizing on a hot ocean freight market that shows few signs of cooling off.

International Maritime Enterprises, based in Monaco, agreed to sell the container ship Crete I for $46 million, more than four times the $11 million price tag it spent for the 12-year-old vessel in November 2016, TradeWinds reported on Wednesday, citing industry brokers.

Such returns on second-hand ships are an extension of a seaborne cargo market that's running full steam, spurring sales of new ships after years of declines and boosting charter activity to the strongest level in more than a decade.

As a result, container ships are a fast-appreciating asset. A 10-year-old vessel able to move 6,600 steel boxes is fetching $41 million, according to data from Clarkson Research Services Ltd., a unit of the world's largest shipbroker. That's close to double the year-earlier level and compares with a low of $9.5 million back in 2016.

"The recent price increases have happened far more quickly than previous sales and purchase cycles," said Stephen Gordon, managing director at Clarkson Research. "Recent prices trends for 10-year-old vessels have more than doubled in less than six months, whereas in 2016-17 and 2004-2005 it took nearly 18 months for similar percentage price increases."

February was the second-highest activity on record for transactions measured in ship container capacity, he said. Global trade surged in the latter half of last year as Covid-19 saw people buying more goods because they couldn't spend as much on travel, entertainment or dining out.

Typically there's a lull in the demand for products shipped across oceans after the Lunar New Year celebrated in Asia. But with travel restrictions still in place in many countries, that's kept air-cargo capacity tight, which in turn forces more freight on the high seas.

Source: economictimes.com– Mar 08, 2021

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American Businesses are responding to the crisis in Xinjiang

Over the last three years, Americans have learned of the unprecedented assault on the civil liberties and freedoms of ethnic Uyghurs in China. It is estimated that between 1.8 million and 3 million Uyghurs have been collectivized and interned in political re-education camps in China, primarily in the Xinjiang region.

In recent months, evidence has emerged that individuals in these camps are subject to various forms of forced labor, among other human rights violations. The evidence is so overwhelming that in January the U.S. issued an atrocity determination stating China had committed crimes against humanity and genocide against Uyghurs, a move recommended by Heritage Foundation analyst Olivia Enos and others in the human rights community for months.

The U.S. government has responded to this crisis by ramping up customs efforts to detain goods produced with forced labor in Xinjiang. A new Heritage report details what more the U.S. government could be doing to enforce the law, such as issuing an order assuming that all goods made in re-education camps are produced with forced labor.

Utilizing forced labor is both illegal and morally reprehensible, which is why many American businesses are taking the situation in Xinjiang seriously.

In a letter to Congress, a coalition of retail industry associations made absolutely clear that they “do not tolerate the use of forced labor or other human rights abuses within our supply chains.” Moreover, the letter identifies the crisis in Xinjiang as “a top operational and public policy priority for us and our members.”

The notion that businesses are just chasing profits by having supply chains that pass through China is simply false. Retailers actively review their supply chains to ensure that products made with forced labor are not present. Today companies are not only aggressively reviewing their direct contracts, but also those of suppliers indirectly involved in producing their goods.

Businesses are facing three key challenges as they review supply chains and look to move out of China if a connection to Xinjiang is discovered. The first challenge is that this tracing is expensive and takes time. Supply chains are complicated, and a major U.S. retailer only has contracts with the first or second layer of the chain.

For example, a shirt sold at a major retailer might be made in Bangladesh, but the fabric comes from China. The cotton used to make that fabric may be of U.S. origin. It is also common for cotton to be sourced from China, India, or Brazil.

Xinjiang, China is estimated to be home to 80 percent of Chinese cotton production and 20 percent of the global cotton supply.

The U.S. retailer seldom has a direct contract with the cotton company, so tracking the supply chain to this level can be challenging. However, despite the expense and effort, companies have been trying to do just that in recent months.

Second, when companies find connections to Xinjiang in their supply chains, they are having trouble auditing the facilities. Some auditors say they are unable to conduct credible investigations to determine the extent to which forced labor is present in supply chains in Xinjiang. If auditors cannot access factories, American companies are stuck between a rock and a hard place.

The natural next step would be for these companies to look at changing their suppliers for the goods that may be produced in factories that auditors cannot access. But businesses face their third challenge here.

Apparel and textile products are subject to incredibly high tariffs and stringent regulations in the U.S. and around the world. The average U.S. tariff rate for shoes, fabric, and clothing products is more than 11 percent. Many of the countries where textile production is common do not have trade agreements with the U.S. that would eliminate or lower these barriers, making it costly to move production.

As companies review their supply chains and U.S. customs enforces the law, the Biden administration and Congress could be taking additional steps to ensure that apparel and textile products remain affordable for American families.

A trade program called the Generalized System of Preferences eliminates tariffs for certain goods from developing countries. Currently, most apparel and textiles products do not benefit from this program. Congress should expand this program to eliminate tariffs on apparel and textile products.

The Biden administration could also promote more open trade in this sector by expanding America's network of free-trade agreements. Open trade and investment through trade agreements promote innovation and lead to better products, new markets, and greater investment. America and all countries stand to gain from expanding markets and greater trade.

Source: insidesources.com– Mar 07, 2021

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Pakistan: Unspinning a mess

Textile exporters have slammed the government's failure to resolve cotton yarn supply issues and are now warning that the industry could collapse. The supply shortage is based on a combination of local and international factors. Domestically, production has seen a 34% decline year on year due to lower yields and reduced area of cultivation.

Meanwhile, international prices have shot up by about 11% in the past two weeks. The exporters say they will not be able to meet pending international orders if they don't get yarn soon. This would lead their foreign clients to abandon Pakistan in favour of India, Bangladesh and other countries in the region.

Pakistani exporters have seen a higher number of orders this year thanks to coronavirus-induced lockdown in much of the region. This, in turn, increased their demand for yarn. The exporters claim that they had told the government some five months ago that problems were on the horizon, but no action was taken.

The exporters also say that despite lower domestic output this year, the shortage is partly artificial, created by hoarding. Yarn-spinners deny the accusation of hoarding, but their own figures also show that output has been flat this year, confirming that they have not been able to keep up with increased domestic demand.

The accusation of exporters is startling, considering the government's claim of treating textile exports as a priority. For that matter, even if it wasn't an official priority, it is still — by far — the largest export industry and a significant employer. It is also surprising that the government had not already acted to address their rather simple demand — duty-free yarn imports. Considering that the industry is literally based on value-addition, any forex 'losses' due to yarn imports will cancel themselves out thanks to their higher value when being exported as finished products.

The government needs to find a quick fix to ensure there is no deluge of missed orders. It must then, as promised, treat the sector as a priority and find a way to ensure consistent supply to meet rising demand.

Source: tribune.com.pk– Mar 08, 2021

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Pakistan: Govt urged to allow duty-free cotton yarn import from India

Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Sunday demanded the government to allow duty and taxes free cotton yarn import from India through Wagah border.

Currently the government is considering allowing the import from Afghanistan and Central Asian States via Torkham land route which is insufficient to meet the apparel industry's raw material needs. With low production, the country needs to import cotton in an effort to bridge the demand-supply gap.

Furthermore, Pakistan produces short-to-medium staple cotton whereas long and extra-long staple cotton is imported for manufacturing finer yarn for its subsequent transformation into high value-added textile products. Further, the PRGMEA suggested the government to impose a complete ban on export of cotton yarn up to 30 counts till the sufficient raw material is available to the industry.

It will be positive for the apparel industry to convert it into value-added goods, exporting them to the international market instead of raw cotton yarn.

The PRGMEA appreciated Prime Minister Imran Khan for taking serious notice of cotton shortage and high prices in the country, instructing the commerce ministry to take necessary measures including cross border trade of cotton yarn in order to keep the momentum of value-added exports.

PRGEMA chief coordinator Ijaz Khokhar said the apparel sector was in a fix because of cotton shortage and its high prices in local market, as the cotton rates find no respite from an unabated spike with the industrial input trading at season's highest rates because its depressed local production continued widening demand and supply gap.

"Unavailability of cotton yarn has badly affected the value-added textile industry by putting millions of dollars export orders at stake. Apparel sector is now reluctant to book new orders as it is no more competitive due to record high rates of cotton yarn," he added.

He said PM's Adviser on Commerce, Textiles and Investment Razzak Dawood had assured the apparel sector of allowing cotton yarn import from India through Wagah border but now the government is considering permitting imports just from Afghanistan and Central Asian states, which would have no significant impact on cotton shortage. PRGMEA Central Chairman Sohail A. Sheikh said importing yarn from other countries was not only expensive but would also take one to two months to reach Pakistan. "Yarn can be available to us on time from Wagah border and fulfillment of export orders will also be possible on time in this way, he added.

Sohail Sheikh said to promote the export of value-added textile products, the government would have to take important steps to increase production and production of cotton. He said it was a matter of concern that the production of cotton in the country was reduced to only 5.5 million bales. The country's textile sector consumes around 12 million bales of cotton per annum but production has fallen short of the requirement over the past one and a half decade.

PRGMEA central chairman also applauded the government's incentives and support to the apparel exporters, who succeeded in enhancing textile exports by more than 8 percent to $8.8 billion in seven months of the current fiscal year which should continue in future.

He also pointed out that timely decision of the government to open the industrial sector played a major role in stabilising the economy in addition to keeping the jobs intact of millions of workers. "Again we need to take a timely decision of allowing duty-free import of yarn from land route of Wagah to keep the growth pace intact amidst severe shortage of raw material," he added.

Source: thenews.com.pk– Mar 08, 2021

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Pakistan: Minister assures Aptma: Ports-related issues to be resolved on priority

Federal Minister for Maritime Affairs Ali Haider Zaidi has assured All Pakistan Textile Mills Association (Aptma) of resolving ports-related issues on priority. He visited the Aptma Punjab office on Friday. Central Chairman Aptma Adil Bashir and Chairman North Zone Abdul Rahim Nasir, along with other office-bearers of the association, welcomed him on the occasion.

He lauded the role of the textile industry for the economic turnaround of Pakistan, saying that Prime Minister Imran Khan has focused on the export-oriented sector to put the economy back on track. He said 8 percent growth in textile exports during July-Jan 2021 is quite impressive despite the negative impact of Covid-19 and expressed the hope that the export-oriented sector continues attracting new investments to create new jobs and increase exports of the country.

He said his ministry was working on improving the efficiency of ports in the country and make Pakistan a hub for transit trade in the region, especially in areas like cargo scanning, delivery, loading, in/out gate timings etc.

He said new initiatives in the logistics sector, including the setting up of a new freight company, are under consideration of his ministry. Work on the integration and connectivity between Sea Ports and Dry Ports on a real-time basis is also underway, he added.

According to him, adequate port structure and value-added services at ports are being put in place to contribute toward trade facilitation and improve Logistic Performance Index of the country from the current level of 2.42.

Earlier, Aptma leadership pointed out the issues like reluctance by port authorities to waive demurrage even after custom delay/detention certificates, reduction in container and customs dwell times to reduce costs.

Chairman Aptma said cargo transshipment to Dry Ports in Punjab has plunged and business is reverting back to Karachi due to levy of Cess, which is needed to be addressed immediately.

Also, he proposed the minister to allow an online system in all shipping lines for submission of empty containers at Lahore yard instead of Karachi. Reduction in the bonded carrier charges, availability of chemical tests facilities at all Dry Ports and handling as well as collection charges and Sea Port charges for transhipped cargo at Dry Ports were a few more suggestions he put forward on the occasion.

Similarly, Chairman Aptma Punjab Abdul Rahim Nasir said the federal government should adopt measures to increase cotton production to 20 million bales per annum, make available PSF and other MMF at globally competitive prices, and restore sales tax zero-rating for export-oriented sectors.

He said the government should also ensure LTFF facility for the entire value chain including indirect exporters and infrastructure, temporary importation schemes for the entire value chain and formation of Specialized Economic Zones (SEZs) and Textile Cities to accelerate exports.

He also urged the visiting minister to take up the industry issues like reduction of minimum turnover tax from 1.5% to 0.5%, skill development and training, diversification of products and markets, special initiatives for revival of closed mills, expeditious payment of tax refunds and duty drawbacks and approval of Textile Policy in the Cabinet.

On the energy front, chairman Aptma said the government should also ensure all-inclusive electricity tariff at 7.5 cents/kWh and gas at $6.5/MMBTU for next five years continuation of gas supply to CPPs of the export-oriented sectors beyond March 15, 2021.

Source: brecorder.com– Mar 06, 2021

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NATIONAL NEWS

PLI for textiles: Turnover, investment limits to be reviewed

The government is considering an industry demand to lower the turnover and investment thresholds, and include cotton-based products in a Rs 10,683-crore production-linked incentive (PLI) scheme that is meant for only technical textiles and apparel made of man-made fibre.

In a webinar on PLI on March 5, which was addressed by Prime Minister Narendra Modi, senior industry executives highlighted the limited financial muscle of an overwhelming large percentage of companies in the labour-intensive sector, especially in the wake of the Covid-19 pandemic, to seek a relaxation of the "rigid criteria", sources said.

According to the draft "focus product incentive scheme", reviewed by FE, the government has proposed to offer as much as 11% incentive to large companies for investments over Rs 500 crore in greenfield projects in technical textiles. The benefit, however, is linked to an incremental turnover of Rs 1,500 crore in the first year and a 25% rise in turnover each year after that.

It also suggested that firms with an annual turnover of Rs 100-500 crore will be eligible for an incentive of 9% for brownfield projects. This will be subject to an increase in turnover by 50% each year.

Similarly, companies with a turnover of Rs 500 crore or more will be granted a 7% incentive in the first year. The benefit is tied to the condition that turnover has to be raised by 50% in the first year and by 25% each year after that. The incentives in all the categories will be trimmed by 100 basis points each year after the first year and granted for a total of five years starting FY22.

The draft PLI scheme marks a paradigm shift in the government's decision-making on two counts. First, it earmarks big bucks for big companies, shedding its long and costly bias towards small businesses. Second, it seeks to correct India's historical policy preference for a cotton-dominated value chain, which is contrary to the global trend. The idea is to reclaim India's export markets after ceding substantial ground to Bangladesh and Vietnam in recent years.

A source said given the fragmented nature of the textile and garment sector and the absence of enough large players, the government may be forced to review the turnover or investment criteria. But inclusion of cotton in the scheme seems unlikely at the moment, he added.

Noted textiles expert DK Nair said the scheme seems to be well-intentioned, but the targets, especially for incremental turnover, will be hard to meet. More importantly, investment decisions are typically guided by the prospect of long-term returns, and at the moment, it doesn't look promising. An incentive regime for a few years can't substitute hardcore structural reforms to ensure low logistics costs, cheap credit, flexible labour laws, easy land acquisition and abolition of inverted duty structures. So, getting textile companies to undertake large-scale investments still remains an arduous task, given the structural oddities, Nair said.

Moreover, assessing incremental turnover of companies, especially the unlisted ones, will be a herculean task, given the scope for manipulation between group firms, he added.

Raja M Shanmugham, president of the Tirupur Exporters' Association, said most exporters in the country's largest garment hub, are small and medium enterprises that have already been hammered by the Covid-19 pandemic. In such a situation, there is a pressing need for setting realistic targets. Also, cotton-based products that undergo high level of value-addition must be included in the scheme, Shanmugham said.

Even before the pandemic struck, textile and garment exports shrank 8.6% year on year to $33.7 billion in FY20. As such, the sector's share in the overall merchandise exports has been sliding consistently in recent years, having dropped from as much as 13.7% in FY16 to just 10.8% last fiscal, the lowest in around a decade. Globally, while China remains the most dominant player by a wide margin in both textiles and garments, India has been beaten by both Bangladesh and Vietnam in recent years in apparel exports.

The scheme for technical textiles is part of the 13 PLI schemes that the government has announced in the aftermath of the pandemic. The total incentives under 13 such schemes, covering sectors including telecom, electronics, auto part, pharma, chemical cells and textiles, stood at Rs 1.97 lakh crore over a five-year period.

The idea is to lure mainly large companies to create "global champions" out of India that have the potential to grow in size, using cutting-edge technology and can, thereby, penetrate the global value chains.

Source: financialexpress.com – Mar 08, 2021

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PM to inaugurate 'Maitri Setu' between India and Bangladesh on 9th March

Prime Minister Shri Narendra Modi will inaugurate 'Maitri Setu' between India and Bangladesh on 9th March 2021 at 12 noon via video conferencing. Prime Minister will also inaugurate and lay the foundation stone of multiple infrastructure projects in Tripura during the event.

The bridge 'Maitri Setu' has been built over Feni river which flows between Indian boundary in Tripura State and Bangladesh. The name 'Maitri Setu' symbolizes growing bilateral relations and friendly ties between India and Bangladesh.

The construction was taken up by the National Highways and Infrastructure Development Corporation Ltd at a project cost of Rs. 133 Crores. The 1.9 Km long bridge joins Sabroom in India with Ramgarh in Bangladesh. It is poised to herald a new chapter for trade and people to people movement between India and Bangladesh. With this inauguration, Tripura is set to become the 'Gateway of North East' with access to Chittagong Port of Bangladesh, which is just 80 Kms from Sabroom.

Prime Minister will also lay the foundation stone for setting up an Integrated Check Post at Sabroom. It will help ease the movement of goods and passengers between the two countries, provide new market opportunities for products of North East states and assist seamless movement of passengers to and from India and Bangladesh. The project is being taken up by the Land Ports Authority of India at an estimated cost of about Rs. 232 Crores.

Prime Minister will also lay the foundation stone of NH 208 connecting the Unakoti district headquarters at Kailashahar with the Khowai district headquarters. It will provide an alternative route to the NH 44. The 80 Km NH 208 project has been taken up by the National Highways & Infrastructure Development Corporation Limited with a project cost of Rs. 1078 Crores.

Prime Minister will also inaugurate State Highways and other district roads, developed by the State government with a financial outlay of Rs. 63.75 Crores. They will provide all weather connectivity to the people of Tripura.

Prime Minister will inaugurate 40978 houses constructed under Pradhan Mantri Awas Yojana (Urban), completed with the financial outlay of Rs. 813 Crores. He will also inaugurate the Integrated Command and Control Centre built under Agartala Smart City Mission.

Further, Prime Minister will lay the foundation stone for the development of Multi Level Car Parking and Commercial Complex at Old Motor Stand. It will be developed at an investment of about Rs 200 crore. He will also lay foundation stone for widening of the existing road from Lichubagan to the airport from two lanes to four lanes. The work is being implemented by Agartala Smart City Mission at a project cost of about Rs 96 crores.

Source: pib.gov.in – Mar 07, 2021

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India to become Aatmanirbhar in silk production in 2 years: Smriti Irani

Union minister Smriti Irani on Sunday expressed confidence that India will become self-reliant or Aatmanirbhar in silk production in the next two years.

The Minister for Textiles and Women and Child Development said the government aims to provide employment to over one crore people exclusively in the silk segment through the Krishi Vigyan Kendra programme.

She said that India's raw silk production increased 35 per cent in the last six years. Six years ago, 70 lakh people in India were employed in this sector whereas 90 lakh people are currently employed in the segment, she said.

The minister was addressing a programme to announce an MoU between the Textiles Ministry and the Agriculture Ministry, an official statement said.

In a tweet, Irani said the "@TexMinIndia-@AgriGoI MOU will focus on establishing tree based agro-forestry models in sericulture & exploring possibilities of activities through Krishi Vigyan Kendras(KVKs). This will enhance training, boost technology & create sustainable livelihood for silk farmers/rearers".

On the eve of International Women's Day, the minister also distributed Buniyaad Reeling Machines to women silk reelers with an aim to eradicate unhygienic and obsolete thigh reeling practice.

The Central Silk Board (CSB) under the Ministry of Textiles and the Ministry of Agriculture and Farmers Welfare signed a Memorandum of Understanding (MoU) on a convergence model for implementation of Agro-forestry in the silk sector under the ongoing Sub-Mission on Agroforestry (SMAF) Scheme, in the presence of Irani and Minister of State for Agriculture and Farmers Welfare Parshottam Rupala here.

Irani said that 8,000 women thigh reelers were identified for providing Buniyaad machines and 5,000 women have already been supported under Silk Samagra Phase I. She said that for remaining 3,000 thigh reelers, fund provision has been made in order to eradicate Unhygienic and Obsolete Thigh Reeling Practice from the country.

The minister further stated that this MoU signing will increase the agricultural income from 20 to 30 per cent.

Referring to the PPE kits, in which India has become the second largest producer in the world, she said that India has the capability of creating history in Agro-Technical Textiles also. She said farmers income has almost increased to 60 per cent by adopting Agro Technical Textile.

Irani observed that consumption of agriculture based technical textile will increase by involving Krishi Vigyan Kendra in creating awareness about Agro-tech and Technical textiles. She said this will lead the way for creation of new products.

Speaking on the occasion, Rupala said that the MOU signing will not only increase the income and production of farmers but will also remove the difficulties faced by them. He suggested to link the farmers dealing in silk production with Farmers Produce Organisations (FPO) for increasing their earning.

Source: financialexpress.com– Mar 07, 2021

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India-UK Trade Deal soon? Talks on track, says UK High Commissioner

With the British Prime Minister Boris Johnson expected to visit this year, officials from India and the UK are working towards firming up a proposed Free Trade agreement. In an interaction with the media persons, Alex Ellis, UK High Commissioner to India said, "Traditionally India has not been very enthusiastic about trade deals. There is a shift and a desire for bilateral trade deals with countries including the UK."

While the trade negotiations are complex in nature, according to the new High Commissioner, "Both countries had complementary economies and this is one big growth area."

Why the Trade deal?

Following the UK's exit from the European Union, New Delhi is keen on a FTA with that country. Why? Because the UK is an important trade partner and is also an attractive market for the service providers from India.

As part of an early harvest programme in lieu of matching benefits, according to reports, India is likely to give greater market access to Scotch whisky from that country.

G-7

India has been invited to the G-7 meeting later this summer. The High Commissioner expressed hope that Prime Minister Narendra Modi will attend it.

According to senior officials, there is no clarity yet whether the G-7 meeting will be in person or in the virtual mode.

India had also been invited for the D-10 group (which includes democratic partners Australia, South Korea and India in addition to the G-7).

Cairn Dispute:

In response to a query, the top British diplomat expressed hope that there is a swift settlement of the Cairn Dispute. According to him, "It was no secret that there are discussions going on between the two sides on this matter."

What is the dispute?

India has lost It is over retrospective taxes and India losing the international arbitration case.

India-UK Trade Relations

Working towards an enhanced trade partnership later this year, both countries already have a strong and growing trade relationship. As reported earlier, before the global pandemic the bilateral trade between the two countries had witnessed a vibrant 11 per cent increase.

In the last decade there has been a steady rise in the bilateral trade between the two countries. The bilateral trade between the two countries has touched US 15.48 billion in 2019-20.

India and the UK are also fast-tracking discussions on concluding a comprehensive migration and mobility partnership agreement. Once this is concluded and inked it will allow in the faster movement of students and professionals in both directions.
Education

In response to a question relation to the new graduate scheme announced recently, he said, “Under this New Graduate Scheme, the students can now work in the UK after finishing their studies. This scheme is going to help a large number of Indian students who will benefit from it.”

The two sides are also keen on strengthening cooperation in Cyber security; joint defence production as well as promoting vaccine production.

Source: financialexpress.com– Mar 06, 2021

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Exports to Myanmar may take a hit if crisis continues

Exporters to seek government intervention if things take a turn for the worse

Indian exporters of goods to Myanmar have their fingers crossed about the future as the continuing military unrest in the neighbouring country is turning shipping lines jittery with some suspending operations and most others going slow.

The situation at the moment is not "highly alarming" as transactions have not come to a stop, but there could be a big problem in the future if things don't improve and exporters' concerns will be taken up with the government soon, per exporters' body Federation of Indian Export Organisations (Fieo). "Shipping lines are taking a cautious call on Myanmar as they do not want to take a risk and get their containers stuck. Right now exporters are not facing a big challenge as transactions are happening, although slowly, but if the situation doesn't improve, there will be trouble," said Ajay Sahai, Director General, Fieo.

While India's trade with Myanmar is not large with annual exports to the country at $974 million (0.37 per cent of total exports) and imports at about $548 million (0.31 per cent of total imports) in 2019-20, it is significant for importers of top items such as edible vegetables & roots, pulses and wood items as well as exporters of pharmaceuticals, iron & steel, electrical machinery & parts, vehicles & parts and sugar.

Delayed operations

The problem is not only related to customs operations but also connected to logistics and warehousing, points out a government official.

"What we are getting to hear is that even when shipping lines are sending containers from India, there is a delayed clearance from the importers as factories in Myanmar are either not operating in full capacities or have temporarily shut down.

The delay in emptying of containers is hampering business of shipping lines since containers are already in short supply. That is why some shipping companies are unwilling to take the risk," the official said.

Sahai said that Fieo will take feedback from its members over the next couple of days and then take up the matter with the government to see if some interventions can be made.

“We hope that the Commerce & Industry Ministry and the Ministry of Ports & Shipping will come up with some plan to help ease the situation by talking to shipping lines. One shouldn’t wait for things to worsen,” a Delhi-based exporter said.

Source: thehindubusinessline.com– Mar 07, 2021

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States expected to rake up shortfall in payments at the GST Council meet

The states are expected to rake up the issue of a huge shortfall in GST payments till the first quarter of 2022-23 at the GST Council meet scheduled this month.

The council may not take a call on the rationalisation of tax slabs or address the inverted duty structure on sectors such as textiles, footwear, and fertilisers.

Rather, the issue of compensation is expected to be raised by the states as the 15th Finance Commission has estimated the shortfall in the payout to them will be in the order of Rs 7.1 lakh crore for the period April 2020 to June 2022.

A senior finance ministry official said the council may not take a call on these issues as the model code of conduct was in force because of the assembly polls in five states. Also, the council would like the revenue to stabilise after the pandemic and take an informed decision.

At the upcoming meeting — the dates are yet to be finalised — the GST Council is likely to stick to only administrative matters and discuss the recommendations of various committees, the official added.

Sources said the GST compensation cess fund will not be sufficient to meet the obligation of the Centre to the states. The Council has to decide whether or not to extend the current arrangement to make up the shortfall with debt. “From our projections of collections from GST compensation cess, it turns out that the compensation cess fund will have an amount of only Rs. 2.25 lakh crore by that time, from the collections of 2020-21 to Q1 2022-23,” the Finance Commission report said.

The Commission indicated “the shortfall in the requirements of compensation till Q1 2022-23 will be met by extending the levy of GST compensation cess till the year 2025-26. In the interim, the transitional requirements of liquidity of the states could be met from borrowings, either by the Union or by the States.”

“We are not including or quantifying the debt implications of the borrowings under the proposals. The fiscal deficit and debt path worked out by us excludes the borrowing that the States may do under any arrangement worked out between them and the Union, consequent upon decisions in the GST Council," it added.

In October, the GST Council extended the compensation cess beyond June 2022, though it did not specify how long it will continue after the transition period of five years.

The commission has recommended a three-slab structure for GST. The government wants to merge the 12-per-cent- and the 18-per-cent slabs to a middle point of around 15 per cent for long, but has been waiting for the revenue to stabilise.

The Opposition has criticised the Modi government for a complicated GST structure as it has four slabs of 5 per cent, 12 per cent, 18 per cent and 28 per cent. Added to that, the government charges a cess on demerit and luxury products that come under the 28-per-cent-bracket.

Recently, the Commission has recommended merging the 12-per-cent and 18-per-cent slabs. The Commission chaired by N.K. Singh has suggested the rationalisation of the GST into a three-rate structure, comprising a 5 per cent merit rate, the 28-30 per cent de-merit rate and the rate after the merger of the 12-per-cent and 18-per-cent slabs.

Source: telegraphindia.com– Mar 08, 2021

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India-Australia trade agreement gathering momentum under Morrison: Report

India is moving in to fill the vacuum left by China for Australian resources and wine, with a free-trade agreement between Canberra and New Delhi gathering momentum under efforts by Prime Minister Scott Morrison to unlock new markets for Australia, a news report said over the weekend.

According to a report in “The Australian," India under Prime Minister Narendra Modi was seeking greater access to Australian resources, including coal and rare earth minerals. There was also a push by New Delhi to access Australian copper, steel aluminium, cobalt and nickel. This came ahead of India’s Adani Group’s Carmichael mine in Queensland producing its first coal load this year, the Australian news paper reported.

Companies including Coal India Limited were actively engaging with the Australian miners, it said.

Australian prime minister Scott Morrison, who was forced twice last year to delay official visits to India, has been in regular touch with Modi, the paper said.

“While India’s protectionist policies and tariffs on Australian resources and wine remain a hurdle, there is growing optimism a (bilateral trade) deal could be reached," it said.

Trade Minister Dan Tehan was quoted by the paper as saying that although patience would be required in working with the -Indian bureaucracy, there was significant “willingness" to strike a deal, first floated during the -Tony Abbott government.

“There’s a solid foundation of will and really wanting to cement the advancements that have been made in the economic relationship," Tehan said. Canberra would consider early harvest agreements, addressing concerns on both sides around agriculture, as well as unlocking opportunities for miners after China banned Australian coal, the minister was quoted as saying.

“We want to get a very constructive dialogue happening, one which puts ambition back into the free trade agreement," Tehan was quoted as saying.

The Australian government has commissioned an analysis showing how a deal could work in India's interests. "Investment flows are -something that India are very keen on, so how we can ... encourage Australian investment into India is going to be a key to unlocking progress on the deal," the Australian minister said.

He said the government was looking at ways for wine exporters, hit by China's trade restrictions, to get into the Indian market.

"The biggest issue there is that there is a 150 % tariff," he said. "But obviously any discussions we would be looking at seeing what we could do there. Whether we could look at ways where you could potentially seek tariff reductions for wine valued over Australian $25 or $30 — that way you work with India so they can continue develop their own wine industry but at the same time help and support our exporters get into the market."

The uptick in India-Australia economic ties comes amidst a corresponding downturn in China-Australia ties. The fraying of China-Australia ties that began with Canberra banning China's Huawei from its 5G networks in 2018, worsened after Australia called on China to allow international investigators into Wuhan to probe the origins of the novel coronavirus last year. Beijing placed crippling tariffs on Australia's barley exports from Australia and halted beef imports from from four large meat plants. Chins also put embargos on Australian cotton, news reports said.

At the India-Australia virtual summit last year in June, Morrison had called for "commercial and trading relationships that are built on trust."

"I think the Comprehensive Strategic Partnership that we are forming today, going to a whole new level of relationship, will continue to build the trust because we want commercial and trading relationships that are built on trust," Morrison had said.

Source: livemint.com– Mar 07, 2021

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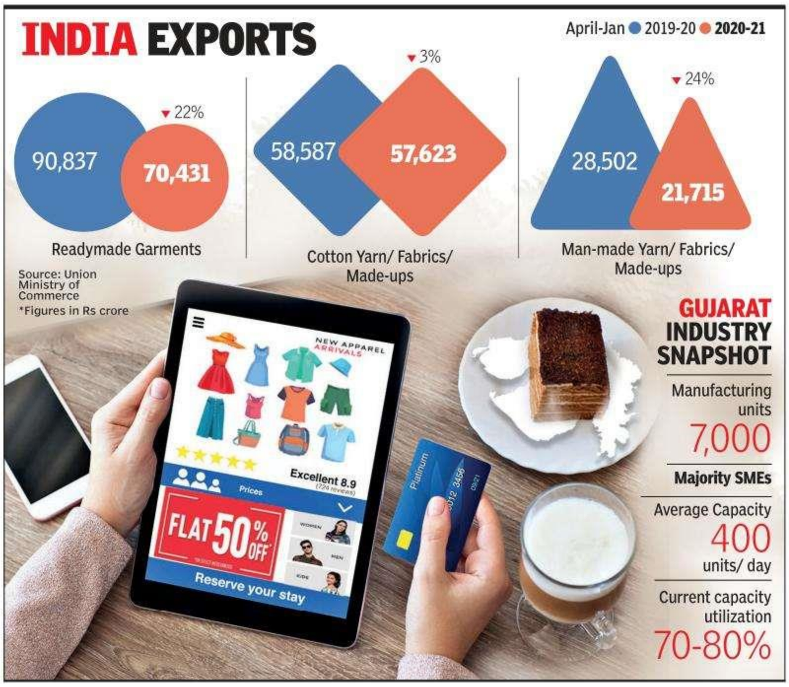
Apparel manufacturers bet big on online platforms to boost demand

Even as e-commerce platforms have been predominantly fuelling apparel sales of prominent brands, several small and medium enterprises have begun betting big on the online platform since the outbreak of Covid-19 pandemic. With retail businesses remaining shut for a good 55 days through the lockdown; followed by work from home, the demand for apparel and made-ups took a major hit in the financial year 2020-21. As India's domestic demand fell by at least 40%, exports of readymade garments declined by 22% from April-January (2020-21), according to industry estimates. To adapt to the new situation, garment makers began focusing on the online space.



Among manufacturing sectors, the textiles sector aggressively adopted digital channels for better business prospects, suggests a report by CRISIL. "Digital adoption grew from barely 20% pre-Covid to 58% currently in the textile sector, which reflected some 38% increase in players transitioning to digital selling," indicates the report.

A similar trend is observed in Gujarat as well, where apparel makers are aggressively moving towards the online platform to find buyers.

"During the pandemic, there were no offline stores available to retail apparels and therefore, many brands went aggressively towards the online platform. Eventually, the realization also struck that the consumers did begin shifting towards the e-commerce platforms to make their purchases," said Rahul Mehta, chief mentor, Clothing Manufacturers' Association of India (CMAI).

Gujarat is home to some 7,000 apparel manufacturing units, most of which are SMEs, according to estimates by Gujarat Garment Manufacturers' Association (GGMA).

Contrary to popular belief and the trend of selling discounted products online, manufacturers have now begun pushing new product lines and fresh collections online as well.

Mehta said manufacturers have also begun launching products on the online platform. "Several clothing brands and manufacturers have begun offering fresh merchandise online instead of merely pushing older stocks online, because of rising digital adoption by consumers," he added.

In fact, those who had forayed online even before the onset of the pandemic have seen an exponential rise in the number of their online customers.

"Retail footfall declined and stores were struggling to clear stock. Moreover, with raw material prices going up, the average apparel price also went up by 10-15%. Since we were already in the online space, we have seen a 10-fold increase in the number of customers purchasing our apparel online," said the marketing head of a leisure-wear brand on condition of anonymity.

Garment makers launch B2B platform

Fetching new buyers was a major challenge for apparel manufacturers since the pandemic and travel restrictions made it difficult for wholesalers to visit manufacturing units.

"Since the pandemic, retail sales have been adversely affected and therefore, production levels remained low. Demand took a hit from both domestic as well as international markets because buyers, brand representatives, and wholesalers could not visit. Therefore, manufacturers had no choice but to turn to e-commerce," said Arpan Shah, honorary treasurer, Gujarat Garments Manufacturers Association (GGMA).

Soon after the pandemic, GGMA supported the launch of a B2B platform in November-end that helps manufacturers list their collection online, and tap new buyers.

"The platform can help connect buyers from across the country with manufacturers and also enable them to place their orders," said Mahendra Bajaj, chairman and managing director of an apparel manufacturing company that has developed the platform. So far, some 70 brands and 3,000 wholesale and retail buyers have been registered on the platform.

Exports hit but orders begin reviving

According to data by the Union ministry of commerce, the exports of readymade garments of all fabrics from the country have declined by 22.46% from Rs 90,837.3 crore in April to Jan 2020 to Rs 70,431 crore in the same period of FY 2021. Similarly, that of made-ups too went down 23.8% from April 2020 to January 2021.

However, industry players suggest that gradually, the demand has revived to a great extent in several countries. Chintan Thaker, co-chair, Assocham Gujarat state council, said, “While the US has banned Chinese imports, manufacturers in China themselves are focusing on other sectors besides textiles and apparel. As a consequence, Indian manufacturers now have a clear advantage and in the fourth quarter, order volumes have begun reviving well.”

“Manufacturers of both apparels as well as made-ups have begun scaling-up production and have also been heavily investing in online sales as well as marketing channels for better visibility and penetration into newer markets” said Thaker.

Source: timesofindia.com– Mar 07, 2021

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Organic fabrics boosting the Indian fashion scene

Every time you buy something organic, you are supplying nature with more strength to produce more life. Once upon a time, everything we used was organic, and then industries lost the consciousness to bring ethical produce to their consumers. However, going through the challenges of the last couple of years, it's not realistic anymore to carry on with the culture of fast-fashion and its production.

A recently conducted fashion week in Milan showcased GCDS' collection, questioning the future of street-styles, which have been the biggest trendsetter of the past decade. Brands like Zara and H&M are watering growth through quick-changing, realistically tagged fast-fashion ready-to-wear. India being the hub of organic products and earthy essentials, it's not underestimated what Indian organic products can offer. Organic fabric industries and small businesses are finally getting their wings to fly. There's a huge variety of organic fabrics turning fancy and being transformed according to today's fashion trends.

What is organic fabric?

Fabric that has been produced through organic fibre and processed with certain earthy techniques and parameters that match up to national and global organic agricultural theories, avoiding toxic pesticides and chemicals, is organic.

Organic textiles use eco-friendly techniques that have very little negative impact on the environment, and it's supporting to reduce global warming by minimum water usage and waste production. The Global Organic Textile Standards' (GOST) international certification for organic textile met its highest approval last year when most industries started turning towards respecting the stamp which gives the assurance of sustainability to the consumers. Most of the Indian textile industries are going through major shifts, leaning towards more earthy and eco-friendly production of various fabrics.

Types of organic fibres

From aloe vera to soybean processed cotton, the Green Movement got in full swing in the early 2000s. There are many companies under organic labels offering organic varieties obtained from vegetable cashmere to hemp and seaweed, and all are equally in demand. Organic cotton being India's best product, it is grown without harmful chemicals, often uses less water, and doesn't destroy ecosystems.

It is known to improve soil quality as well. The same goes for other vegan fabrics like linen, seaweed, wool, hemp, corn, beech tree fibre, or coconut fibre, or even bamboo fabrics.

Ecological textile industries have joined hands to come together and offer sustainably natural fabrics, fibres, yarns, and dyes with organic cotton, linen, wool, hemp, and Tencel. Presently, many individual brands and international ready-to-wear companies that are into fast fashion have turned their ethical ideas towards choosing organic fabrics.

Cultural shift

"With more and more GOTS-certified operations and products we altogether substantially contribute to sustainable development," says Claudia Kersten, Managing Director of GOTS. There are estimated records of 3 million workers employed in certified facilities in 2019. To be certified under the organic category of GOTS, facilities must undergo stringent testing.

From farming procedures to processing methods, organic products must not involve the use of synthetic chemicals, pesticides, or fertilisers, and should not be grown using genetically modified or radiated plants. Agrochemicals commonly employed in non-organic agriculture are one of the largest emitters of carbon dioxide in the industry. On the other hand, organic farming methods are widely considered to help promote better biodiversity, soil quality, and do not contaminate the environment with run-off substances which also exposes workers to fewer health hazards.

Given the health and environmental benefits of organic products, more eco-conscious consumers are now shifting towards clothing made from organic textiles. In response to consumer demands and the pressure to 'greenify' its operations, the fashion industry is now taking strides towards using more organic fabrics, and India is not behind.

It has buckled up with such demands coming its way. Some big brands have already achieved GOTS regulations including outdoor apparel brands, bedding companies, ready-to-wear, and home decor. From fast-fashion giants to small businesses taking leaps towards organic and recycled alternatives, even luxury brands are promoting refurbishment and resale.

High-end consignment platforms now allow consumers to rent, exchange, and rent again to keep items out of landfills for as long as possible. It's not surprising to click on Myntra, Carnival, Amazon, or Reliance Trends to buy daily wear, home decor, or bed linen and land up with a large spread of choices of organic and earthy products. With cultures and ecosystems changing environmental issues, India is remarkably becoming the biggest hub of organic production, promising a sustained rise in the near future.

Source: timesofindia.com– Mar 06, 2021

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Jharkhand govt signs MoUs with FICCI, Flipcart Internet

The Jharkhand government on Saturday signed memorandums of understanding (MoUs) with the Federation of Indian Chambers of Commerce and Industry (FICCI) and Flipkart Internet Pvt Ltd at the stakeholders' meet on the draft Jharkhand Industrial and Investment Promotion Policy 2021 in New Delhi.

In coordination with the Department of Industries, Flipkart and its group companies will work towards infrastructure and industrial development, including social development. The MoU will help create a conducive environment for cooperation and investment for the unit.

FICCI will review its regional expertise, industry liaison, global networking, and industrial and various regional policies to help the state government work towards promoting cooperation, ease of doing business and increasing private sector participation.

It will also help the state government in necessary technical advice and investment related to key priority areas such as textiles, food processing, pharmaceuticals, healthcare, micro, medium and small scale industries, and tourism.

In his keynote address, Jharkhand Chief Minister Hemant Soren highlighted the importance of such events in providing valuable opportunities for interaction with businesses and for the exchange of perspectives between the government and the industry.

Explaining the urgency for a new policy, Soren said, "Covid-19 has created a crisis in industrial output and has adversely affected the value chains. The more I travel to the interior areas and the more I interact with the people there, I get the feeling that the industrial sector needs some help to overcome the strain caused by an extended and unplanned lockdown."

Soren also noted that a sustained effort spread over a few years is required so that micro and small units can be pulled out of their marginal existence, while mega and large units are propelled onto the global platform.

The government of Jharkhand also signed an MoU with FICCI on the sidelines of the event.

Textile being a high priority sector for the government, a roundtable was also organised with the Apparel Export Promotion Council and the Garment Exporters and Manufacturers Association.

Besides Hemant Soren, the meet was attended Sukhdev Singh, Chief Secretary of Jharkhand; Rajeev Arun Ekka, Principal Secretary to CM; Pooja Singhal, Secretary, Industries; and Jitender Kumar Singh, Director, Industries, among others.

Source: canindia.com– Mar 07, 2021

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