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INTERNATIONAL NEWS

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Japan Exports Fall As China, US Demand Weakens

Japanese exports fell much faster than expected in February as U.S. and China-bound shipments weakened, a source of concern for the world's third-largest economy as it tries to prop up growth.

The prospects for a U.S. recovery may ease concerns about the outlook for Japan's economy, however, which is seen slowing in the current quarter due to new COVID curbs that have hit service-sector activity.

Ministry of Finance data out on Wednesday showed Japanese exports fell 4.5% year-on-year in February, hurt by decline in U.S.-bound shipments of automobiles.

"Japan's export growth has probably weakened this quarter, but uptrend remains intact," said Masaki Kuwahara, senior economist at Nomura Securities.

"The Chinese economy will resume recovery once a renewed rise in infections fades, and the vaccine rollouts and huge stimulus will give a boost to the U.S. economy, all of which should help accelerate Japan's exports and broader economy in April-June."

It was the first decline in three months, following a 6.4% gain in January. It was also much bigger than a 0.8% drop expected by economists in a Reuters poll.

By region, exports to China rose 3.4% in the year to February, led by chip-making equipment, nonferrous metals and plastic, slowing sharply from a 37.5% gain in the prior month due partly to the Lunar New Year holidays that fell in February.

U.S.-bound shipments, another key export market for Japanese goods, declined 14.0% year-on-year in February, dragged down by automobiles, airplane parts and motors, after a 4.8% drop in the prior month and posting a fourth straight month of declines.

Exports to Asia, which accounts for more than half of Japan's overall shipments, fell 0.8% in the year to February, while those to European Union declined 3.3%, the data showed.

The trade data comes on the eve of the Bank of Japan's two-day policy review at which it may phase out a numerical target for its risky asset buying, underscoring the rising cost of prolonged easing under Governor Haruhiko Kuroda's stimulus.

It also follows the Reuters Tankan poll that found Japanese manufacturers grew more upbeat about a gradual recovery though worries about COVID impact lingered.

Imports rose 11.8% in the year to February, roughly matching the median estimate, following a 9.5% drop in the prior month and bringing a trade surplus of 217.4 billion yen ($2 billion).

Imports marked the first annual gain in 22 months due to a pick-up in domestic demand, restocking of inventory and rises in crude oil and resources prices.

Source: businessworld.in– Mar 17, 2021

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China's T&A exports grow by 40% in 2021

According to the data released by the General Administration of Customs of China, the country's apparel and textile exports grew by over 40 per cent in the first two months of this year, due to the low base effect caused by the pandemic.

As per a China Textile report, the total value of China's imports and exports in the first two months of 2021 increased by 32.2 per cent to 5.44 trillion yuan. Of this, exports increased by 50.1 per cent to 3.05 trillion yuan while imports increased by 14.5 per cent to 2.38 trillion yuan.

In the first two months of 2021, the total value of imports and exports in goods trade reached USD 834.49 billion, up 41.2 percent over the same period last year, of which exports reached USD 468.87 billion, up 60.6 percent, and imports reached USD 365.62 billion, up 22.2 percent.

In dollar terms, the accumulative exports of textile and apparel during the first two months of 2021 increased by 55 per cent to reach $46.18 billion. Of this, textile exports increased by 60.8 per cent to $22.13 billion while apparel exports increased by 50 per cent to $24.05 billion.

Source: fashionatingworld.com– Mar 17, 2021

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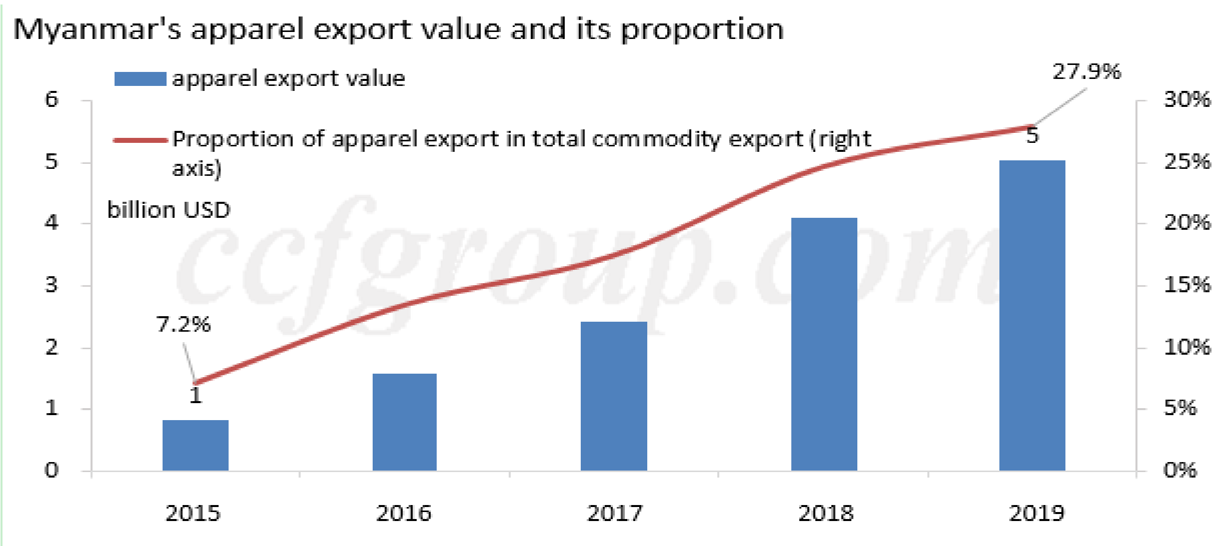
Impacts of Myanmar's violence on apparel orders

Numerous Chinese enterprises investing in Myanmar apparel mills

There are more than 600 apparel mills in Myanmar, of which foreign investment and joint venture account for more than a half. Chinese enterprises are the main force, accounting for about 60%, and there are about 300 enterprises from China, which are mainly concentrated in Yangon. On Mar 15, the news reported that a number of Chinese-owned apparel mills in the Laydaya Industrial Zone in Yangon, Myanmar, have been smashed, looted, and burned. The vast majority of the injured enterprises came from the textile and garment industry. According to news, a total of 32 Chinese-invested factories have been vandalized in attacks in Yangon, Myanmar, with property losses reaching 240 million yuan ($36.89 million), the Chinese Embassy in Myanmar said on Monday.

Myanmar remains turbulent, and China's investment in Myanmar's apparel mills is affected to some extent. Myanmar's apparel exports play a certain role in the world, and orders may flow to other markets under the turbulent situation. Myanmar's apparel exports in 2019 were around 5 billion USD, which has been growing in recent years. Its main export markets are Japan, Germany, the United Kingdom and other markets. If Myanmar's market orders are affected, then the other markets are Southeast Asia, India and Bangladesh. What are Myanmar's apparel export changes and main export markets in recent years?

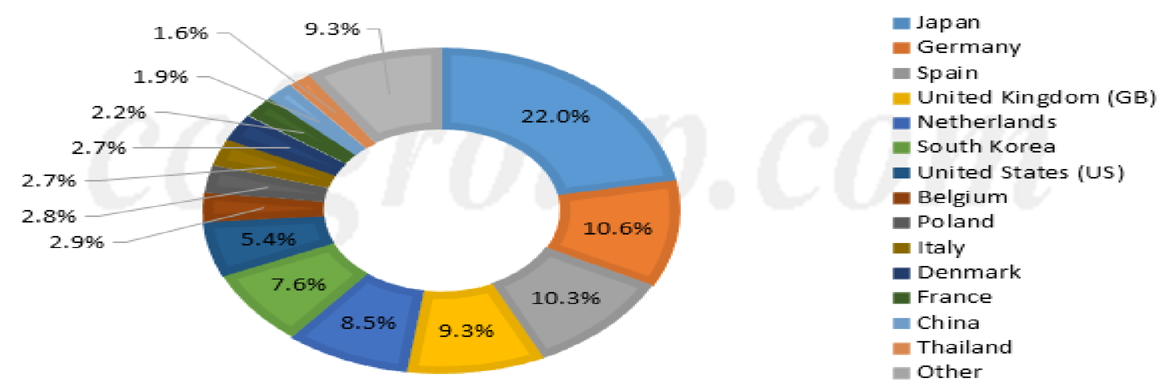
Myanmar's apparel exports grew rapidly, with major exporting markets in Japan and Europe



In 2015-2019, Myanmar's apparel (HS code 61+62) export value increased year-by-year, with an average annual growth rate of 43.7%. Especially in 2016, the growth rate accelerated and dropped to 22.1% in 2019. In recent years, with the lifting of economic sanctions by EU and US, Myanmar's advantages of abundant labor resources and low cost have been highlighted. In addition to the GSP treatment given to Myanmar by EU and US, the labor-intensive processing and manufacturing industry represented by the textile and apparel industry has been booming in Myanmar.

In the transitional fiscal year of 2018, Myanmar's textile exports reached 2.225 billion USD, accounting for 25.2%, ranking first. According to reports, although the global economy was affected by COVID-19 in 2020, Burma's export performed well. According to statistics, the import and export grew in fiscal year 2019/20. In 2019, the proportion of Myanmar's apparel exports in total commodity exports rose to 27.9%, which showed the importance of apparel in Myanmar's export market. In terms of variety, knitted garments accounted for nearly a quarter of Myanmar's apparel exports, and woven garments accounted for the largest proportion.

Myanmar apparel export market in 2019



In terms of apparel export market, Japan accounted for the largest proportion, accounting for 22% in 2019, followed by EU, Germany, Spain, the United Kingdom, the Netherlands, etc. It can be seen that Myanmar's main apparel export markets were Japan and Europe. In the process of gradual recovery of global economy, Myanmar, one of the choices of apparel orders, saw frequent incidents, such as the "coup" in early-February and violence yesterday. The turbulent situation may make some apparel orders hesitant or turn, especially in Japan and EU, which are its major export markets where need observation on orders.

Source: ccfgroup.com– Mar 16, 2021

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China's Advance Denim Joins US Cotton Trust Protocol

Advance Denim, one of China's largest denim manufacturers, has joined the U.S. Cotton Trust Protocol.

The protocol offers a system that provides mills and manufacturers with the critical assurances they need to prove to their customers that they are an approved supply chain partner for brands and retailers and are sourcing sustainably grown cotton.

Advance Denim's membership marks a significant step in its ambitious sustainability program, which employs advanced technology and innovation to minimize the manufacturer's environmental impact. The company wants to make sure its brand and retailer customers have transparency throughout the supply chain.

The Trust Protocol provides member brands such as Gap Inc. and Next access to its credit system to validate consumption of cotton and associated credit, and to aggregate year-over-year data in six sustainability areas– water use, greenhouse gas emissions, energy use, soil carbon, soil loss and land use efficiency.

As a member, Advance Denim can now provide its customers with confidence about the U.S. cotton in its sourcing mix. Advance Denim joins over 200 other mills and manufacturers as members of the U.S. Cotton Trust Protocol.

"Advance Denim is committed to playing a leading role in sustainable solutions for the denim industry and we are delighted to be supporting them in this ambition," Dr. Gary Adams, president of the U.S. Cotton Trust Protocol, said. "Collaboration is key, as with each member that joins, we have greater resources to help provide tools and knowledge to not only help U.S. growers improve their sustainability practices, but to also give more mills, manufacturers, brands and retailers the supply chain confidence they need."

Advance Denim's membership in the U.S. Cotton Trust Protocol comes at a time when demand for denim is increasing amongst brands seeking to satisfy customers and their preference for the versatile fabric.

"Advance Denim aims to make innovative denim with minimal impact on the environment to make cleaner and greener denim for the next generation," Amy Wang, director of the board and general manager of Advance Denim, said. "Becoming a member of the U.S. Cotton Trust Protocol gives us access to more sustainably grown cotton and the all-important data to prove this to our customers. Working with the Trust Protocol will allow us to further our sustainability ambitions while providing an important competitive advantage in a marketplace increasingly focused on supply chain transparency backed up by data and evidence."

The Trust Protocol is on the Textile Exchange's list of 36 preferred fibers and materials from which more than 170 participating brands and retailers can select as part of Textile Exchange's Material Change Index program. The Trust Protocol is also working to align with existing systems in the cotton industry and is part of the Forum of the Future Cotton 2040 and the CottonUp guide.

The Trust Protocol underpins and verifies U.S. cotton's progress through sophisticated data collection and independent third-party verification. Brands and retailers will gain access to U.S. cotton with sustainability credentials proven via Field to Market, measured via the Fieldprint Calculator and verified with Control Union Certifications.

Advance Denim is currently focusing its creative and technical expertise in an effort to produce its wide range of indigo products in the most sustainable way possible. The company has examined its manufacturing practices and made significant strides in water consumption, energy consumption, chemical management and emissions.

Source: sourcingjournal.com– Mar 17, 2021

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70% of Japanese firms rethink overseas biz strategy amid virus: JETRO

Around 70 per cent of Japanese firms keen on pursuing overseas operations are rethinking or have reviewed their business strategies amid global risks like the COVID-19 pandemic, according to a recent survey by the Japan External Trade Organisation (JETRO). COVID-19 has compelled Japanese firms to restructure business plans and organisation to weather the fallout.

Since the beginning of the pandemic last year, 64.8 per cent of the firms with business dealings abroad said they have been negatively affected in terms of overseas sales for fiscal 2020 ending in March,the survey found.

Among other global risks, US-China trade tensions as well as export restrictions by the United States and China have also stirred worries among the companies.

The survey found that 36.4 per cent are concerned in the next two to three years over Beijing's strengthened export regulations, while 32.6 per cent expressed the same for US export control restrictions.

In multiple answers, 42.5 per cent of respondents, including those in the food and clothing, apparel and electrical machinery sectors, cited a review of their sales strategy.

As a specific measure on how to revise such strategy, 60.9 per cent cited a review of their overseas customers.

Others are taking the digital route due to increased demand on digital technology amid the pandemic, with 38.5 per cent looking to utilisation of virtual exhibits and business meetings and 30 per cent with eyes on cross-border e-commerce.

The survey also found that the margin of decline for overseas sales—especially in the apparel and retail sectors—in fiscal 2019-20 dropped by 38.4 per cent on an average, more than 10 points higher from that of domestic sales.

Although the proportion of firms looking at expanding their existing overseas operations for the next three years has hit a record low, the JETTRO survey said the proportion for those still wanting to start an overseas foray in the future has only marginally decreased, underscoring how ‘eagerness to advance overseas has not waned’.

Around 13,500 Japanese firms ranging from manufacturers to trading houses and in the communications sector were surveyed between the end of October to early December, with 2,722 offering valid responses.

Source: fibre2fashion.com – Mar 18, 2021

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Tough for Jordan's textiles sector to penetrate European market: JSF

The Jordanian textiles sector has been facing difficulties in penetrating the European market for several reasons, the core of which lies in the demand of customers, according to a policy brief by the Jordan Strategy Forum (JSF) that explores the contributions of the textile sector to the national economy and labour market in addition to the challenges faced.

Jordan prefers to import brands from North Africa that has a competitive edge in transportation costs and cost of unit. Therefore, further enablers for the textiles sector may be necessary, if Jordan wishes to capitalise on its global comparative advantage in the sector by diversifying the trade share in multiple regions, the policy brief said.

Since the 1990s, the textile sector has been one of the top five exporting sectors in Jordan's most important exporting industries, and a home to over 32 international brands, JSF said.

This was enabled by the establishment of the qualified industrial zones (QIZs) and the Jordan-US Free Trade Agreement, according to the policy brief. In 2018, the textiles industry contributed to approximately 7.74 per cent of the total gross value added (GVA) of the industrial sector, according to a World Bank 2020 report.

In the same year the 'manufacture of wearing apparel' industry had the fourth highest consumption in terms of intermediate services out of the 29 industries in Jordan, and the fifth highest intermediate consumption of goods used in production, a Jordanian newspaper reported citing the policy brief. It also noted that the raw materials needed for production are mostly imported, and this exacerbates Jordan's trade deficit, and increases the costs of production due to shipping costs.

The strong performance of the sector made Jordan a global competitor in the textiles industry, which is a testimony to the sector's efforts to comply with international standards in production, operations, and labour conditions, the JSF brief added.

Source: fibre2fashion.com – Mar 18, 2021

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UK MPs want garment trade adjudicator to fix labour abuses

Some members of the British parliament recently called for a compulsory garment trade adjudicator following the failure of voluntary initiatives to stamp out labour abuses in the UK fashion industry. The Environmental Audit Committee (EAC) expressed shock that underpayment of wages and poor conditions appeared to be rife in UK garment factories over the last three years.

The committee said voluntary corporate social responsibility initiatives had failed to significantly improve pay and working conditions, and the government should therefore explore the introduction of an adjudicator. "Purchasing a garment with a 'Made in the UK' label ought to be a guarantee that the workers who produced it are paid at least the minimum wage, in a workplace which is safe. We found that it is not," EAC wrote in a letter to business secretary Kwasi Kwarteng.

UK garment workers are being underpaid by over £2 million a week in unpaid wages, according to estimates of the British Retail Consortium, while the campaign group Labour Behind the Label alleged that workers in some garment factories in Leicester were forced to work during the first lockdown, despite high levels of infection in those factories, the letter said.

There are also increasing concerns about the use of forced and prison camp labour in international textile supply chains, notably in chains which pass through the Xinjiang region of China, while Sedex, an organisation promoting responsibility in supply chains, told the committee about 'significant risks of forced labour' in Bangladesh, Turkey and India. Meanwhile, brands and retailers had delayed or refused payment to suppliers during the pandemic, pushing its negative impact on to workers in the UK and globally.

Fiona Gooch, of the fair trade charity Traidcraft Exchange, told the EAC that the UK was 'among the worst' for cancelled orders, with around 80 UK retailers cancelling orders for finished items worth more than £750 million from Bangladesh alone by June last year.

Source: fibre2fashion.com – Mar 17, 2021

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Fast Retailing's Supplier Factories Torched Amid Mayhem in Myanmar

While the recent social and political unrest in Myanmar is taking its toll on the country, retailers with factory operations there continue to deal with the fallout. Japan's Fast Retailing Co. said that two supplier factories in Myanmar were recently set on fire amid the violent unrest in the wake of coup executed by nation's military junta on Feb. 1.

A representative for Fast Retailing, which owns Uniqlo, J Brand, GU, Theory and five more brands, confirmed to Reuters that fires had broken out on Sunday at two factories used in the manufacture of its apparel.

Fast Retailing did not immediately respond to Sourcing Journal's request for comment.

The factories, located in Myanmar's largest city, Yangon, were not operating at the time and there were no injuries, but the retailer said the situation will lead to some delays in the production and delivery of garment products.

Myanmar accounts for as much as 2 percent of Fast Retailing's contract factories, with the retailer now working with six supplier factories in the country. Five apparel production plants in Yangon and one in Bago, northeast of the city, manufacture garments for the GU brand, the company says.

"We are deeply concerned about the current situation in Myanmar and have started conversations with international stakeholders, including United Nation agencies and NPOs and other global companies on this matter," Fast Retailing said in a statement to Reuters.

At least two people protesting the coup were reported shot and killed by Myanmar security forces Tuesday. The United Nations has put the death toll at 149 since the coup toppled head of state Aung San Suu Kyi's elected government. Another independent organization, the Assistance Association for Political Prisoners, tallies the death toll at 183.

The outbursts in Yangon extended to factories after security forces killed at least 22 anti-coup protestors over the weekend. Dozens of Chinese-financed factories were vandalized and torched amid a wave of rising anti-Chinese sentiment in the country.

Myanmar's garment sector employs an estimated 700,000 workers, most of them women, in approximately 600 factories, and generated $4.8 billion in exports last year, according to the Ministry of Commerce. With so much at stake, the apparel industry is monitoring the situation with wary eyes.

The Fair Labor Association (FLA), a multi-stakeholder initiative whose affiliates include Fast Retailing as well as Adidas, Gildan, Hanesbrands, Lululemon, Nike, Patagonia and Under Armour, is calling on apparel companies that source from Myanmar to engage with their suppliers to protect workers, particularly union leaders.

H&M, which works with 56 supplier factories in Myanmar, recently announced a temporary mortarium of new orders from the nation, citing "practical difficulties and an unpredictable situation limiting our ability to operate in the country, including challenges related to manufacturing and infrastructure, raw material imports and transport of finished goods."

The Swedish fast-fashion retailer has not indicated how long it would halt the new orders.

Italy's Benetton Group has also suspended orders from Myanmar.

Adastria, a Japan-based casual apparel retailer, told financial publication Nikkei Asia that it faces two- to three-week delays in delivery from contract plants in Myanmar due to disruption in production and logistics. The company plans to temporarily halt local production next month while it considers moving production to Vietnam, Indonesia and China.

Another Japanese apparel chain, Shimamura, said it suffered a delay in deliveries from Myanmar and is considering alternative production in China or other Southeast Asian countries.

With so much uncertainty for the apparel industry, the idea of moving more production out of a risky country like Myanmar elsewhere, or closer in the supply chain, isn't out of the question.

And across all industries, international businesses have been urged to suspend operations in Myanmar to put pressure on the military regime to end the violent and deadly takeover.

In February, the White House imposed new sanctions targeting Myanmar's military leaders, their families and businesses, redirecting $42.4 million of

U.S. aid that would have supported the local government's efforts to reform economic policy and strengthen civil society and the private sector.

The tension in Myanmar doesn't appear to be easing up either. On Sunday, martial law was declared in the neighboring townships of Hlaingthaya and Shwepyitha, the first such declarations in Yangon since Feb. 1. This was followed by orders in four more townships in the city on Monday.

The declaration gives the military administrative and judicial authority in the areas.

Source: sourcingjournal.com – Mar 17, 2021

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SA to restrict imports, offer extra sops to buy indigenous goods

South Africa will clamp down on illegal import of goods and offer additional incentives to support buying of indigenous products, President Cyril Ramaphosa recently told the Proudly South African Summit and Expo 2021. Apart from its own procurement commitments, the government is working to lower entry barriers to make it easier for businesses to establish and grow, he said.

To reduce import dependence, small business local procurement thresholds for the public sector will be introduced, the president said.

The clothing, textile, footwear and leather sector has embraced the localisation drive, pledging half a billion rand to the expansion of local manufacturing sites.

"We must ask every South African to take a conscious decision to buy local goods. Our message must be that wherever you may be in the country, be Proudly South African," said Ramaphosa.

"Wear local, travel local, eat local, watch local content, read local authors, support local music, and use local raw materials in your businesses. Proudly South African must move beyond being a campaign," he added.

Source: fibre2fashion.com– Mar 17, 2021

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Pakistan: New textile policy should be announced without delay: PBIF

Chairman of National Business Group and President Pakistan Businessmen and Intellectuals Forum (PBIF), Mian Zahid Hussain has said that the textile policy has been delayed by three years therefore new policy should be announced without delay and yarn should be provided to the value-added sector at an affordable price so that it remains competitive in the international market.

He said that exports are dipping while imports are swelling which will bring the external sector under pressure.

Exports fell by 4.5 percent during the month of February as compared to the last year from 2.14 billion dollars to 2.044 billion dollars, he said.

Mian Zahid Hussain said that apart from overall exports, the critical textile sector exports also fell by 3.12 percent from 1.27 billion dollars to 1.23 billion dollars which has raised concerns.

He said that fall in exports is due to the increased cost of doing business including energy prices, delay in repayment of refunds and swelling cost of inputs.

He said that the value-added sector has recorded a decline due to the cost of yarn which could have been avoided by allowing import of cotton and yarn from India, the cheapest source of raw material for Pakistan.

If the import of raw material was not allowed from India it will further hit the textile sector therefore a favourable decision should be taken without delay, he warned.

Source: brecorder.com– Mar 18, 2021

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Pakistan: Businessmen perturbed by rise in yarn exports

Businessmen in the textile sector have lamented that low value-added cotton yarn exports rose nearly 36% in February while cotton, cotton yarn and gas remained scarce for the country's industry.

In a statement on Wednesday, Pakistan Apparel Forum Chairman Muhammad Jawed Bilwani stated that cotton yarn exports rose to 44,419 tons in February 2021 compared to 32,694 tons in January.

He pointed out that the increase in yarn exports came at the cost of domestic industry, which kept suffering due to shortage of cotton yarn.

"Spinners are exporting cotton and gas in the shape of cotton yarn, which is in deficit in Pakistan," he said. "These essential raw materials and resources could be converted into high value-added products such as garments whose export will earn higher foreign exchange and generate more employment."

Citing data of the Pakistan Bureau of Statistics, he said that export of value-added knitwear, bed wear and readymade garments showed month-on-month declines of 26.14%, 7.35% and 0.42% respectively in February 2021.

To immediately control the declining trend in the wake of severe shortage of cotton yarn, the government should immediately ban its export and abolish the 5% customs duty on its import.

"Government should also allow import of yarn from all over the world including India at least for the next four months to stabilise and sustain the export of value-added products in a bid to earn foreign exchange for the country," he said. Highlighting that prices of cotton yarn had soared 40%, Bilwani regretted that the commodity was not available in the market even at the exorbitant price.

"The situation has compelled exporters not to take any new orders," he said. "As a result of yarn shortage, export orders meant for Pakistan will divert to regional countries."

In addition, the US dollar has weakened 7% against Pakistani rupee, which is a matter of concern for the exporters as it has triggered liquidity crunch.

Bilwani stressed that the value-added garment and home textile exporters were encountering problems and urged the government to support and facilitate them on a war footing.

Value-added textile exports contribute nearly 62% to total exports, provide 42% of urban employment, earns the highest foreign exchange and supports approximately 40 allied industries.

Source: tribune.com.pk– Mar 18, 2021

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Pakistan: Importers urge govt to slash taxes on polyester yarn

Traders of polyester filament yarn (PFY) have highlighted that heavy taxes are alarming for textile exports, therefore, the government should reduce the taxes on raw material.

Prices of PFY, a basic raw material for the textile industry and small and medium-sized units, have increased sharply in local markets, said Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Standing Committee on Imports Deputy Convener Khawar Noorani. “It is catastrophic for exports of the textile industry,” he said.

According to the State Bank of Pakistan (SBP) first quarterly report 2020-21, the output of textile sector increased 2.2% in the first quarter (Jul-Sept) of fiscal year 2020-21 compared to marginal growth of 0.2% in the same period of previous year.

The lacklustre performance of the textile industry could be attributed to a couple of factors, the quarterly report said.

First, the harvest of local raw cotton, which serves as an input for the upstream cotton textile industry, remained below par. Less availability of raw material, in turn, necessitated imports of the commodity to the tune of $208 million, which was the highest first-quarter import bill since fiscal year 2008.

Moreover, the increased reliance on imported cotton also raised costs for the export-oriented industry, said the report. The second factor that hampered the growth of cotton textile production was the low international demand for textile products.

Exports grew 2.9% in value terms on the back of better prices fetched by textile products, but the demand for cotton apparel did not pick up in major destinations in Europe.

“We request Prime Minister Imran Khan to take steps to save the industry from this catastrophe and demand that the government abolish all taxes on PFY import,” Noorani said.

Industry stakeholders feared that if the government did not immediately allow duty-free import of PFY, Pakistan would lose a large number of export orders.

Former chairman of the Pakistan Yarn Merchants Association (PYMA) stated that the local PFY manufacturers had failed to meet demand of the export-oriented industry and small and medium enterprises (SMEs), but despite that, the government imposed regulatory duty on PFY imports, which was unfair.

Source: tribune.com.pk– Mar 17, 2021

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Pakistan: Shortage of yarn keeps buyers away from market

The local cotton market remained stable on Wednesday. Market sources told that trading volume was thin. Sources told that reason behind thin trading volume is shortage of yarn as well as fluctuation in the rate of dollar.

ICE cotton futures rose on Tuesday on mill fixations and on expectations that sparse rains recently may offer little respite for the natural fibre from a dry spell in Texas, a top growing region.

Cotton contracts for May rose 0.50 cent, or 0.6%, to 87.22 cents per lb at 12:52 PM EDT.

"There are concerns about continuing dryness in west Texas; even with the rain that was recorded out there, it is still dry," said Jim Nunn, owner of Tennessee cotton brokerage Nunn Cotton.

Prices fell as much as 2.3% in the previous session on hopes that rains in west Texas would benefit the crops. "There have been mill fixations with this market drop and we also have seen some new business going on," Nunn said, adding sentiment in cotton markets got a further fillip from gains in equities markets.

Wall Street's S&P 500 index scaled a new high on Tuesday, while a gauge of global equities rose to within 1% of an all-time peak.

But stronger US dollar limited cotton's advance, since it translates into higher prices for buyers holding other currencies.

"We see prices remaining elevated in the coming quarters as supply is tight amid the robust Covid-19 economic recovery and strong pick-up in demand in 2021," Fitch Solutions said in a note, raising their 2021 average cotton price outlook to 87 cents per lb.

Cotton Analyst Naseem Usman told that textile exports fell 3.1 percent year-on-year and 6.8 percent month-on-month to $1.2 billion in February, the official data showed on Tuesday, as less number of working days during the month compounded the negative impact of high yarn price.

In February, exports of knitwear and bed wear fell 13 percent and 1.2 percent year-on-year, respectively, according to the Pakistan Bureau of

Statistics (PBS). The decline was carried out from 10.3 and 7.3 percent contraction month-on-month.

The downtrend was mainly due to downbeat value-added sector that is a key to drive exports growth. However, exports of basis textiles increased.

In February, basic textiles exports – cotton yarn, cotton cloth, non-cotton yarn, and raw cotton —increased 13 percent month-on-month. However, value-added sector and other textiles witnessed a decline of 11 and 10 percent, respectively.

Textile exports declined mainly due to 11.6 percent decline in volumetric sales, said Topline Research.

Exports declined 6.7 percent in dollar terms and 7.3 percent in rupees term due to lower number of working days in February. “In last six years, February textile exports have fallen in range of 1-10 percent – except for February 2020,” the brokerage said in a flash note.

Within basic segment, cotton yarn increased 40 percent month-on-month to $120 million thanks to 35 percent rise in quantity that was exported.

Within value-added segment, knitwear, bedwear, towel and ready-made declined 10, 7, 11 and 15 percent month-on-month, respectively. In 8MFY2021, textile exports rose 6.6 percent to $10 billion, up 11 percent in rupee terms, due to the benefit coming from diversion of orders from India, and Bangladesh. Similarly, US-China trade war has also helped textile exports of Pakistan, said Topline Research.

Value-added sector for 8MFY21 witnessed an uptick of 12 percent to $6.9 billion due to better pricing. The monthly declining trend in textile exports that account for over 60 percent of total exports is a bad sign for the economy that is struggling to come out of sluggish growth cycle.

Exports had recovered to pre-COVID monthly level of $2 billion in September, October and November and the recovery was due to low value-added apparels and home textiles.

Exporters have been warning of falling exports due to increase in yarn prices amid cotton shortage. If the government doesn’t take up the matter seriously, the gains it is taking due to diversion of export orders could be lost.

Pakistan couldn't benefit from the US trade restrictions on China to increase exports due to much reliance on cotton-based textiles contrary to the growing global demand of manmade fibres, Ehsan Malik, chief executive officer of Pakistan Business Council said in December last. The country's export portfolio is largely cotton based, whereas there is a fastest growth in demand of manmade fibres in the international market and the US, the biggest destination for Pakistani goods, Malik said.

Naseem also told that rate of cotton in Sindh was in between Rs 10,300 to Rs 11500 per maund. The rate of Phutti in Sindh is in between Rs 4500 to Rs 5100 per 40 kg. The rate of cotton in Punjab is at Rs 12500 per maund. The rate of Phutti in Punjab is in between RS 4800 to Rs 6300 per 40 kg.

The rate of Banola in Sindh was in between Rs 1600 to Rs 2000 while the price of Banola in Punjab was in between Rs 1800 to Rs 2250. The rate of cotton in Balochistan is Rs 12000 per maund. The rate of Phutti of Dalbadin Balochistan is available at Rs 6300 to Rs 6400 per 40 Kg.

The Spot remained unchanged at Rs 12300 per maund. The rate of Polyester Fiber was increased by Rs 2 per Kg and was available at Rs 220 per Kg.

Source: brecorder.com– Mar 18, 2021

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NATIONAL NEWS

Take steps to contain further deterioration in exports, imports: Par Panel

A parliamentary panel has suggested to the Department of Commerce to take appropriate measures to check further deterioration in exports and crucial imports for preventing more disruptions in the supply chains.

A report by the department-related Parliamentary Standing Committee on Commerce said the committee is perturbed to note the "precipitous" decline in both exports and imports in 2020 which is to the tune of around USD 50 billion and around USD 150 billion, respectively.

The sluggish growth in exports before the occurrence of the COVID-19 pandemic has further witnessed a downturn in the event of measures taken globally to combat the pandemic, it said.

"The committee recommends the department that any further deterioration in exports and crucial imports may be checked by taking requisite measures for preventing further disruptions in supply chains in the trade," it said.

On free trade agreements, it said in a globally competitive world wherein the international trade equations play a significant role, India may sign considerably more agreements with like-minded, democratic and friendly countries like the US and Australia.

"The committee, therefore, recommends that the department should explore the opportunities of FTAs with such nations by having wider consultations with relevant stakeholders and, accordingly, persuade the government to ink more trade pacts and agreements with them that are mutually beneficial," it added.

It has also recommended that a spur in the growth of both exports and imports is required by addressing the supply side constraints and easing the trade procedures.

The committee suggested a comprehensive study to identify the major issues/challenges impacting the trade activities in India in the times of the COVID-19 pandemic.

"The study would help in identifying the structural infirmities existing in trade and exports that aggravated the deterioration of overall commerce of the country in times of crisis," it added.

It has also recommended that any sudden and abrupt changes in freight rates may be countered by interventions by the government to impose regulations against cartelisation of rates and increasing the container production and shipping services.

"To tide over the paucity of the containers which was aggravated during Covid-19 pandemic, resulting in increased freight charges by shipping companies, the committee recommends that the prospect of manufacturing containers in the country may be explored with the infrastructure available in existing shipyards by providing them facilities/incentives," it added.

To regulate the shipping freight rates in a fair and transparent manner, a national shipping regulatory body may be constituted on the lines of the Insurance Regulatory and Development Authority (IRDA) and Telecom Regulatory Authority of India (TRAI), it added.

On the scheme for Remission of Duties and Taxes on Exported Products (RoDTEP), it said the determination of ceiling rates for refunds under the scheme by the G K Pillai committee should be expedited to avoid any delay.

The panel has also recommended to further extend the interest subsidy scheme for a year since the abrupt discontinuation would adversely impact the MSME exporters in these difficult times.

Source: business-standard.com– Mar 17, 2021

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FIEO launches online portal for exporters to request elusive shipping containers

To overcome the current shortage of shipping containers that threatens to cripple India's trade, the Federation of Indian Exports Organization (FIEO) has set up an online first-level marketplace for containers bringing together both exporters and shipping lines and aimed at easing the flow of outbound goods.

"Exporters can post their container demands online. All such requirements are also made visible to Shipping lines/ Freight forwarders/others so that they can express their interest to fulfil such demands," FIEO has said in a letter sent out to export promotion councils reviewed by Moneycontrol.

While FIEO believes this will better facilitate the understanding of the current container requirement by India's export community in realtime, the portal may also help policymakers in gauging the depth of the crisis.

Exporters can put in requests for containers, notifying the source and destination ports, the specific type of containers needed and the urgency of the order. The portal is expected to help in the ground-level assessment of containers required in the country.

The web-link https://fieo.electronbridge.com:444/ has gone live from earlier this week and has already seen a deluge of requests by exporters. The highest demands for containers have been placed at Nhava Sheva port in Mumbai and Gujarat's Mundhra port while the most common destination mentioned is Newark port in the United States and destinations across Europe and the Middle East such as Rotterdam port in the Netherlands and Dammam port in Saudi Arabia.

"Rising exports from China has led to the shortage of containers in the region as most of the empty containers are available only for exports from China, as the shipping lines and container companies are being paid hefty premiums for bringing empty containers back to China," FIEO President Sharad Kumar Saraf, said.

The majority of global merchandise trade is dependent on standard size containers carried on mega seaborne vessels run by a relatively small number of shipping lines.

The crisis began in the late part of 2020 as a sharp drop in import volumes compared to led to a shortage of containers available for exports, at ports across India. The situation worsened as economies in the region and beyond began opening up at the same time having ended national and regional lockdowns. As industries opened up, orders for goods poured in and exports began piling up broadly around the same time in all countries, both the demand, and prices for containers skyrocketed.

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The majority of global merchandise trade is dependent on standard size containers carried on mega seaborne vessels run by a relatively small number of shipping lines.

As a result of the unpredictable supply of containers, freight rates shot up and shipping lines started shutting down, industry insiders said. As a result, micro and small exporters have borne the brunt of the challenge.

The portal also aims to enable the exporting community to negotiate competitive quotes for their requirements.

Source: moneycontrol.com– Mar 17, 2021

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Export Promotion

The Government of India has launched the Trade Infrastructure for Export Scheme (TIES) scheme w.e.f FY 2017 -18 to assist Central and State Government agencies for creation of appropriate infrastructure for growth of exports from the States. The Scheme provides financial assistance in the form of grant-in-aid to Central/State Government agencies for setting up or for up-gradation of export infrastructure as per the guidelines of the scheme.

The scheme can be availed by the States through their implementing agencies, for infrastructure projects with significant export linkages like Border Haats, Land customs stations, quality testing and certification labs, cold chains, trade promotion centres, export warehousing and packaging, SEZs and ports/airports cargo terminuses. The Scheme guidelines are available at http://commerce.gov.in.

Under the TIES scheme, financial assistance for a total of 44 export infrastructure projects has been approved during FY 2017-18, 2018-19, 2019-20 & 2020-21 (as on 12th March, 2021). The state-wise details of funds released during each of the last three years and the current year under the Scheme of DoC are given at Annexure.

Further, promotion of Districts as Export Hubs is being coordinated by the Directorate General of Foreign Trade (DGFT) in collaboration with Department of Promotion of Industry and Internal Trade (DPIIT). This initiative tries to target export promotion, manufacturing and employment generation by making the States and the Districts oriented towards export growth.

Improving logistics constraints is an ongoing process. Logistics Division, Department of Commerce is coordinating with the state governments and line ministries to resolve logistics issues and streamline trade within and outside the State.

The Government of India has introduced the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme. This scheme seeks to remission of Central, State and Local duties/taxes/levies at different stages at the Central, State, and local level, which are incurred in the process of manufacture and distribution of exported products, but are currently not being refunded under any other duty remission scheme.

Click here for more details

Source: pib.gov.in– Mar 17, 2021

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Textile units launch helpline to address yarn price issues

The National Committee on Textiles and Clothing (NCTC) has launched a helpline portal to redress grievances related to yarn price increase and supply.

The garment units and trade in Tiruppur had gone on a day's strike on Monday to draw the attention of the government on the yarn price hike.

The NCTC said in a press release on Wednesday that it had a meeting of the stakeholders on March 12 and launched a helpline portal (http://citiindia.org/yarn-form/form/form.php).

T. Rajkumar, coordinator of the NCTC, said fabric manufacturers who face yarn shortage or irregular supply can post the details on the portal 24X7.

The secretariat of the Confederation of Indian Textile Industry will pass on the information to related textile and export organisations. These will "advise the members to post details of the non-availability/short supplies of yarn so as to find solutions on a here and now basis."

The system will also enable direct contact between yarn manufacturers and buyers and curb speculations.

Mr. Rajkumar appealed to all the stakeholders in the textile value chain to use the new facility. He also appealed to the spinning mills to honour their commitments on the price and also take efforts to maintain stability in the yarn prices.

Source: thehindu.com- Mar 17, 2021

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Will ban import of soldiers' clothing if Indian industry is able to manufacture them, says CDS

In the past one or two years, there has been a lot of innovation by the Indian industry as far as high altitude clothing is concerned, he said.

The armed forces will completely ban the import of clothing, required to sustain its soldiers at extreme temperatures across the country, if the Indian textile industry is able to innovate and manufacture them, said Chief of Defence Staff (CDS) General Bipin Rawat on Wednesday.

"We are looking at the kind of clothing that can sustain our soldiers in the kind of extreme cold climate (near northern borders of Ladakh) and in the hot, dry and humid climate in the deserts and the north-eastern regions where we have the jungle and semi-mountainous terrain," he said in his speech at an event organised by industry body FICCI.

As of now, a large amount of clothing for the armed forces is being imported but in the past one or two years, there has been a lot of innovation by the Indian industry as far as high altitude clothing is concerned, he said. "We have now started placing orders for such clothing. And if we find that this thing can take off and support us, we will not hesitate in putting the entire clothing or the entire 'techno clothing' that we are using in the armed forces on the positive indigenisation list, which we were earlier calling the negative list for imports," Mr. Rawat said.

"This means we will completely ban the import of these items and make sure that the defence services have to depend only on the Indian industry as part of our Atmanirbhar Bharat support that we wish to give to the industry," he added.

Techno clothing is special clothing that is developed by incorporating new technology to make it usable in special circumstances and places such as extremely cold areas, biomedical equipment, aircraft, etc.

The government in August last year announced a 'negative list for imports' that restricted purchase of 101 defence items such as light combat helicopters, transport aircraft, conventional submarines and cruise missiles from foreign entities.

Mr. Rawat said, "As far as defence services are concerned, we have a huge stake in techno textiles. We are large users of textiles that use technology and we will continue to use them in the years ahead."

Today, soldiers are serving in altitudes at the northern borders where the temperature falls to as low as minus 50 degree celsius in the winters, he said. "We have our jawans operating in the deserts where the temperature rises to as high as 58 degree celsius in the summers. I'm not saying the same textile should suffice and meet both the parameters," he added.

Source: thehindu.com– Mar 17, 2021

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Promotion of Local Manufacturing

Keeping in view India's vision of becoming 'Atmanirbhar' and to enhance India's Manufacturing Capabilities and Exports, an outlay of INR 1.97 lakh crore has been announced in Union Budget 2021-22 for PLI schemes for 13 key sectors for a period of 5 years starting from fiscal year (FY) 2021- 22.

These 13 sectors include already existing 3 sectors named (i) Mobile Manufacturing and Specified Electronic Components, (ii) Critical Key Starting materials/Drug Intermediaries & Active Pharmaceutical Ingredients, and (iii) Manufacturing of Medical Devices and 10 new key sectors which have been approved by the Union Cabinet recently in November 2020. These 10 key sectors are:

(i) Automobiles and Auto Components, (ii) Pharmaceuticals Drugs, (iii) Specialty Steel, (iv) Telecom & Networking Products, (v) Electronic/Technology Products, (vi) White Goods (ACs and LEDs), (vii) Food Products, (viii) Textile Products: MMF segment and technical textiles, (ix) High efficiency solar PV modules, and (x) Advanced Chemistry Cell (ACC) Battery.

The PLI schemes will be implemented by the concerned Ministries/ Departments and will be within the overall financial limits prescribed. Domestic as well as foreign owned entities are eligible to be beneficiaries of these PLI schemes.

The PLI Schemes are expected to enable the setting up of a widespread supplier base for the global champions established under the scheme. It will help bring scale and size in key sectors and create and nurture global champions.

This information was given by the Minister of State in the Ministry of Commerce and Industry, ShriSomParkash, in a written reply in the LokSabha today.

Source: pib.gov.in– Mar 17, 2021

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Impact of Coronavirus on Supply Chain

The Corona Virus outbreak in China initially impacted the supply chains of Indian industries which are dependent on China for import of components, intermediaries and raw materials. Thereafter, the Chinese production resumed during the year. However due to the global supply chain shocks on account of the pandemic, countries are seeking to build resilience in their supply chains to reduce over-concentration of import sources.

The Government engaged with the Export Promotion Councils and Trade Bodies to address potential disruptions in their supply chains, secure and transport inventories available with various suppliers, and accordingly put them in touch with our Missions abroad. The Missions facilitated several Business-to-Business virtual meetings to broaden the supply base of the domestic industry.

The Government has also launched schemes such as Production Linked Incentive Schemes (PLIs) to promote domestic manufacturing capacities in critical sectors such as Key Starting Materials/Drug Intermediates, Active Pharmaceutical Ingredients apart from electronic components & mobiles etc. These would broaden the base of the supply chains and make products available at competitive prices.

This information was given by the Minister of State in the Ministry of Commerce and Industry, ShriHardeep Singh Puri, in a written reply in the Lok Sabha today.

Source: pib.gov.in– Mar 17, 2021

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How e-commerce marketplaces can drive MSME makeover

A significant major contributor to the India growth story is going to be manufacturing. Manufacturing by small units, cottage units and MSMEs, if effectively facilitated, will be the game changer to accelerate economic growth, employment, income levels and enhance supply chain efficiencies. For MSMEs to be sustainable and effective, the need of the hour is not just better automation in the production process for greater efficiencies on the input side but also more channels for accessing greater markets and opportunities to become a part of the national and global supply chains.

E-commerce marketplaces are today the best possible enablers for this transformation at minimal cost, innovation and investment. China captured the world market through the traditional method of having guilds and business centres to do transactions by providing a single-window approach. But the world has changed. Now to compete successfully in established supply chains, the best way is to invest in digital transformation and leverage modern technology. Today, digital empowerment is the key differentiator. Without that, our MSMEs will not be future ready.

India has put a goal of inclusive development and enhancing livelihoods. The Prime Minister has given the slogan of "vocal for local" and spoken several times about his vision of Atmanirbhar Bharat. E-commerce can contribute significantly in achieving this vision. It allows for products even from hinterlands to get to the national market, thus, providing opportunities to artisans and small sellers from Tier-2/3 towns to sell online to customers beyond their local catchment.

By investing in supply chains, the e-commerce sector provides opportunities for MSMEs to partner them in supply and delivery networks. Start-ups and young brands are also finding opportunities to build national brands and even going global. This leads to additional income generation through multiple livelihood opportunities and thus contributes to economic prosperity and inclusive growth. Many offline stores are also adopting e-commerce to leverage these opportunities and the traditional and modern retail models are moving towards more offline and online collaborations.

However, there are certain hurdles in building a robust e-commerce sector, which need to be removed. First, address the roadblocks that the e-commerce sector suffers in terms of ease of doing business online. Sellers on e-commerce marketplaces do not get advantage of GST threshold exemption (of Rs 40 lakh) for intra–state supplies that offline sellers enjoy because they have to “compulsorily register” even though their turnover is low.

Second, the government would do well to simplify the “Principal Place of Business” (PPoB) requirement especially for online sellers by making it digital and not requiring physical presence to expand their reach outside their home state. Today, the sellers, as in offline, are required to have a physical PPoB which, given the nature of e-commerce, is not practical. Replace physical PPoB with Place of Communication. Eliminating the need for state specific physical PPoB requirement will facilitate sellers to get state-level GST with a single national place of business.

Third, provide MSMEs with handholding support to understand how e-commerce functions. The government can collaborate with e-commerce entities to leverage their expertise and scale to create special on-boarding programmes, hold series of awareness sessions, provide common but important services like imaging and cataloguing, etc. These can be provided by state governments.

Equally important is to examine the existing schemes and benefits for MSMEs, which were formulated with an offline, physical market in mind, and tweak them to include the special needs to leverage online sales channels. For example, MSMEs could be given fiscal incentives to access markets and invest in digital marketing. The objective is to incentivise those who shift to the digital mode.

Fourth, build infrastructure — both physical and digital infrastructure is important for digital transformation. The road and telecom network will facilitate not just access to the consumer but also enable the seller from remote areas to enter the larger national market as well as the export market. A robust logistic network and warehouse chains created by e-commerce platforms enable similar access and reach. The National Logistics Policy should focus on e-commerce sector needs.

Fifth, dovetail the skilling policy and programmes with the requirements of the e-commerce sector to meet future demand of the sector.

Sixth, take specific steps to increase exports via e-commerce. Identify products that have potential for the export market, connect e-commerce with export-oriented manufacturing clusters, encourage tie-ups with sector-specific export promotion councils, leverage existing SEZs to create e-commerce export zones. India Posts can play a significant role by creating e-commerce specific small parcel solutions at competitive rates, building a parcel tracking system, and partnering with foreign post offices to enable customs clearances.

There is an urgent need to create a consolidated policy framework for e-commerce exports. Policies like the upcoming Foreign Trade Policy needs to be fully leveraged. In order to give Indian e-commerce exporters that competitive advantage they need in order to succeed in global markers, specific policy provisions that provide incentives for e-commerce exports, create more awareness and enable end to end digitisation for e-commerce exports are critical. The Foreign Trade Policy should identify these areas and include e-commerce export specific provisions in the revised policy that comes into effect in April this year.

Source: indianexpress.com– Mar 17, 2021

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GST regime: Madras HC allows claiming input tax credit on TDS from VAT

The Madras High Court has allowed assessees to claim input tax credit for tax deducted at source (TDS) pending from the value-added tax (VAT) regime under the current goods and services tax (GST) system. The order, passed by Justice Anita Sumant, stated that any deduction made towards an anticipated tax liability assumes the character of tax. Thus, TDS would stand included for transition into the GST law.

The court passed the order after hearing 23 petitions filed by assessees under the Tamil Nadu Goods and Service Tax Act, 2017 (TNGST Act), challenging the notices issued by the commercial tax department proposing denial of such claims.

The petitioners' counsel submitted that TDS is nothing but tax and the TNVAT Act makes this position clear. TDS, being a VAT for the purposes of Section 140(1) of the TNGST Act, is entitled to be carried forward for set off. Also, deduction of tax at source is only a mechanism to ensure advance payment and collection of tax without leakage. Thus, TDS is a tax, the counsel argued.

Source: business-standard.com– Mar 18, 2021

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Apparel retailers set to hit FY20 levels in FY22

India's organized apparel market is set to record a faster recovery next fiscal in line with improving consumer confidence, opening of new stores, and progress on coronavirus vaccines.

The segment saw a sequential recovery in the December quarter with sales returning to nearly 80% of the levels seen prior to the pandemic, India Ratings and Research (Ind-Ra) said in its apparel retail outlook on Wednesday.

Apparel retailers are expected to close FY21 with a 40-45% drop in business amid the severe disruptions caused by covid-related curbs earlier during the fiscal. Business is, however, expected to recover and touch FY20 levels next fiscal, the rating agency said.

"India Ratings and Research (Ind-Ra) has assigned the apparel retail sector an improving outlook for FY22. After a complete washout in Q1 FY21, and the gradual store openings, rising footfall, and relaxations in the lockdown norms since then, the recovery in the apparel segment has seen quarter-on-quarter improvement with sales rebounding to near 80% of the pre-covid levels during Q3 FY21. Ind-Ra expects the recovery to continue in FY22, on the back of improving consumer confidence, resumption of store expansion by organized players, and prospects of the vaccine roll-out," Prasad Patil, analyst at Ind-Ra, said.

The agency highlighted factors such as pressure on discretionary spending and the threat of a second wave of infections that could potentially hamper recovery.

"The recovery rates consider the regional lockdowns, the night curfews or weekend lockdowns in certain states. We do not anticipate a nationwide lockdown of the same intensity as implemented during April-May 2020. The recent spike in covid positive cases may not impact recovery rates significantly," Patil said.

Ind-Ra expects steps taken by retailers to rationalize costs during last year's crisis to be continued even after business returns to normal level in FY22. This will help "structurally improve the margin profile of apparel retailers", the report said.

The lockdown and the subsequent shift in consumer habits prompted retailers to sharply cut their inventory, ramp up presence online, and switch to more comfort wear as demand for formal and occasion wear remained muted. Apparel retailers struggled, but business has been much better for food and grocery and electronics retailers.

Ind-Ra expects the spending of apparel retailers on store expansion to accelerate next fiscal, staging a sharp rebound from the first half of this fiscal.

Mint reported earlier that large, organized players are now picking up on expansion, hoping to gain market share from unorganized players along with an improved operating environment. The nationwide lockdown also wiped out smaller players from the market, giving larger players room to grow.

Source: livemint.com – Mar 17, 2021

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Vizag SEZ exports goods worth Rs 1 trillion in a year

Visakhapatnam Special Economic Zone (VSEZ) has achieved exports of Rs 1 trillion during 2020-21 for the first time in the last 32 years and stood first among all SEZs in the country in terms of growth.VSEZ development commissioner ARM Reddy said the landmark could be achieved due to proactive and industry-friendly initiatives. He said the VSEZ achieved 15.60 per cent growth till now in the year 2020-21. The exports posted worth Rs 1,03,513 crore during the year against Rs 96,886 crore during 2019-20.

He said while growth in merchandise was 24.39 per cent, growth in services was 11.77 per cent. He said Duvvada SEZ has exported goods worth Rs 1,642 crore this fiscal year against Rs 1,504 crore last year and achieved a growth of 9.17 per cent and provided employment to about 3,921 people.

Stating that all 61 SEZs in Telangana and Andhra Pradesh come under the VSEZ, he said the performance of software and services sector industries was better during lockdown since they had achieved performance of 66 per cent during the period. Performance by other sectors in VSEZ was 20 per cent by pharma and biotech, 4 per cent by trading and services, 3.45 per cent by metal and alloys and 6.5 per cent in the remaining sectors. He said to ease the crisis, the central government has waived off increase in rentals this year and deferred payment of lease by one quarter.

Meanwhile, a delegation of Andhra Pradesh Chambers of Commerce and Industry Federation (APCCIF) comprising president-elect Pydah Krishna Prasad, Vizag zone chairperson Sudhir Mulagada along with core committee members K Kumar Raja, BSSV Narayana and KVS Verma met ARM Reddy and congratulated him for achieving the Rs 1 trillion in exports during 2020-21.Krishna Prasad said the exports from VSEZ was due to the progress in terms of single-window clearance.

'Duvvada SEZ provided jobs to 3,921 people'
VSEZ chief said while growth in merchandise was 24.39 per cent, growth in services was 11.77 per cent. He said Duvvada SEZ has exported goods worth Rs 1,642 crore this fiscal year against Rs 1,504 crore last year and achieved a growth of 9.17 per cent and provided employment to about 3,921 people.

Source: newindianexpress.com– Mar 18, 2021

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