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INTERNATIONAL NEWS

Global Trade Outlook for 2021

Global Trade Outlook for 2021 shaped by the COVID-19 pandemic; more optimism but significant uncertainties remain.

Introduction

After an already sluggish trade in 2019 global recovery was expected in 2020. High hopes and early market optimism were devastated by the outbreak of the COVID-19 pandemic, the largest black swan event since the second WWII. 2020 as a whole and Q2 of 2020 proved to be the worst year and the worst quarter for global trade on record. COVID-19 will be the most significant factor affecting the global economy in 2021, however, a number of additional factors have to be taken into consideration.

The significant impact of COVID-19

The COVID-19 pandemic is the worst health crisis in more than a century and potentially without precedent if we take the globalized nature of the current economy. A simultaneous supply and demand shock that led to the global recession and unprecedented contraction in global trade (affecting both the export potential of nations and their demand for imports).

With 98,280,844 reported cumulative cases (WHO Weekly epidemiological update from 27 January 2021) and 2,112,759 confirmed COVID-19 related deaths globally, affecting all the states of the world, the pandemic has proved its severity already. The worst affected regions from the global perspective are the Americas, Europe, and South-East Asia.

The overall impact of COVID-19 will depend critically on the duration, severity, and spatial pattern of the pandemic.

Unfortunately, COVID-19 is not yet under control and far from over. The graphs below indicate that the 2-week averages of new COVID-19 cases, as well as COVID-19 deaths, are still rising and point to a clear second wave and thus the total numbers of cases and deaths globally are still rising fast.

The severity of containment measures introduced by states are correlated (with a certain lag) and thus it is unlikely to predict a major shift in policies implemented. The change critically depends on the pandemic curve itself and in particular on the effectiveness of mass vaccination programs. The effects of them are unlikely to be felt globally before Q3 or Q4 of 2021 (the herd immunity levels of 60 – 70% of the population must be reached).

We obviously should celebrate the development of the vaccines with unprecedented speed, but many uncertainties remain, and thus despite the hike in market confidence in recent weeks we should remain cautious.

Analysis performed by the GTA Forecasting team proves that COVID-19 impacted bilateral trade flows adversely and in a statistically significant manner. This effect on global trade endures from March 2020 onwards.

The reaction in global trade was consistent with the escalating pandemic and steps taken by individual countries/territories in controlling or mitigating it (restrictions on movements, lockdowns, forced production stoppages, as well as monetary and fiscal policy stimuli).

The impact of COVID-19 is significantly larger than the prior recent outbreaks of pandemics including HIV, Ebola, SARS, or MERS in recent years and very much resembles the impact of Spanish Flu 1918-2020. It is worth stressing that the Spanish Flu pandemic lasted three years and had three distinctive pandemic waves.

The direct trade effects of COVID-19 are related to direct supply disruptions hindering production (local/ regional lockdowns & forced production stoppages), increased transport cost due to implementation of stricter rules, supply-chains contagion effect which amplified the direct supply shocks (manufacturing sectors in less-affected nations found it harder and more expensive to acquire the necessary imported inputs from the hard-hit nations) and finally to demand disruptions due to a decrease in the aggregate demand (recession), and precautionary or wait-and-see purchase delays (delayed purchases & investments).

Reporters most adversely affected are the ones struck the most by the pandemic itself as well as economies most dependent on the trade with these nations through export/import linkages (forward/backward linkages in global value chains, GVCs). Increased defragmentation of production chains and certain management principles (just-in-time and lean production with low stockpiles of inputs) increased the susceptibility of the global economy to the shock. The impact is, however, asymmetric due to the nature of the individual (sector-level) value-added chains. Some GVCs dependent on adversely affected regional or global hubs such as China, Italy, Spain, or Germany were more affected (e.g. automotive industry, electronics). Some industries or sectors gained on the crisis (e.g. pharmaceuticals, IT services). Nonetheless, the gradual recovery in global merchandise trade in Q3 and Q4 proved the resilience of global value chains to supply disruptions.

Individual economies and groups of economies took unprecedented steps to mitigate the crisis, which could have negative consequences for public finances and global debt levels similar to the recent global financial crisis. This increases the probability of the W-shape scenario (the initially assumed V-shape with a strong recession followed by sharp recovery is already highly unlikely).

We already understand that the impact of a pandemic won’t be limited to the short-run. It is likely to have long-term consequences as well. We are likely to observe more pronounced adjustments to GVC/trade patterns (trade diversion effects) the larger, the longer the pandemic lasts.

Other important qualitative factors that could affect global trade in 2021

The UK-EU trade agreement, negotiated and ratified at the last possible moment, took effect from 23:00 GMT on 31 December 2020. Thus, the potential hard-Brexit did not materialize, nonetheless, the situation in January 2021 proves that Brexit is costly, and Britons are experiencing the first adverse side-effects.

The Regional Comprehensive Economic Partnership (RCEP) Agreement was signed on 15 November 2020. The RCEP is a multilateral, regional agreement extending and deepening the free trade between the member states of the Association of Southeast Asian Nations (ASEAN) and its existing trade partners China, Japan, and South Korea (the so-called ASEAN Plus Three) as well as Australia and New Zealand. RCEP is the first multilateral agreement to include China (mainland) and establishes the first free trade agreement between China and Japan, as well as Japan and South Korea. RCEP will enter into force following ratification by at least six ASEAN countries and three non-ASEAN signatory countries and it will take the effect 60 days after it has been ratified. The process of ratification can be lengthy and take several months, nonetheless, it should be completed in 2021.

Upon entry into force, RCEP will be the world's largest regional trade agreement in terms of GDP & population. RCEP's countries currently account for about 29% (USD 25.8 trillion) of global gross domestic product and approx. 29% (2.3 billion) of the world's population. It is worth stressing that the RCEP countries dealt better with the COVID-19 pandemic than the majority of other regions of the world and the region is already driving the global recovery.

RCEP can thus due to its size and intended scope create significant quantitative and qualitative effects regionally and globally both in the short and the long-run (significant static, as well as dynamic effects, are very likely). It could strengthen the economic position of the region as the main locus of economic activity spurring the growth of the region but also globally which could be a crucial element of recovery from COVID-19. RCEP increases the likelihood of establishment of the world's largest regional value chain with the growing role of intra-regional economic activity.

The cultural, social, economic, and political heterogeneity of the block will be a challenge to its functioning and progress will depend on the balance of costs-and-benefits for all participating states. Realizing the potential benefits of this mega-regional FTA will crucially depend on addressing the major challenges in particular divergent political and economic interests of this diverse group.

Click here for more details

Source: hellenicshippingnews.com– Mar 09, 2021

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'All Eyes on April' for UK Retail Recovery

U.K. retailers may breathe a sigh of relief soon as research shows sales inching toward normal levels after a year of constrained spending. According to a newly released report from the British Retail Consortium (BRC) and accounting firm KPMG International, "all eyes are on April" when it comes to a retail recovery.

The groups' insights revealed that sales increased by 1 percent in February on a total basis, compared with growth of just 0.1 percent during January. The data, collected between Jan. 31 and Feb. 27, also showed that total U.K. retail sales across categories increased by more than 9 percent on a like-for-like basis from the same period in 2020.

What's more, in the three preceding months, non-food-related retail sales increased by more than 6.6 percent on a like-for-like basis. While sales declined by 5.5 percent on a total basis during that period, the number still beats the 12-month total average decline of about 6 percent.

Web sales of non-food goods—which include lifestyle products like footwear, apparel and home supplies—ballooned by more than 82 percent in February. The growth is especially striking in comparison with 2020's modest online growth of 3.6 percent from the same period (pre-pandemic), which saw just half the amount of penetration.

Not surprisingly, e-commerce has seen tremendous acceleration in the U.K. throughout the pandemic, with the prior three months averaging more than 68 percent monthly growth. Over the course of 12 months, digital channels saw an average increase of about 49 percent each month, and analysts predict that trend will stick.

BRC's chief executive, Helen Dickinson OBE, said that "February saw a return to growth after a disappointing start to the year." The CEO credited Prime Minister Boris Johnson's reopening roadmap with a "burst in spending" on everyday items, like school uniforms. Johnson announced in February that schools would begin the process of fully reopening on Monday this week.

The bulk of the country is still in the throes of its third lockdown, though, keeping consumers holed up at home. "With another month of lockdown still to go, online sales were high, rewarding the retailers who have invested digitally," Dickinson said.

A mid-month commercial holiday also presented an opportunity for shoppers to spend, though Valentine's Day revelers largely splurged on food items from their local supermarkets as restaurants remained shuttered. Bars and eateries, along with non-essential retailers, are expected to see a loosening of restrictions on April 12. They have been wholly closed to the public since Jan. 6, a circumstance that has caused in-store sales to remain "significantly down," Dickinson said, "underlining the importance of a successful reopening in April."

"While the uptick in sales is encouraging, many retailers are concerned about the months ahead," she added, explaining that retailers have "spent hundreds of millions on making their premises Covid-secure" in anticipation of shoppers' return.

Dickinson noted, however, that previous reopenings "have shown that demand can be slow to come back," with many consumers still feeling apprehensive about in-store browsing. "Government has a vital role to play in building up consumer confidence across the country to power the spending-led recovery," she said.

KPMG head of U.K. retail Paul Martin characterized February's gains as "the mildest of upturns for the retail sector," after "a bleak January sales performance" that saw high street stores across the country still shuttered.

Online represented an undeniable bright spot, though, as "consumers continued to nest down for further weeks at home." Web channels saw strong sales across all categories, he said, "with some even registering triple-figure growth." That stands in contrast with neighborhood shopping hubs, which saw boutiques selling clothing, health and beauty products "continue to suffer, with sales falling by double figures," he added.

While the country's government "threw retailers a lifeline" with a short-term extension of Covid support packages, "conditions will continue to be incredibly challenging as they face subdued demand, thinner margins and rising logistics costs," he said, "alongside the accelerated structural changes to the sector."

Still, Martin believes February's data, along with the recently announced roadmap for an end to the lockdown and continued dissemination of multiple vaccines, represents "a light at the end of the tunnel" for non-essential retail.

"All hopes will be pinned on consumers wanting to break free from home to browse the stores that have been out of bounds for months," he added. "High streets will be counting down the weeks until they can finally open their doors and hoping consumers swap their slippers for trainers as they start to hit the shops."

Source: sourcingjournal.com– Mar 09, 2021

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USA: Tier Two Jeans Suppliers Shine amid January's Import Declines

U.S. denim apparel imports, the vast majority of which are jeans, started off the year with more moderate year-over-year declines than the substantial plunge they experienced in 2020.

Imports of jeans were down 5.36 percent to a value of $251.8 million in January compared to a year earlier before the affects of the coronavirus pandemic were felt in the United States. This compares to the 25 percent decline to $2.8 billion felt in the 12 months through December, as demand plummeted during the Covid crisis, according to data from the Commerce Department Office of Textiles & Apparel (OTEXA).

January data surfaced clear winners and losers among the Top 10 suppliers. Imports from top jeans supplier Bangladesh increased 8.73 percent compared to a year earlier to a value of $56.4 million, while No. 2 producer Mexico saw its shipments rise 1.31 percent to $42 million after declining 40 percent for the year through January, according to OTEXA.

Surges were also experienced by Pakistan, with a gain of 21.54 percent to $26 million, while Nicaragua's shipments jumped 39.35 percent in the month to $7.16 million and imports from Lesotho climbed 64.9 percent to $8.27 million.

On the downside were imports from No. 3 and 4 suppliers Vietnam and China. Denim apparel imports from China–in the midst of a long-term decline over concerns from sourcing executives over high tariffs and political strife with the U.S.–fell 16.42 percent to $28.44 million. Vietnam, which experts feel could be reaching a capacity crunch, saw its shipments decrease 34.49 percent to $24.97 million.

Rounding out the Top 10, category imports from Cambodia declined 9.1 percent to $14.63 million, shipments from Egypt fell 41.86 percent to $8.82 million and those from Sri Lanka dropped 35.95 percent to $3.84 million.

Second-tier suppliers made notable gains. Imports from Madagascar jumped 153.97 percent to $5.05 million and shipments from Turkey were up 40 percent in the month to $4.4 million. Ethiopia, Kenya, Italy, Tanzania and Mauritius were among other smaller suppliers seeing increases.

Source: sourcingjournal.com– Mar 09, 2021

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USA: Textile and Apparel Imports Down Again as Asia Sourcing Shifts

The Department of Commerce's Office of Textiles and Apparel reports that monthly imports of cotton, wool, manmade fiber, silk blend, and non-cotton vegetable fiber textile and apparel products totaled 6.22 billion square meter equivalents in January 2021, down 1.4 percent from December 2020 but up 9.3 percent from January 2020.

Country	SME	Monthly change %	Annual change %	$ Value	Monthly change %	Annual change %
China	2.80 billion	-9.1	+13.3	2.18 billion	+4.3	-12.0
India	683.2 million	+9.5	+26.9	739.3 million	+18.7	+2.8
Vietnam	490.7 million	+19.4	-3.5	1.16 billion	+24.3	-17.0
Pakistan	274.8 million	-1.5	+5.4	304.6 million	+1.9	+16.7
Bangladesh	230.1 million	+21.7	-5.0	538.1 million	+41.7	-16.0
Mexico	207.3 million	-0.5	+5.0	284.5 million	-6.8	-6.3
Korea	144.1 million	-14.1	-23.0	67.3 million	-10.6	-16.0
Cambodia	135.8 million	+4.8	-2.5	268.3 million	+10.4	-16.0
Indonesia	131.0 million	+10.9	-14.0	296.8 million	+30.4	-33.0
Turkey	124.6 million	+0.4	+48.2	217.8 million	+14.2	+31.1
Canada	76.9 million	+5.6	-6.6	77.3 million	-0.4	-21.0
Israel	62.9 million	n/a	+87.5	$26.5 million	n/a	+50.1
Germany	51.2 million	n/a	+11.1	$37.6 million	n/a	+8.1
Honduras	50.5 million	-29.2	-17.0	139.7 million	-23.2	-9.9

Textile imports totaled 4.08 billion SME, down 7.7 percent for the month but up 20.9 percent from the previous year, while apparel imports of 2.13 billion SME were up 13.3 percent from December but down 7.7 percent from a year before.

For more information on trade-related issues affecting textiles and apparel, please contact attorney Elise Shibles at (415) 490-1403 or via email.

Overall Imports. For the year ending in January, imports were 67.9 billion SME, down 1.7 percent from the previous year. Textile imports rose 7.7 percent to 44.9 billion SME but apparel imports fell 16.2 percent to 23.0 billion SME.

Source Countries. OTEXA has reported the following statistics on textile and apparel imports from major source countries for January 2021.

Source: strtrade.com– Mar 08, 2021

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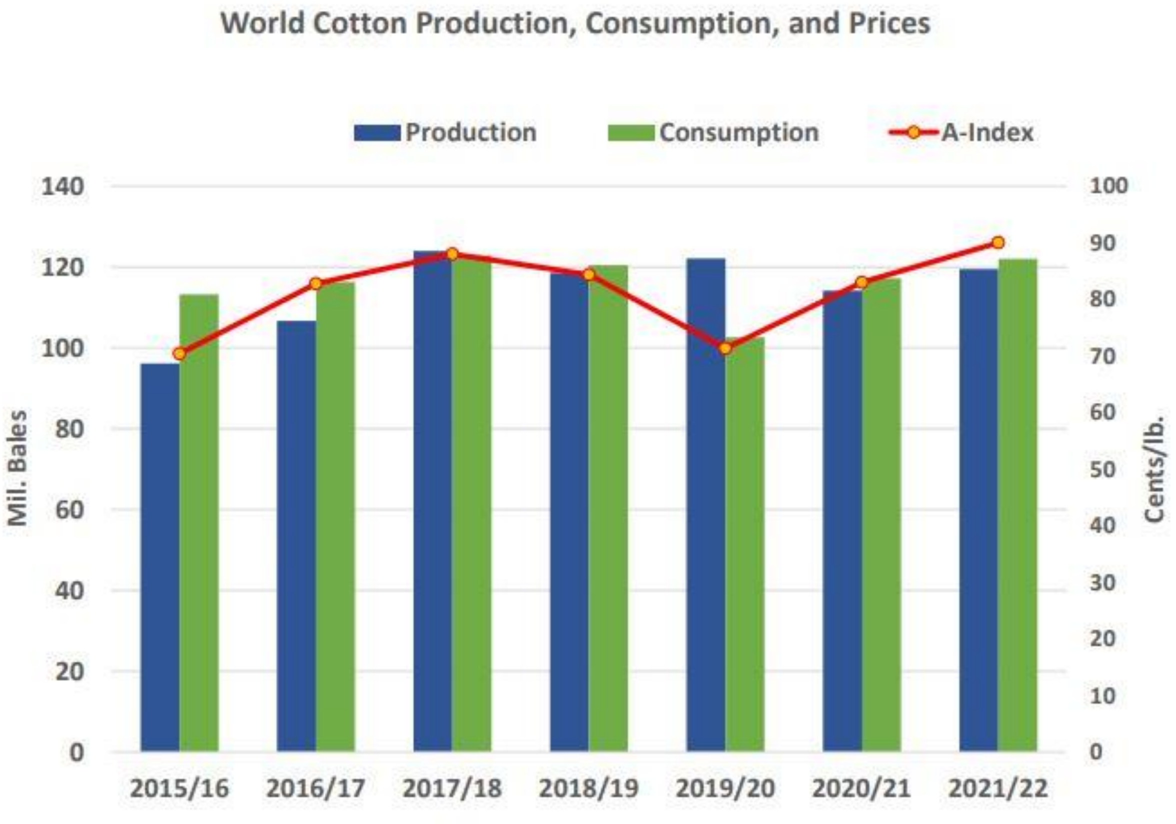
Global cotton consumption outstrips supply: USDA

The United States Department of Agriculture (USDA) expects world cotton consumption to exceed production for the second year in a row, reducing world stocks by 3.2 million bales.

In its latest report released overnight, the USDA says world cotton production is expected to rise 4.7 per cent with the most significant year-over-year growth in Pakistan, Australia, Brazil, the United States, and West Africa.

Global consumption is expected to grow by 4.1pc, substantially above the longterm average rate of 1.7pc, as the world economy recovers from the severe 2020 downturn.

Strong cotton consumption growth in 2021/22 and tightening stocks are expected to support prices with the A-Index forecast up 7 cents to 90 cents/pound for the marketing year. If realized, this would be the highest in eight years.



US production up

The USDA says production in the United States is up 17pc to 17.5 million bales as planted area remains stable and abandonment declines on the assumption of normal weather.

However, weather conditions, especially in Texas, provide significant downside risk.

Consumption is expected to rise to 2.5 million bales, but still nearly 500,000 bales lower than three years prior; exports are expected to remain at 15.5 million bales.

As a result, ending stocks are forecast at 3.8 million bales, a five-year low.
China unchanged

China's 2021/22 imports are forecast at 11.0 million bales, unchanged from the previous year's level, which was the highest level in seven years.

Further growth in yarn and fabric production, coupled with lower domestic production, is expected to maintain strong imports in addition to the State Reserve maintaining an optimal level of government-held stocks comprised of both imports and domestic supplies.

China's consumption is projected to increase at a rate below the world average due to above average growth in 2020/21.

China realized an earlier recovery from the impacts of COVID-19 relative to other major consumers, with the resultant 2020/21 consumption growth rate above the world average.

Source: graincentral.com– Mar 10, 2021

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US retail imports expected to grow dramatically in H1 2021

Imports at the largest retail container ports in the US are expected to grow dramatically during the first half (H1) of 2021 as increased vaccination and continued in-store safety measures enable additional shopping options, according to the latest monthly Global Port Tracker report released by the National Retail Federation (NRF) and Hackett Associates.

“NRF is forecasting what could turn out to be record retail sales growth in 2021, and retailers are importing huge amounts of merchandise to meet the demand,” NRF vice president for Supply Chain and Customs Policy Jonathan Gold said. “The supply chain slowdown we usually see after the holiday season never really happened this winter, and imports are already starting to grow again. Consumers haven’t let the pandemic stop them from shopping, and retailers are making sure their customers can find what they want and find it safely.”

“As COVID-19 ravaged the economy in 2020, it seemed as if any hope of recovery was distant,” Hackett Associates founder Ben Hackett said. “Then came the rollout of vaccines that appear to be highly effective and are bringing strong signs of a quick recovery. The successful distribution of vaccines will help ensure that the economic recovery will likely be strong and sustainable.”

US ports covered by Global Port Tracker handled 2.06 million Twenty-Foot Equivalent Units (TEU) in January, the latest month for which final numbers are available. That was down 2.3 per cent from December as the busy holiday season came to an end. But with a 13 per cent year-over-year increase, it was the busiest January since NRF began tracking imports in 2002 and the first time the month has ever topped the 2 million TEU mark. A TEU is one 20-foot container or its equivalent.

"While import numbers for both February and March are forecast to be significantly higher than normal, year-over-year comparisons are difficult because of the pandemic," NRF said. February is traditionally the slowest month of the year as Asian factories close for Chinese New Year, but last year most remained closed into March because of the coronavirus, reducing numbers even further. This year, however, some remained open during the holiday in order to fill a surge in orders, and ships arriving at US ports faced a backlog to unload.

February results aren't available yet, but the Global Port Tracker projected the month at 1.88 million TEU, up 24.4 per cent over last year, while March is forecast at 1.98 million TEU, up 44.1 per cent. April is forecast at 1.9 million TEU, up 18.2 per cent year-over-year; May at 1.92 million TEU, up 25.2 per cent; June also at 1.92 million TEU, up 19.6 per cent, and July at 2.02 million TEU, up 5.3 per cent.

Thus, the first half of 2021 is forecast at 11.7 million TEU, up 23.3 per cent from the same period in 2020, which experienced a major decline in imports due to COVID-19. Imports saw a total of 22 million TEU in 2020, up 1.9 per cent from 2019's 21.6 million TEU and beating the previous record of 21.8 million TEU recorded in 2018.

Source: fibre2fashion.com– Mar 10, 2021

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Peru terminates ADD probe against 100% polyester fabrics from China

The Peruvian National Competition and Intellectual Property Protection Agency's committee on dumping, subsidies and non-tariff trade barriers announced last month its decision to terminate the anti-dumping investigation against Chinese polyester fabric and not impose anti-dumping duty (ADD) on the same. The announcement takes effect from the date of promulgation.

Cent per cent polyester fabric originating in China did not cause material damage to Peru's domestic industry during the damage investigation period, i.e., January 2016 to December 2019, Peruvian media reported.

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

The notice was issued in early February in response to Peruvian company Tecnologa Textil S.A.

Source: fibre2fashion.com– Mar 09, 2021

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Vietnamese textile industry sees huge export opportunities

The textile and apparel industry, which managed to survive three waves of COVID-19 thanks to its decision to produce face masks and personal protective equipment, will focus on sportswear and yarn, according to the Vietnam National Textile and Garment Group.

Le Tien Truong, its general director, said demand for face masks and personal protective equipment will shrink rapidly.

Armed with their experience of coping with the pandemic, many textile and footwear enterprises are quietly confident of altering plans when required and finding new markets to cope with new situation after COVID-19 is under control.

Sportswear has arguably been the most successful segment during the pandemic as awareness of physical exercise rose.

According to Euromonitor International, in 2020 the demand for sportswear world-wide decreased only about 8 percent, the lowest in an industry which saw an overall decline of 16 percent.

The compounded annual growth rate for the sportswear market in the last five years was 6.5 percent, 1.5 times the industry average, and it is expected to be worth 479 billion USD globally by 2025.

The Thanh Cong Textile Garment Investment Trading JSC is considered one of the most successful businesses in 2020 thanks to seizing opportunities to export COVID-19 related apparel products such as fabric masks and PPE.

But Tran Nhu Tung, its deputy general director, said the demand for cloth masks and protective gear is returning to pre-COVID levels with the advent of vaccines. This year his company has stopped taking orders for medical protective gear and antibacterial masks.

It is focusing on traditional products such as T-shirts and sportswear, demand for which would continue to increase, and there are already enough orders for sportswear for the first 6 months of the year, he said.

According to the Vietnam Textile and Apparel Association, many businesses now have orders for until the end of April, mainly for sportswear.

Dang Trieu Hoa, general director of the The Ky Yarn Joint Stock Company, said his company plans to focus on yarns with high quality and competitive prices.

The EU-Vietnam Free Trade Agreement (EVFTA) that took effect on August 1 last year has reduced tariffs on Vietnam's garment exports by more than 70 percentage points.

The footwear and textile sectors also benefit significantly from tariff cuts, according to Bao Viet Securities Joint Stock Company.

With most other countries that export textile and garment to the EU not having a trade deal with the bloc, the EVFTA has opened up a great opportunity for Vietnam's footwear, textile and garment exports if companies meet origin requirements, it added.

Source: en.vietnamplus.vn – Mar 08, 2021

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Pakistan: Exporters, spinners spar over yarn imports from India

As the value-added textile sector anticipates the resumption of duty-free yarn imports from India, spinners are strongly against the idea maintaining that the item is being imported from 59 countries.

While the value-added sector terms the situation a crisis, spinners insist a false picture is being presented.

"As per Customs data, yarn is already being imported from 59 countries," Chairman of the All Pakistan Textile Mills Association (Aptma) Sindh-Balochistan Asif Inam said.

"India's hostile attitude towards Pakistani products is worrying," the Aptma representative said.

"The data is strangely fabricated to portray a doom and gloom scenario. There was a slight decline in exports when comparing exports of 28 days of Feb 2021 with 29 days in the same month last year (2020 was a leap year)," he added.

The seven-month data (7MFY21) shows that Pakistan has already imported cotton worth $1.336 billion. The massive imports highlight cotton shortage in the country, with production at its record lowest level.

Mr Inam said the government should not allow imports of cotton yarn or cotton from India until the "country goes for trade normalisation with Pakistan".

"The value-added garment and home-textile industries are facing jeopardy in the wake of unavailability of cotton yarn and abrupt decrease in the value of rupee against dollar," said Pakistan Apparel Forum Chairman Jawed Bilwani.

"During the past three months, cotton yarn 30/1 prices have been increased by 15pc while it is not available in the market," he said.

In the last six months, the dollar has also depreciated against the Pak rupee by 5.58pc — down from Rs166.5 to Rs157.2. Exporters previously had negotiated and finalised their export orders at dollar rate of Rs166.5, Mr Bilwani said.

The fortnightly report of the Pakistan Cotton Ginners Association shows that 72,000 bales of cotton were sold to exporters.

“Cotton prices are high in the market while arrival for this year is almost over. There is need to import more cotton but more important there is a need for a policy to improve cotton growth with high quality seeds and increased cultivation area,” said Karachi Cotton Brokers Forum Chairman Nasim Usman.

Source: dawn.com– Mar 10, 2021

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Employment growth in Bangladesh RMG sector 1.07% a year: study

Employment in Bangladesh's readymade garment (RMG) sector witnessed only 1.07 per cent annual growth from 2015 to 2020, according to a study by the Asian Centre for Development (ACD), which estimated that the total number of workers employed in the RMG sector increased to 4.22 million (1.72 million male and 2.50 million female) in 2020 from 4 million in 2015.

The study, titled 'Socio-economic Profile of Garment Workers of Bangladesh', found that in 2015, the total number of male workers in the RMG sector was 1.10 million while female workers were 2.59 million. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and ACD jointly published the study.

'Despite the fact that many factories were closed down in the aftermath of the Rana Plaza accident, our estimate shows an increase in the number of workers per factory and factories are about 70 per cent larger than that of 2014,' the study said.

Between 2015 and 2020, the growth rate was 4 per cent for male workers and minus 0.7 per cent for female workers. The ACD survey showed that in 2014, monthly family expenditure of RMG workers was around Tk 11,320 and the expenditure increased by 7 per cent a year between 2014 to 2020 while income also increased by 7 per cent in the period.

Although the income of workers increased 7 per cent against the 7 per cent increase in expenditure, the study claimed that the monthly savings of the workers rose by 8 per cent during the period.

The report said the average age of workers of RMG sector in Bangladesh is 25.9 years and the average length of service is 9.2 years. There are around 2,200 foreign professionals in nearly 15 per cent of the RMG factories in the country.

Most of them are engaged in management positions, followed by technical operations and merchandising.

Source: fibre2fashion.com– Mar 10, 2021

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Bangladesh: Threats and opportunities of yarn business in Bangladesh

For the last 4 or 5-months Bangladeshi spinners are having an upward trend after a year of calamity in COVID-19. Following the trend, many investors are planning to set up a new spinning factory or increasing capacity. There is indeed a huge gap between total yarn requirements for Bangladesh's readymade garment (RMG) industry and the capacity of local spinners'. Which has been fulfilling with imported yarn.

As the imported yarn price – mainly from China and India – are much cheaper, local spinners are always fighting in yarn market to keep their prices down. Spinners are really worried about cheap Indian yarn flooding the market, especially for 100% cotton yarn.

The situation is so grim that 100% cotton yarn business in Bangladesh are now totally depends on Indian yarn business strategy. In last two year, India sold their huge stock of cotton fiber in Bangladesh converted into yarn due to lack of demand in China market (trade war impact) and good cotton production. That is why yarn price was too cheap and we local spinners grieved to survive.

We know in spinning raw material contributes around 60~70% of the total cost, so if we can't play with the spinning process of raw materials then it is tough to survive. We can consider the below points for 100% cotton yarn business:

Oppositely, if we think about different fiber yarn like Natural, Synthetic, Regenerated yarn, or blended yarn then beneficial for small factories like 50,000 Spindle. This unit will be customized with customer requirements. The positive side of this type of this kind of Spinning Mill is …

- 3 or 4 product lines can be used for running different processes at a time.
- Possible to minimize raw material cost during blending by considering fiber properties against required yarn quality.
- Facilitate to change the product line with market demand to continue smooth business all over the year with market trend.
- Partnership business can be possible with few fixed customers by supporting them with all kinds of yarn.

- These kinds of yarn not buying from abroad due to small requirements from buyers.
- Fibre dyed yarn and Recycle yarn requirements are increasing day by day. Here is the possibility to pick the market.

Current and projected percentage of different fiber trend in the fibers market

Also, we have to consider below threats in the yarn business, which is already we are facing and gradually new challenges are coming due to business mechanism by other's country and end buyers:

- Indian yarn is highly subsidized as their government provides incentives in the cotton purchase and production of yarn at the mill level and incentives for export yarn. As a result India now providing very competitive prices all over the year.
- The news source stated that China is providing direct cash returns to exporters of about 15 to 20% on their export of fabric to Bangladesh. This is a direct threat to synthetic blended yarn.
- Recently Indian Secretary said in the media that "we will have an agreement with Bangladesh to supply fabric and yarn to them and they will make the apparel and export it". If it is done then we will lose one portion of the total yarn market.
- Buyer's nomination habits for yarn source, especially from abroad.
- BCI and Organic yarn requirements are increasing but a shortage of good quality BCI and Organic fiber.

Click here for more details

Source: textiletoday.com.bd – Mar 09, 2021

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Pakistan: There's no shortage of cotton yarn, claims APTMA

The All Pakistan Textile Mills Association (APTMA) has claimed that there is no shortage of cotton yarn in the domestic market.

APTMA (Sindh-Balochistan region) chairman Asif Inam in a statement strongly denied reports of yarn shortage and its unavailability in the domestic market. He said that yarn import was allowed from all over the world except India in response to their restriction on import of Pakistani products.

He said that as per the customs data, yarn could be imported from 59 countries. "The love for India despite the hostile attitude for Pakistani products is not understandable, and the data is strangely fabricated to portray a gloom and doom situation of slight decline in exports by comparing exports of 28 days of February 2021 with 29 days of February 2020 which was a leap year," he added.

Asif Inam further said that the downstream industry was creating a hue and cry of unavailability of cotton yarn even though they were availing all the facilities which were not provided to the exporters of yarn including subsidized export refinance facility, duty local taxes and levies (DLTL), etc.

Moreover they were also allowed to import duty-free cotton yarn under DTRE, export oriented and manufacturing bond schemes if they found local yarn expensive.

The downstream industry was pushing the government for long-term policies, and yet at the same time it would like government interference to rescue it from any bad decision of forward selling of foreign exchange, not selling of foreign exchange and higher commodity prices all over the world due to relentless money printing by the developed countries during COVID-19 which everybody had to deal with, he said.

Inam urged the government not to allow import of cotton yarn, etc., from India until they restored normalization in trade with Pakistan.

Source: brecorder.com– Mar 10, 2021

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Pakistan: Exporters fear losing orders due to cotton crisis

Textile body says unavailability of yarn, fluctuations in exchange rate affecting sector

The textile sector has voiced fear of losing export orders due to unavailability of cotton yarn and fluctuations in the rupee-dollar parity.

In a statement on Monday, Pakistan Apparel Forum Chairman Jawed Bilwani said that unavailability of cotton yarn and abrupt decrease in the value of rupee against the US dollar can collapse efforts made by the value-added garment and home textile segments.

“Due to this, the exporters belonging to the garment and home textile sectors fear a steep decline in exports in the coming months,” he said.

It is pertinent to mention that in the last six months, the dollar has depreciated against the rupee by 5.58% to stand at Rs157.2 at present, while exporters had negotiated and finalised export orders at Rs166.5 per dollar, said Bilwani.

Similarly during the last three months, the price of cotton yarn climbed 15% and still it is not available in the market, he lamented.

“Due to these two factors, exporters are reluctant to register new orders because the cost of the production has risen in the past few months,” he said. “Exporters are taking a dual hit therefore the government should intervene to save the value-added textile export chain.”

Taking notice of the ongoing situation, the government should immediately abolish customs duty on import of cotton yarn to aid the value added garment and home textile exports of Pakistan, said Bilwani.

“The government’s goal is to increase exports and narrow the import bill,” said Federation of Pakistan Chamber of Commerce and Industry (FPCCI) former president Mian Anjum Nisar. “If the country loses textile orders, it will be a huge setback for Pakistan.”

He urged the government to work in the greater interest of the value-added textile chain.

Separately, Pakistan Yarn Merchants Association (PYMA) Senior Vice Chairman Hanif Lakhany said that soaring yarn prices were pushing the textile-based small and medium enterprises (SMEs) to the brink of collapse.

Failure of authorities to review the tariff structure of polyester chain and allow duty-free import of cotton, polyester cotton and polyester filament will be catastrophic for small businesses, he said.

"The textile industry will be ruined if it is not supplied with raw materials at reasonable prices in line with the demand," he said.

Source: tribune.com.pk – Mar 09, 2021

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NATIONAL NEWS

Government should review import duty on cotton

The sudden impost of customs duty on imported cotton has left the stakeholders in the cotton industry shocked. The user industry has expressed serious concerns over the viability of exports covering cotton yarn, fabrics, made-ups and garments.

The Budget sprang a surprise by imposing on imported cotton a five per cent basic customs duty plus a five per cent Agriculture Infrastructure Development Cess. The pre-existing 10 percentage point Social Welfare Cess continues, taking the aggregate duty burden to 11 per cent ad valorem on cotton.

India imports 15 lakh to 20 lakh bales (of 170 kg each) of the fibre, especially superior varieties like Extra-Long Staple (ELS), from origins such as the US and Egypt.

While these contamination-free fine varieties are hardly grown in our country, there is demand for such varieties from the user industry to make superior quality garments, lingerie and so on. The imported cotton is blended with domestic cotton to add lustre and strength to the value-added end-product.

The user industry has a point when it argues that import of less than 20 lakh bales of cotton in the country's overall annual cotton production of 330-360 lakh bales is hardly an issue; but it would surely exert a negative impact on export.

There is no evidence that import of varieties such as ELS affects the domestic market. If anything, the duty is likely to erode India's competitiveness in the export market.

It is unclear what considerations lay with the Finance Ministry when it proposed the impost. Support to domestic growers could not logically have been the reason as the country does not cultivate ELS variety on any notable scale. Revenue, too, could not have been a consideration as the volume of import is rather modest.

Someone in the policymaking circle should explain the rationale for this impost. There is need to unambiguously state the objects and reasons for the levy of duty. If not, the duty should be withdrawn because of its counter-productive impact. A nuanced yet matured approach on the part of New Delhi would be to engage with the user industry to explore ways to enhance ELS cotton production in India.

Atmanirbharta in ELS

However, importantly, a study of agro-climatically suitable areas for cultivation should be undertaken. Demand projections for the next 10-15 years should be worked out scientifically. A long-term, sustainable production, consumption and export policy is the way forward. All this will take time, but a beginning must be made without delay.

So, until India reaches reasonable self-reliance in cultivation of superior cotton varieties, import of duty-free cotton should be allowed especially to ensure value-added export.

Textile is a critical sector for the country with significant labour-intensity and export earnings. Trade and tariff policies of the government should help sharpen the competitive edge of the sector rather than disrupt its activities in unproductive ways.

Source: thehindubusinessline.com– Mar 10, 2021

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PM inaugurates 'Maitri Setu' between India and Bangladesh

The Prime Minister, Shri Narendra Modi inaugurated 'Maitri Setu' between India and Bangladesh today through a video conference. He also inaugurated and laid the foundation stone of multiple infrastructure projects in Tripura. The Governor and the Chief Minister of Tripura were present. Video Message from the Bangladesh Prime Minister was played on the occasion.

Addressing the event, the Prime Minister said that Tripura is experiencing the clear difference between the 30 years of earlier governments and the 'double engine' government of the last three years. In place of corruption and commission culture of earlier years, benefits are reaching directly in the accounts of the beneficiaries. He also recalled that employees who were hassled over the salary on time are getting salary as per 7th pay commission. For the first time, MSP has been decided in Tripura where farmers used to face many problems for selling their produce. He also noted the environment of ease of doing business in place of the earlier culture of strikes. New investments are changing the earlier scenario of closure of industry. He said exports from Tripura in terms of volume have increased 5 times.

The Prime Minister informed that in the past 6 years, the central government has taken care of every requirement for the development of Tripura. He said there has been a significant hike in the central allocation for the state. Tripura had received Rs 3500 crore rupees for central development schemes between 2009-2014 whereas, between 2014-2019 more than Rs 12000 crore has been provided.

The Prime Minister dwelled on the benefits of 'double engine' governments. He pointed out that the states where there is no 'double engine' government, are witnessing non implementation of very slow progress of schemes for strengthening the poor, farmers and women. He asserted that the 'double engine' government is working to strengthen Tripura. He said that the 'double engine' government has transformed Tripura from a power deficit state to a power surplus one. He listed other transformation brought in by the 'double engine' government to the state like connecting 2 lakh rural households with piped drinking water, providing 2.5 lakh free gas connection, making every village in Tripura open defecation free, 50000 pregnant women receiving the benefit of Matru Vandana Yojana, 40000 poor families getting their new homes, etc.

The Prime Minister said that connectivity related infrastructure has seen tremendous improvement in the last three years. He cited the rapid work for the airport, sea-link for internet in Tripura, rail link and waterways in this regard. He talked of HIRA development i.e. Highways, i-ways, Railways and Airways for Tripura.

The Prime Minister said that the connectivity is not only strengthening the friendship between India and Bangladesh but also proving to be a strong link of business too. He informed that the entire region is being developed as a trade corridor between Northeast India and Bangladesh. The Prime Minister emphasized that the rail and water connectivity projects that have been realized in the recent years have been strengthened by this bridge.

This will improve connectivity of south Assam, Mizoram and Manipur along with Tripura with Bangladesh and South-East Asia. Shri Modi said that the bridge will give an impetus to the economic opportunity in Bangladesh also. The Prime Minister thanked the Bangladesh Government and the Prime Minister of Bangladesh for the cooperation in the completion of the bridge project. The Prime Minister said that the foundation stone of the bridge was laid during his visit to Bangladesh.

The Prime Minister said now people will not have to depend only on the road for any kind of supply to the North-East. He said efforts are underway to connect Chittagong port of Bangladesh with North-East through an alternative route via the river. He said the ICP in Sabroom will work like a full-fledged logistic hub with warehouses and container trans-shipment facilities.

Due to this bridge over Feni River Agartala will become the nearest city to an international sea port in India. Projects related to broadening of NH-08 and NH-208 which were dedicated and for which foundation stone was laid will strengthen the connectivity of the Northeast with the port, Shri Modi said.

The Prime Minister said the inauguration of several projects today are efforts to make Agartala a better city. Newly integrated command center will provide technical support to prevent traffic related problems and crime. He said similarly, multi level parking, commercial complex and widening of the road connecting the airport inaugurated today will improve the Ease of Living and Ease of Doing Business in Agartala a lot.

The Prime Minister said that decades old Bru refugee problem found a solution due to the efforts of the government's efforts. He expressed the hope that the 600 crore rupees package will bring positive change in the lives of Bru people.

The Prime Minister touched upon the rich heritage of the state and said that renaming of the Agartala airport after Maharaja Bir Bikram Kishore Manikya is a mark of respect for his vision for the development of Tripura.

Similarly, The Prime Minister expressed happiness at the opportunity for honouring the people who have served the rich culture and literature of Tripura like Thanga Darlong, Satyaram Reang and Benichandra Jamatia. He noted that bamboo based local art is being promoted under Pradhanmantri Van Dhan Yojna, giving new opportunities to local tribes.

Congratulating the Tripura government for completing three years, Shri Modi hoped that the State Government will continue to serve the people of Tripura.

Source: pib.gov.in– Mar 09, 2021

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India's GDP to grow 11% in FY22, contract 8% in FY21, says CRISIL

CRISIL has projected India's economy to grow by 11 per cent in the next fiscal year against expected contraction of 8 per cent in 2020-21, but GDP will still tread below the pre-Covid trend. It also said next year would be a story of two halves with broad-based recovery to come in the second half.

"While the first half of next fiscal year will benefit optically because of low-base effect, the second half would see a more broad-based pick-up in economic activity owing to a commodity price lift, large-scale vaccinations and likely stronger global growth," it said.

GDP is likely to touch the pre-pandemic level only by the second quarter of fiscal year 2022, it said. By the end of fiscal 2021-22, GDP will only be about 2 per cent higher than fiscal year 2019-2020 level and 10 per cent below its pre-pandemic trend level.

The rating and research agency said India's GDP growth will average to 6.3 per cent between 2022-23 and 2024-2025, which would be higher than the average of 5.8 per cent in the previous three years. The pace of growth would be lower than the 6.7 per cent seen in the decade preceding the pandemic, CRISIL said.

"Despite the growth, the Indian economy will suffer a permanent loss of 11 per cent of GDP in real terms over fiscal years 2022-2025," CRISIL said.

Next financial year, the economy would see convergence of four drivers — people learning to live with the new normal; flattening of the Covid-19 affliction curve; roll-out of vaccines, and investment-focused government spending.

The expectation that a stretched fiscal deficit glide path, and the additional fiscal space of Rs 20-25 trillion over the next five years will be used for capital expenditure, is seen driving the growth.

A promising set of reforms, deleveraging by corporates over the past few years, improving the appetite for investment, more support from global GDP, and trade growth are also seen aiding growth.

However, the recovery won't be easy as the pandemic has scarred the small businesses, and urban poor deeper, it said.

While exports are recovering well for large industries, and agriculture and allied sectors, labour-intensive, small-enterprise driven segments such as gems and jewellery, garments, and leather products remain weak due to their discretionary nature, the rating agency said.

Source: business-standard.com– Mar 09, 2021

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PLI scheme can generate Rs 35-40 tn incremental revenue in 5 yrs: Report

The production-linked incentive (PLI) scheme that seeks to push domestic manufacturing in as many as 14 sectors has the potential to generate additional revenue worth Rs 35-40 lakh crore over the next five years, a report said. The PLI scheme is offering over Rs 1.8 lakh crore of incentives/subsidies to manufactures to invest in local manufacturing. The scheme was announced at the peak of the pandemic-driven lockdown to attract investors leaving China.

Most of the new manufacturing should begin over the next 24-30 months that can attract Rs 2-2.7 lakh crore of Capex, according to an analysis by Crisil which also sees that the incentive-to-Capex ratio is particularly attractive at around 3.5 times for mobile phones, electronics, telecom equipment, and IT hardware where our local manufacturing base is relatively low.

The PLI scheme has the potential to generate incremental revenue to the tune of Rs 35-40 lakh crore over the next five years, Crisil said in the report.

According to Crisil managing director and chief executive Ashu Suyash, the PLI scheme will be one of the key growth drivers of the economy next fiscal along with government spending on key infrastructure.

The report expects Capex to jump 45-50 per cent in industrial investments alone in fiscal 2022 after a fall of 35 per cent during the outgoing fiscal and after this, it will moderate to 7 per cent through fiscal 2025.

But, this front-loading of Capex augurs well for the economy because of its high multiplier effect, the report noted.

This will have a salutary impact on banking with credit demand seen growing 400-500 basis points higher to 9-10 per cent next fiscal, partly also riding on economic recovery.

Bank credit growth had contracted 0.8 per cent in the first half of the fiscal, it recovered sharply in the third quarter by growing 3 per cent sequentially. In the fourth quarter, too, it should clock 3 per cent sequential growth. Overall, bank credit so far this year is growing under 5 per cent.

Source: economictimes.com– Mar 09, 2021

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Centre releases Rs 1.06 lakh crore GST compensation shortfall to states since October

In order to meet the shortfall in Goods and Services Tax (GST) compensation to be paid to States, the Government of India had set up a special borrowing window in October, 2020 to raise the estimated shortfall of Rs. 1.1 lakh crore.

This was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs, in a written reply to a question in Rajya Sabha today.

Giving more details, the Minister stated that an amount of Rs. 84,000 crore has been borrowed through this window by the Government of India upto 03.02.2021 on behalf of the States and Union Territories (UTs) with legislative assembly and has been passed on to the States/UTs as loan on back to back basis to help the States/UTs to meet the resource gap due to non-release of compensation due to inadequate balance in GST compensation fund.

The Minister stated that in addition to providing funds through the special borrowing window to meet the shortfall in revenue on account of GST implementation, the Government of India has also granted additional borrowing permission equivalent to 0.50 % of Gross States Domestic Product (GSDP) to the States choosing Option-I to meet GST compensation shortfall to help them in mobilising additional financial resources. All the States have given their preference for Option-I. Permission for borrowing an amount of Rs. 1,06,830 crore (0.50 % of GSDP) has been granted to 28 States under this provision.

State-wise details of back to back loan released to State Governments during the year 2020-21 to meet GST compensation shortfall and the amount of additional borrowing permission granted to States till 03.02.2021 is at **Annexure**.

Source: financialexpress.com– Mar 09, 2021

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Freight costs increase over 100%, exporters lose business

Freight shipping costs have been going through the roof over the last few months, causing exporters to lose business from several countries.

The freight cost to both Europe and the US have increased by 100 per cent, and to places such as American West Coast and the UK there is an increase of over 200 per cent over the last quarter. “We do a lot of business in South America. The cost of a 40 foot high cube container from India was around $4,000 for the entire fare about four months back. Now it has increased to $10,000,” Makrand Appalwar, MD of speciality packaging firm Emmbi Industries told Financial Express Online.

Firms in the US and Europe import from India because of the cost arbitrage. But, countries like South America, East Europe have similar labour cost structures as India and import from the country due to technology and ease of operation. Appalwar said many buyers are not ready to make long term commitments for import. “My buyer in South America is already saying the cost from India is getting difficult to manage so they are contemplating moving to Romania or Turkey.”

Milan Thakkar, CEO of construction material manufacturing firm Walplast said he too is losing export orders. “We somehow continued to manage our business in the Middle East despite the freight rate hike. But we lost our business in West Africa and few Far East countries where the cost has gone up by more than 400 per cent.” He says, for these countries on an average the cost of shipping has increased by more than 200 per cent over last year.

There has been a shortage of containers since the last year due to the disruption in the supply chain caused by the pandemic. But, as demand is growing, the exporters are finding it difficult to book space on vessels. In addition, the fuel price growth that started at the end of last year is also influencing the rates.

While the price rise is attributed to the demand supply market dynamics, many believe that since a handful of firms control the shipping lines in the country, they are monopolising costs to take advantage of the increasing demand.

“During the last 6-8 months the freight charges have jumped from $800 to $2500. While a reasonable appreciation can be justified to fuel price hike, this massive increase witnessed in India allude to a sinister plot of artificial shortage creation and cartelisation by shipping lines,” said Anil Bhardwaj, Secretary General, Federation of Indian MSMEs (FISME).

He added, this needs to be probed by the Commerce Ministry and Competition Commission of India as to why the difficulty of getting reasonably priced containers is seen only in India and not in China or Vietnam.

“India should look at developing its container roadmap very seriously especially if we want to move towards self-reliance. In times to come this problem will accentuate as we work towards reducing imports and boosting exports in the country,” said Ajay Sahai, Director General, Federation of Indian Export Organisation (FIEO).

Source: financialexpress.com – Mar 09, 2021

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Merchandise export receivables can't be set off against service import dues

Q. We have exported certain goods to a customer in Germany. We had also imported certain services from them. Can the customer set off the amount receivable for the services against the amount payable for the goods and remit the net amount?

No. AP (DIR) Circular no. 8 dated December 12, 2020 of RBI revised the instructions for banks allowing set-off of export receivables against import payables. Para 3 stipulates several conditions for allowing the set-off. One of the conditions says that “set-off of export receivables against goods shall not be allowed against import payables for services and vice versa”. Therefore, you may remit the amount against the import of services separately and ask the buyer abroad to remit the full payment against your export bill.

Q. We have been importing our raw materials on a CIF basis, paying basic customs duty, social welfare surcharge and IGST on the full CIF value of the goods, which includes the freight amount. Now, the GST audit team says that we are required to pay IGST also on the same freight amount on a reverse charge basis. Please guide us.

S.No. 9 of notification 8/2017-IT (Rate) dated June 28, 2017 covers transport of goods in a vessel, including services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India. The IGST on this service is payable by the importer under reverse charge mechanism through S.No.10 of notification 10/2017-IT (Rate) dated June 28, 2017. However, this levy has been struck down by the Gujarat High Court in the cases of Mohit Minerals Pvt. Ltd. [2020(33) GSTL 321 (Guj)]. The same Court has followed that very judgment in the cases of Gokul Agro Resources Ltd. [2020 (35) GSTL 82 (Guj)] and Bharat Oman Refineries Ltd. [2020 (41) GSTL 292(Guj)].

Q. We had imported certain goods in August 2020 on open credit terms. We understand that as per RBI instructions, we are now allowed to pay within 12 months of import, instead of six months earlier. Can you please confirm the correct position?

RBI through its AP (DIR) Circular no. 33 dated May 22, 2020 had extended the time period for completion of remittances against normal imports (i.e. excluding import of gold/diamonds and precious stones/jewellery) from six months to 12 months from the date of shipment for such imports made on or before July 31, 2020 (except in cases where amounts are withheld towards guarantee of performance).

Since your imports are made in August 2020, the extended time limit is not available to you. However, you may approach your bankers for any extension required up to three years (six months at a time) in accordance with Para B5 (ii) of Master Direction no.17/2016-17 dated January 1, 2016, as amended.

Source: business-standard.com – Mar 09, 2021

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Cotton futures marginally down at around Rs 22,200 per bale on weak global cues

Cotton futures were trading around 0.4 percent lower at Rs 22,200 per bale on March 8 as participants trimmed their positions on weak global cues. Prices had risen 0.4 percent yesterday to settle at Rs 22,240/bale on the MCX.

The agri commodity traded in the negative territory after a flat to gap-up start in the afternoon session. The soft commodity has been trading higher than 5, 20, 50, 100 and 200 days' moving averages on the daily chart. The Relative Strength Index (RSI) is at 64.07 which indicates positive momentum in prices.

“Cotton futures traded in the narrow range of Rs 100 during yesterday’s session as market awaits USDA’s WASDE report before taking any call on natural fibre”, said Mohit Vyas, Analyst at Kotak Securities. “Persistent rise in yarn prices following recovery in the textile industry has also kept losses limited in domestic Cotton prices,” he said.

MCX March Cotton trade at a discount of 12 percent from Cotlook A price of 93.65 cents as of Friday. In the futures market, cotton for March delivery touched an intraday high of Rs 22,260 and an intraday low of Rs 22,150 per bale on the MCX. So far in the current series, the commodity has touched a low of Rs 21,170 and a high of Rs 22,540.

Cotton futures for March delivery dropped Rs 40, or 0.18 percent, to Rs 22,200 per bale at 15:46 hours IST on a business turnover of 7,809 lots. The same for April contract slipped Rs 60, or 0.27 percent at Rs 22,540 per bale with a business volume of 3,547 lots.

The value of March and April’s contracts traded so far is Rs 23.20 crore and Rs 16.48 crore respectively. Weak weekly export sales and correction in crude oil after multiple session of steep rise may keep cotton under check ahead of WASDE report, said Kotak Securities. At 10:19 (GMT), US Cotton futures declined 0.78 percent quoting at 87.63 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com – Mar 09, 2021

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Traders' body to on-board vendors to e-commerce platform from March 11

CAIT has called for a thorough probe on the business practices of banks and e-commerce firms

The Confederation of All India Traders (CAIT) on Tuesday said it will begin on-boarding vendors to its e-commerce portal, Bharatemarket, from March 11. The industry body has been working to launch a trader-backed e-commerce marketplace for some time, and hopes to launch it by April. The traders' body said it is launching a mobile app for on-boarding vendors on March 11 and also hopes to soon launch a consumer-on boarding application.

"Bharatemarket aims to get on-board at least seven lakh sellers by December 31, 2021 and one crore sellers by December 31, 2023 to make it the biggest marketplace," CAIT said in a statement. The traders body has been critical of foreign funded e-commerce portals and has been demanding that the Government take action against them for flouting rules and laws by indulging in predatory pricing, loss funding, deep discounting and inventory control.

In a statement, CAIT Secretary-General Praveen Khandelwal said Bharatemarket, which is a purely Swadeshi platform, will provide a level playing field to India's eight crore traders to compete ethically with foreign multinational giants who have distorted India's e-commerce space with their malpractices.

"Bharatemarket is a unique e-commerce platform where traders will now have the opportunity to digitally serve their old established customers with whom they have been doing business for years," he added.

Stating that Bharatemarket will be the game changer in India's ever growing e-commerce space, CAIT said the time is ripe for every brick and mortar retailer to realise his or her true strength and harness their capabilities to jump on to the digital bandwagon and leverage the potential of India's burgeoning consumerism.

Source: thehindubusinessline.com– Mar 09, 2021

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