TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 56 of 2021 March 19, 2021

US 72.66| EUR 86.56| GBP 101.08| JPY 0.67

NEWS CLIPPINGS

	NATIONAL NEWS
1	India's economy projected to record stronger recovery in 2021: UNCTAD
2	India-UK Free Trade Agreement: Textile Ministry favours limited deal that could boost garments sector
3	PLI for textile: Govt targets 50 laggard, high-potential products
4	Cotton farmers cash in on global price trend, sell 80% of this season's output
5	Scheme to Promote Textile Products
6	Efforts to Promote Technical Textile Sector
7	Free trade agreements can give exports a boost
8	Seven mega textile parks to be set up in next three years: Smriti Irani
9	Operating Profits Of Cotton Spinners To Double: Crisil
10	Cotton futures drop 0.64% to Rs 21,880 per bale on weak global cues
11	CBIC effects policy shift regarding show cause notice on Customs-related matters
12	SIMA seeks removal of duties on cotton, VSF
13	Minister bats for mega textile parks in Nellore and Anantapur districts
14	'Check FDI policy violations in e-comm'
15	With many garments factories still shut post Covid-19, over 1 lakh women workers without job: Karnataka minister

INTERNATIONAL NEWS

Vaccination and reopening of economy to boost US apparel sales to 2019 levels

Though retail sales in the US declined by 3 per cent M-o-M basis in February, they increased by 2.2 per cent on Y-o-Y basis as compared to February 2019. As per the US Census Bureau retail report, apparel and accessories sales declined by 14.9 per cent in the same year-over-year comparison. Sales at department stores also declined by 17.9 per cent, says a Forbes report. Retailers now hope for Easter to boost pre-holiday sales in March.

Vaccine effectiveness and distribution directly impacts the economy Surge in vaccination rates and reopening of economy are expected to boost retail sales by around 8.2 per cent toover $4.33 trillion in 2021, says a report by National Retail Federation. Increase in vaccination will encourage shoppers to shop in physical stores and dine out.

Consumers will also be driven to increase their apparel expenditures due to their travel plans. Almost 68 per cent of millennials and 65 per cent of Gen Z have planned a trip abroad as compared to 57 per cent of Gen X and 42 per cent of baby boomers.

Barbara Rentler, CEO, Ross Stores expects its comparable store sales to strengthen over the year. As a result, the retailer plans to open approximately 60 new stores during fiscal 2021.

The return of typical weather patterns is driving apparel sales in North America, says Richard. A Hayne, CEO, Urban Outfitters. However, despite unfavorable weather in the first three weeks of February 2021, overall comparable store sales trend in the country was better than the fourth quarter trend of Fiscal 2020, noted TJX Companies.

Buying clothes and planning vacations

As per survey by Sezzle, a buy-now-pay-later solution provider, 39 per cent of respondents plan to take 2 to 3 vacations in 2021, with 76 per cent planning at least one vacation. Higher travel spends promote purchasing in apparel and accessories.

The survey included 61 per cent respondents from the Gen Z and millennial generations and 39 per cent from Gen X and Baby Boomers. The top categories surveyed included clothing, shoes, beauty and jewelry.

Apparel's slow recovery going forward

Ethan Chernofsky, Vice President-Marketing, Sezzle, says, the apparel sector was trending closely with overall retail visits in early January before severe weather conditions throughout the country depressed visits significantly. February has been a difficult month as severe weather patterns negatively impacted the North American business. However, post February. Urban Outfitters is seeing signs of improvement, especially in stores located in warmer climates.

February starts the spring season for many retailers

Though there are many signs of a positive trend for apparel and accessories, the continuing unpredictable environment has halted expansion plans of many retailers. COVID related factors are also impacting their future prospects. Hence, most retailers are comparing their 2021 sales to those recorded in 2019 as they do not deem 2020 sales to be suitable for comparisons.

Source: fashionatingworld.com– Mar 18, 2021

HOME

****

2021 might be as challenging as 2020 recovery as late as 2023: McKinsey Report

Fashion executives looking for some relief from COVID-19 led disruptions in 2021 may be disappointed as the current year might prove to just as challenging as the previous year, says a new report by McKinsey and Company.

The report indicates, prospects of lockdowns continuing until Easter on April 4, are likely to worsen fashion retail scenario in Europe which plunged by 20 per cent in 2020

Germany, France emerge winners in Europe

Of all European countries, Germany and France performed the best as sales in these markets declined by only 16-18 percent while sales in Spain, Italy, and some eastern European countries contracted by almost 30 percent.

Fashion sales in the United States plunged by 23 percent year on year while those in China declined to only 7 percent year on year, returning to growth trajectory in August 2020.

Fashion's capacity to rebound was seen through the strong market performance by the Europe and United States during the summer months. Shoppers in both regions regained normalcy as stores reopened. Germany's third-quarter fashion revenues declined by only 13 per cent during the period compared to its 2019 levels. The country's investments in building digital muscle paid off as E-commerce giant Zalando added 3 million new shoppers in the third quarter of 2020 alone, driving 30 percent year on year growth of its gross merchandise value (GMV).

Pandemic uncertainty may push recovery to 2023

Markets with a high e-commerce penetration, including the United States and the United Kingdom grew between 45 and 50 percent in e commerce in 2020, while southern Europe markets increased by 25 percent.

The year 2020 provided the European fashion industry with an opportunity to engage consumers through online shopping. The industry expects the growth in e-commerce to continue in 2021. However, it fears the continuation of lockdowns until Easter to set fashion sales back to 2020 levels.

Even if lockdowns are avoided during the fourth quarter, the industry remains uncertain of consumers' sentiments. It will have to comply with public health rules such as the mandatory use of masks, etc. And if consumption remains moderate during summer and the pandemic is not contained by the next winter season, the industry may not recover till 2023.

Fashion sales across US, China to improve

Fashion sales across the United States are expected to improve in 2021. Growth in online sales by upto 40 per cent will restrict the decline in fashion sales between 6 and 16 percent. However, health and safety restrictions and limits on the number of people allowed in stores will continue to impact brick and mortar sales.

Chinese luxury brands have been capitalizing on the opportunities in the domestic market by creating shopping attractions, entertainment and special events. Luxury consumers in the country are expected to increase their spending in the domestic market by as much as 50 percent this year. However, this will compensate for just half of its sales lost overseas and in Hong Kong.

Stamina and perseverance would be the key for future planning for the industry. Fashion executives need to remain alert to the key demand predictors during the year besides building their online channels and building agile supply chains.

Source: fashionatingworld.com– Mar 18, 2021

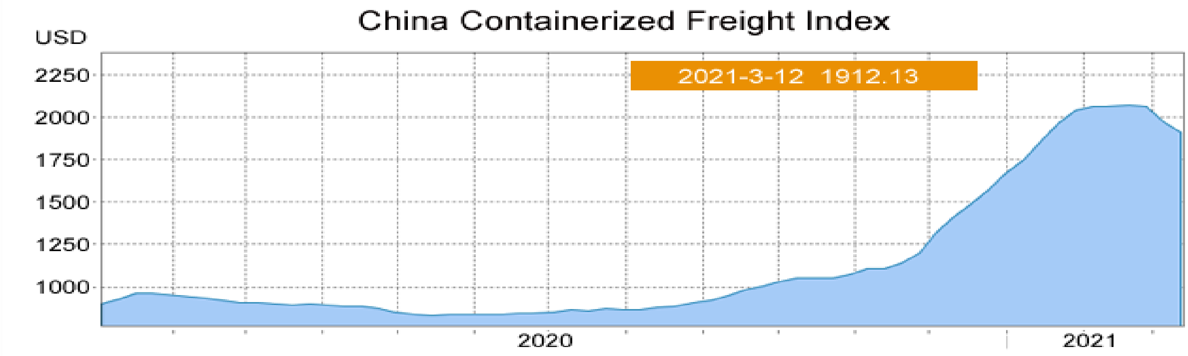
HOME

****

China: High sea freight retreats recently, while container tightness remains

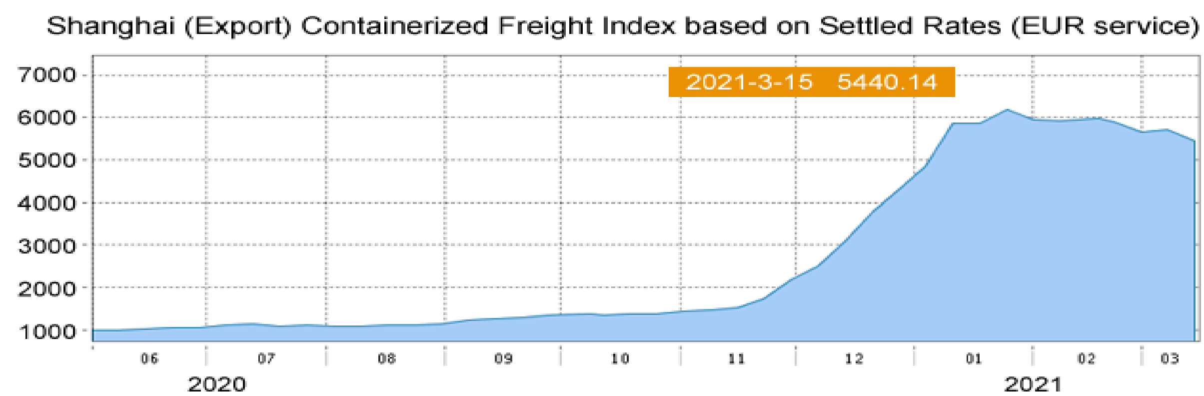
The resumption of work and production in China is rapid after the Spring Festival holiday, while supply of containers fails to chase up accordingly. The container circulation is slow worldwide now, especially in Europe and the United States, as the control of pandemic outside is not as good as that in China.

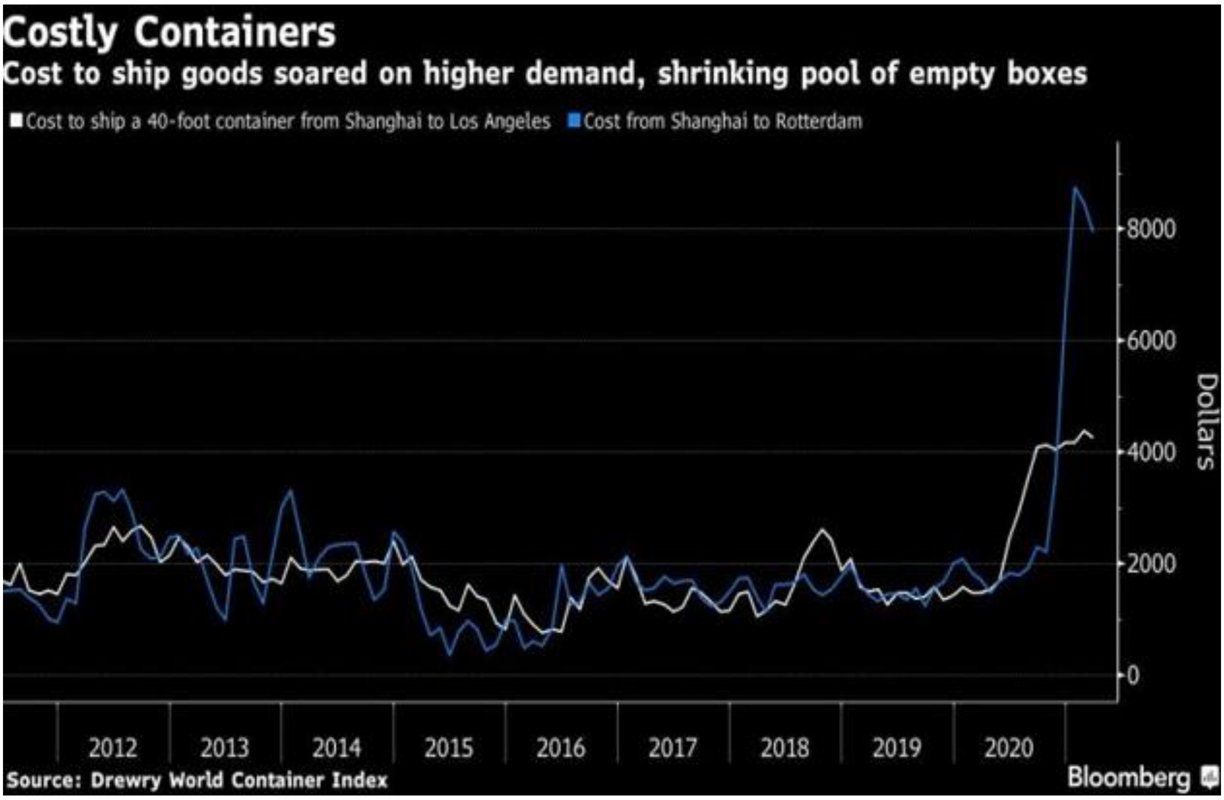
Due to the pandemic, labor cost and logistics cost hike outside China and customs clearance efficiency has been substantially lowered. In addition, massive empty boxes were shipped to Europe and US amid the outbreak of COVID-19 in China, ending up with heavy port congestion. To satisfy booming export demand in China, many local shipping companies are aggressively trying to get boxes back to China faster and cut down sea freight.



Source: Shanghai Shipping Exchange

Sea freight skyrocketed amid the container tightness. The container freight rates from China to North America were near $1,000-2,000 in the past but soared to more than $10,000 to US by late-Jan, 2021, which was almost 10 times higher than the pre-pandemic level.





Shanghai (Export) Containerized Freight Index based on Settled Rates (USWC service)

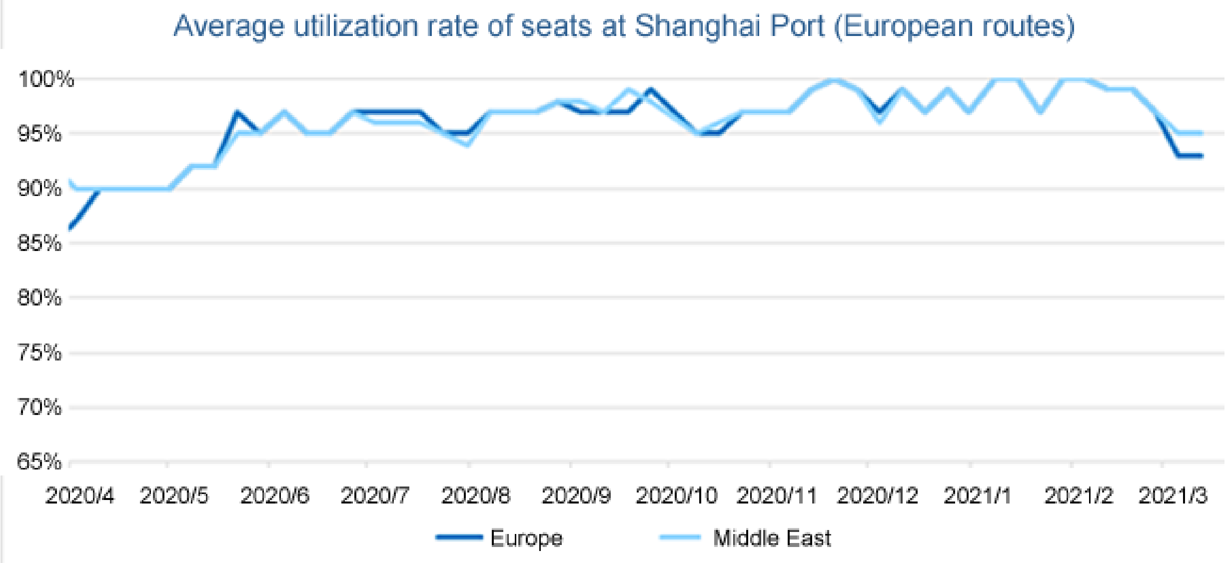
In fact, many Chinese enterprises witnessed surging export orders since the second half of 2020 but their profit was snatched by boosting sea freight. If orders were taken under CIF term, companies would see narrowing profit and might even suffer losses.

If orders were concluded under FOB basis, jumping sea freight seemed to be unrelated with exporters, while some customers might require sellers to cut price or bear partial freight.

That meant the profit of exporters would be eroded. If exporters refuse to afford freight, the delivery would be required to suspend. Once sea freight fell back, exporters would be heavily pressed by inventory and capital issue. In order to avoid default amid container tightness, some exporters were even forced to pay extra 1,000-2,000yuan/mt to scalpers to accelerate delivering.

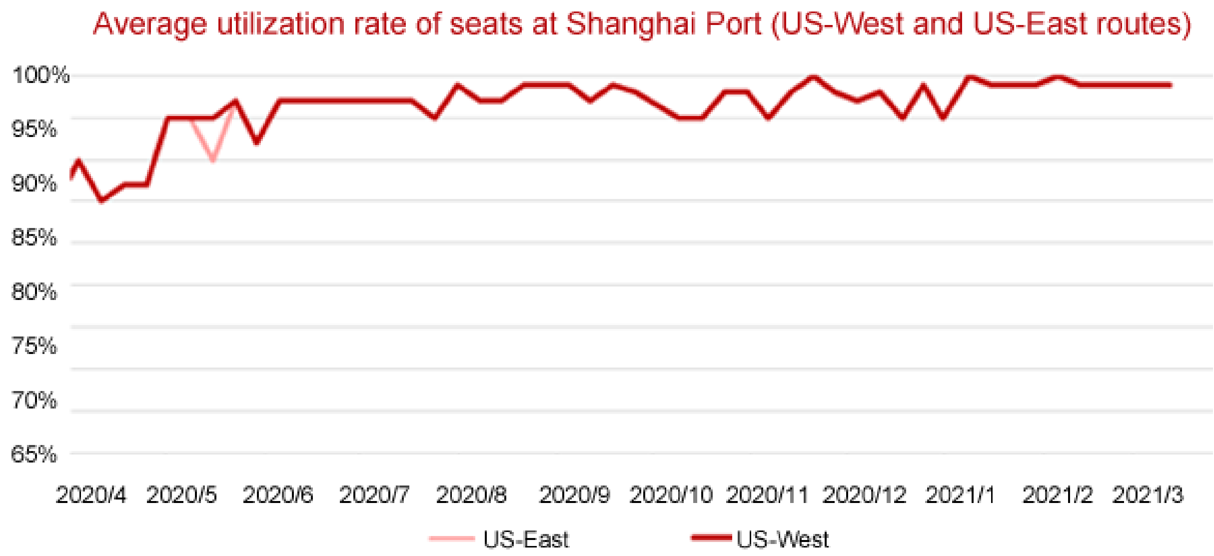
Actually, government also released some intervention policies such as accelerating the production of containers, providing tax subsidies for small and medium-sized enterprises, optimizing the customs clearance process for empty containers and improving the circulation efficiency of empty box etc.

According to the data from Shanghai Shipping Exchange, recent sea freight has slightly retreated in China from the previous period, but the schedule remains tight. On Mar 12, in terms of European routes, the average utilization rate of seats at Shanghai port was at 90-95%. On Mediterranean routes, the shipping situation was slightly better than that in Europe. The average utilization rate of seats in W/C America Service and E/C America Service was near 100%.



Taking the container freight rate of PET bottle chip as an example, Chinese mainland's export price to Western Europe was $3,600-4,000/TEU recently and that to North America was near $4,100-4,400/TPU.

It meant the freight rate per unit was at $160-220/tons, which has reduced compared with the peak in Q4 2020 but still doubled compared with the past years.



Port congestion and unsmooth circulation of containers do not show signs to alleviate much. The average utilization rate of seats is near 100% on European routes.

Overall market is still in dilemma. All in all, based on the turnover rate of containers worldwide, the container tightness and high freight rates that's accompanying it may extend into Jun 2021 and even afterward.

Source: ccfgroup.com– Mar 18, 2021

HOME

****

Effective Pact for Skills essential for EU textiles strategy: Euratex

Euratex president, Alberto Paccanelli addressed European Commissioners Thierry Breton and Nicolas Schmit during a high-level roundtable on skills for the textiles, clothing, leather and footwear (TCLF) sectors. In his remarks, Paccanelli insisted that addressing the skills challenges will be essential to make a successful transition of the industry.

According to company's release, these challenges relate to the ageing workforce and difficulties to attract young talents, and the need for new skills – related to digitalisation and sustainable production. Paccanelli asked support to the European Commission to increase already existing up/reskilling activities, and in attracting younger generations to work in the sector.

The European textile and clothing industries stand out on the global market with their quality and heritage, high-end goods, but also innovation of production processes and products. In recent years, digitalisation, sustainability and other trends emerged, requiring new skills to be developed and integrated in the companies. The sector also suffers from an ageing workforce – 35 per cent of current workers in the textile and clothing industry are over 50 years old –, decreasing number of younger employees and lack of attractiveness, as stated in the release. The Covid-19 pandemic significantly accelerated these trends and created new challenges.

These issues were presented to European Commissioners Schmit and Breton during the "Pact for Skills roundtable". Several representatives from the industry and related stakeholders explained that these trends not only affect the workforce of EU companies, but more broadly the competitiveness of the industry. A "Pact for Skills" can offer the right framework for developing a new framework, if well designed and implemented.

A recent TCLF survey among 150 companies, launched by Euratex, CEC and Cotance, confirmed these challenges: only 57 per cent of respondents implement currently up/reskilling activities to meet digital skills needs, 85 per cent foresee them as important or very important in the next 5 years; 1 in 3 companies implements up/reskilling activities to meet green skills needs, and around 60 per cent see them as very important in the next 5 years; up/reskilling activities, focused on process and production skills characteristic for the textile and clothing industries, will remain important in the future. 9 out of 10 companies foresee needs for this type of skills in coming years; and up/reskilling initiatives in companies are constricted by time and financial constraints, as well as lack of knowledge about existing offer. That's why only 15 per cent of companies admitted that they often or always use external financial support in up/reskilling. Collaboration structures between education stakeholders and policy makers - on national and regional levels - are considered ineffective.

The Pact for Skills initiative can then be the solution to these problems, but it needs to deliver concrete answers. Euratex president highlighted some actions which should be part of the Pact for Skills: support SMEs in their digital transformation with financial aid or programmes. In the survey, companies stated that direct funding is the only way to meet this transformation; improve the skillsets of existing workforce, by supporting companies in their efforts to upskill and reskill their workforce through training, apprenticeship and mentorship programmes; minimise skills gaps and mismatches in the areas of sustainability, digitalisation, process innovation and new business models; attract well-qualified young workers and professionals and; supporting the modernisation of the sectors' VET and training infrastructure through improved education-industry collaboration. At the same time, European T&C companies are willing to engage and develop the Pact for Skills initiative. With the necessary support, they can commit to: increase diversity at the leadership level to become more inclusive and dynamic; foster closer cross-sector collaborations, as for example in Digital Innovation Hubs; create new collaborations with education and policy stakeholders; plan to make greater use of the possibilities offered by Erasmus+ Programme.

"The Pact for Skills initiative can be the driver for change in a sector which is going through a substantial transformation" Alberto Paccanelli said. "But it should be implemented quickly, offer tangible results, and be part of the wider EU Textiles Strategy. Euratex is ready to support the European Commission in running the process and connect all the different actors."

Source: fibre2fashion.com – Mar 18, 2021

HOME

****

Amazon is Crushing Walmart When it Comes to Apparel and Footwear

Amazon's clothing and shoe business is on track to generate $45 billion in revenue this year, as the nation's newly minted No. 1 seller of apparel and footwear, according to Wells Fargo analysis, is estimated to control as much as 12 percent of all such products sold in the U.S. and up to 35 percent just in the digital domain.

In a research note published Wednesday, senior equity analyst Ike Boruchow estimated that the Seattle tech giant grew apparel and footwear sales, including third-party products, by 15 percent in 2020, a seeming beneficiary of consumers who took to digital in droves when the coronavirus pandemic forced many fashion stores to fold up shop—momentarily—across the U.S.

What's more, the investment bank says Amazon's $41 billion in apparel and footwear sales last year outperformed closest competitor Walmart by as much as 25 percent. The finding suggests its Bentonville, Ark.-based rival—which just retained Brandon Maxwell's creative input for two of its "elevated" private labels—has considerable work to do in closing that gap.

Amazon successfully courted pandemic fashion consumers, growing its share of wallet in this area by 18 percent for the full calendar year, according to the research team's survey of 1,000 of the platform's shoppers. However, 30 percent indicated their likelihood of resuming their pre-Covid shopping habits once social restrictions allow clothing stores to operate without disruption, which suggests apparel and footwear will experience "greater 'normalization' trends" in the near term, the research team wrote.
And I Get Dressed

News of the e-commerce juggernaut's surging dominance in the softlines space arrives as the influencer-led platform operating under the Amazon Fashion umbrella dropped a new collection created in partnership with one of the most vocal personalities in plus-size and inclusive fashion.

Kellie Brown, who sells a "Fat Icon" sweatshirt in the merch section on her blog, And I Get Dressed, partnered with The Drop for a '70s-inspired capsule of items spanning dresses, cardigans, on-trend wide-leg pants and ribbed miniskirts in a spring-ready palette including smoke-green prints and florals, fog blue and off white. As with all such drops, the collection is sold during a 30-hour window and a global manufacturing base produces only what customers order, significantly curbing inventory pileups.

Priced between $39.90 and $59.90, the collection was inspired by a "mix of fond memories and iconic movies that always swirl around in my head," said Brown, whose Instagram followers alone top 140,000. "It is fashion from the 1970's, my mom's effortless style, and a mash up of backyard [barbecues] in cinema-like scenes."

Southern California-based Brown told Sourcing Journal she envisioned creating a capsule that "appealed to my wide range of followers," noting that "Amazon Fashion was able to transform my designs of on-trend pieces and develop a collection that can be worn by people of different shapes and sizes." The Philadelphia native got to work "creating inspiration boards and searching for prints and colors to create the right styles I love and felt like many of my followers would love too," selecting cotton, viscose and spandex fabrics for "comfortable, everyday wear."

Though Kellie Brown x The Drop is available in sizes XXS-3X like all such limited-time collections have been for nearly the past year, Amazon notably styled and photographed items in the collection on a plus-size model in addition to the influencer—both of whom wear size 3X—instead of showing a range of body types. The decision seems to underscore why Brown described Amazon as the "perfect partner" to collaborate with, noting its "breadth and trend relevancy for customers in both straight and plus sizes." Though The Drop first ventured into size inclusivity with a more conventionally plus-sized influencer, its decision to make Brown the face of a new capsule indicates a commitment to offering shoppers trend-led fashion regardless of size or body shape.

After a seemingly endless year of limiting interactions with others, many consumers are restlessly awaiting a return to jam-packed social calendars, dinners, weddings and other symbols of normality. Brown hopes her collection will encourage people to trade in their "couch couture" quarantine wardrobes for "easy, grab-and-go pieces" that offer something a little bit special.

"Fashion is such a big part of how most of us express ourselves. We of course get dressed for work and events etc., but a lot of getting dressed is to bring joy into our days," she said, from the "colors we love" to the "ideas we've seen and been inspired to re-create." "Whether going for long walks or dressing up for Zoom calls," she added, "I think we'll see a lot more self-expression through outfit choices."

Source: sourcingjournal.com – Mar 18, 2021

HOME

****

USA: New Fund Supports Farmers Raising Sustainably Grown Cotton

Vidalia Mills and General Standard are the first two companies to contribute to BASF's new e3 Sustainable Cotton program–an unprecedented effort to provide additional economic support for farmers in the program who commit to growing sustainable cotton.

Brands, retailers, mills and other cotton fiber value chain companies sourcing e3 Sustainable Cotton will have the opportunity to contribute a monetary amount to the fund. At the end of each year, 100 percent of those funds will be distributed equally to e3 Sustainable Cotton farmers, which is in addition to a $2.50 per bale premium BASF provides to farmers enrolled in the program.

"We're excited to have Vidalia Mills and General Standard join us in this first-of-its-kind commitment and look forward to even more brands pledging to the fund," Jennifer Gasque-Crumpler, e3 Sustainable Cotton program manager for BASF, said. "Our vision for honest, fair, sustainable cotton isn't possible without our dedicated farmers and we're grateful to our cotton fiber value chain collaborators who understand the importance of rewarding their effort."

Cotton farmers like Elizabeth Lague will be direct recipients of the fund. Lague grows Stoneville cotton in Tennessee and has been part of the e3 Sustainable Cotton program for the past two seasons. She also is a BASF business representative.

As a farmer, she appreciates the opportunity she has through the BASF program to connect her cotton with companies that want to create traceability and transparency through the entire cotton fiber value chain, starting with sustainable farming practices.

"For many generations, our family has worked the land with the mindset of leaving it better than we found it," Lague said. "It's encouraging to see brands support this mentality and reward the farmers behind the cotton."

The e3 Sustainable Cotton Grower Fund is part of a program that provides field-level traceability and is driven by comprehensive verification and a valued reputation for growing socially equitable, economically viable and environmentally responsible cotton. Farmers who are part of the e3

Sustainable Cotton program commit to tracking eight sustainability measures with 100 percent of their eligible cotton acres, ranging from water use and pesticide management to soil conservation and greenhouse gas emissions reduction.

Through a series of digital platforms, the cotton they grow can be traced from an individual cotton bale in their field, all the way to the end consumer.

With expert teams in the lab, field, office and in production, BASF's Agricultural Solutions division connects innovative thinking and down-to-earth action to create real-world ideas that work for farmers, society and the planet. In 2020, the division generated sales of 7.7 billion euros.

BASF Corporation, headquartered in Florham Park, N.J., is the North American affiliate of BASF SE, based in Ludwigshafen, Germany. BASF has more than 18,800 employees in North America and had sales of $18.4 billion in 2019.

Source: sourcingjournal.com – Mar 18, 2021

HOME

****

Startup sees potential in Russia's historic textile region

Russian industrial hemp producer Smart Hemp said it has plans to open a hemp processing factory in Ivanovo, an historic textile region and still one of Russia's major textile making centers.

General Director Maxim Uvarov said Smart Hemp hopes to open the factory by the end of the year. The company has a goal to expand hemp production to a dozen regions in Russia as it projects rising demand for hemp textiles.
Deals unfolding

Uvarov said Smart Hemp has reached preliminary deals with buyers from China, and is in talks with Russian buyers about production deals in hemp-cotton blends. The company said it also sees potential in Europe for such textiles.

Global market conditions indicate the potential for a public listing of Smart Hemp shares as soon as 2022, Uvarov said. "As soon as we mark the launch and prepare contracts, we will start thinking of an initial public offering," Uvarov, who previously worked in the health industry then started growing hemp in 2017, told Reuters.
Textile history

Ivanovo is the name of both the region and the regional capital city (Pop. 413,068), located east of Moscow about 300 kilometers. The area has a long history as one of Russia's major textile centers. Peter the Great ordered the first linen mills in Russia built near Ivanovo in 1710. As weaving mills and textile-printing factories multiplied in the region over the next century, the town came to be known as "the Russian Manchester," after the famed British textile city.

Ivanovo's textile industry now turns out cotton, worsted, and silk goods and clothing. A number of satellite towns in the area produce cotton and linen, and supporting producers make machinery and dyes for the textile industry. Farming in the region is in mixed crop agriculture, primarily potatoes, root vegetables, and grasses.

Source: hemptoday.net – Mar 18, 2021

HOME

****

Uzbekistan eyes Pakistan's Gwadar Port as gateway for seaborne cotton exports

Uzbekistan, one of the world's leading cotton exporters, sent a high-level delegation earlier this week to the Chinese-invested Gwadar Port in Pakistan to look for logistics opportunities that might help it export its cotton, the Global Times has learned.

Analysts said the move highlighted the big potential demand countries have for an international public facility such as the Gwadar Port, a deep-water port that may open a coveted sea trade option for landlocked Central Asian countries.

A 16-member high-level delegation from Uzbekistan, led by Vice Minister of Railways Akmal Kamalov and the country's Ambassador to Pakistan Oybek Arif Usmanov, visited the port on Tuesday, according to a press release from the China Overseas Ports Holding Co, the port's operator, on Wednesday.

Accompanied by Gwadar Port Authority Chairman Naseer Khan Kashani and Zhang Baozhong, chairman of the China Overseas Ports Holding Co, the delegation observed the loading/offloading of cargoes by a containership operated by Chinese shipping giant COSCO Shipping Holdings. They discussed the matter of regional connectivity and the possibility of building and investing in a logistics park at the Gwadar free trade area.

When reached by the Global Times, Zhang said he had no further information at the moment.

However, on his WeChat account on Wednesday, Zhang noted that Uzbekistan is the world's sixth-largest producer and second-largest exporter of cotton. He also wrote that Uzbekistan is pushing for a diplomatic move among Central Asian countries, including top-level diplomatic visits to Tajikistan and Turkmenistan, for a southbound logistics corridor via the Gwadar Port.

Afghanistan has become the first landlocked Central Asian country to benefit from using the Gwadar Port in transshipment trade. In 2020, the country imported 43,000 tons of fertilizers via the port, contributing to its agricultural development.

The port's dry bulk cargo business grew more than 1,100 percent to 57,000 tons in 2020 compared with 2018.

Zhou Rong, a senior research fellow at the Chongyang Institute for Financial Studies at Renmin University of China, said that the Gwadar Port has the best infrastructure among all ports in the region.

"The infrastructure there is superb. Both in terms of its deep-water berths and its onshore port infrastructure, the Gwadar Port beats its peers in Iran and India," Zhou told the Global Times on Wednesday.

However, for such a southbound corridor to work, other regional countries including China and Iran will have to be involved to make an overland passage possible, given the current instability in Afghanistan, Zhou said.

Located in Pakistan's southwest province of Balochistan, the Gwadar Port is a key project of the China-Pakistan Economic Corridor, a flagship project of the China-proposed Belt and Road Initiative.

According to data from the US Department of Agriculture, Uzbekistan exported 503,000 tons of cotton in 2015, with Bangladesh and China as its leading destinations.

The country's cotton exports fell in recent years due to a shrinking planting area and an increase in domestic consumption.

Source: globaltimes.cn– Mar 17, 2021

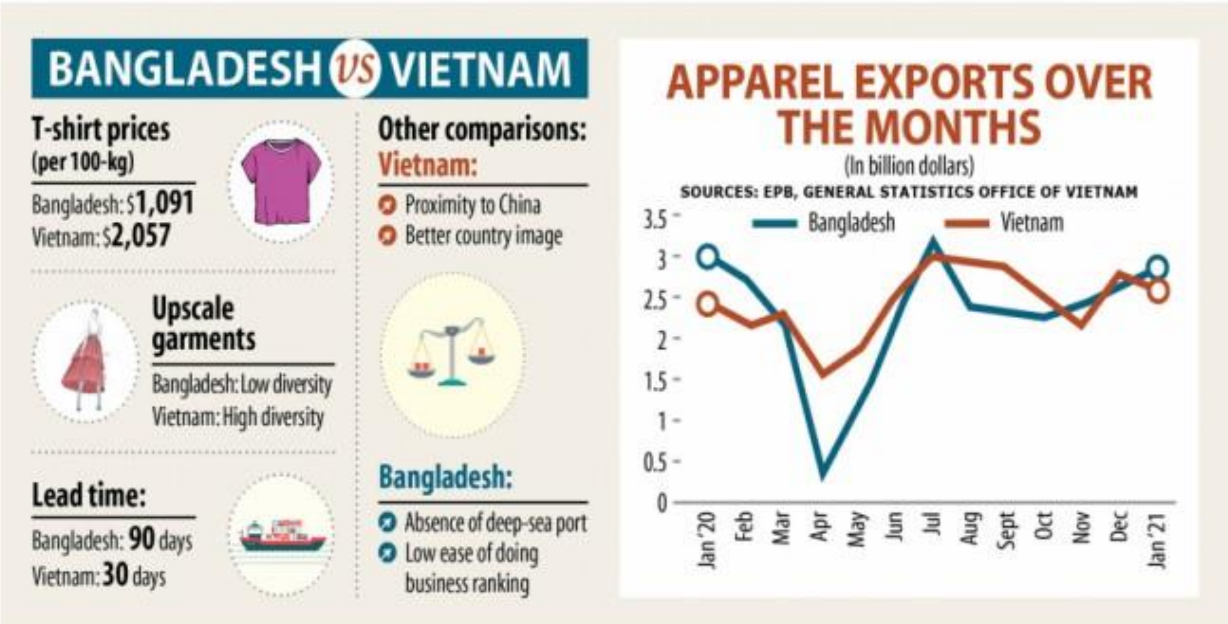
HOME

****

How Vietnam getting mightier in apparel shipment

Its edge over Bangladesh: low lead time, quality fabric, upmarket focus

If you happen to come upon t-shirts being sold in the United States or the European Union (EU), the chances are that the Vietnamese ones have outdone the Bangladeshis, securing twofold the export price.



To give an idea of the margin, let's take an instance in the EU in 2020 cited by the Centre for Policy Dialogue (CPD) in a research last month.

Against every 100 kilogrammes of t-shirts, Vietnam managed to fetch $2,157.90 last year, whereas it was $1,091.50 for Bangladesh.

This did not come out of the blue. In 2019, the rates were going at $2,099.70 and $1,097.50 respectively.

The same story was repeated in the US, another major export destination for both nations.

Closer inspection reveals the most visible edges: the quality of Vietnamese fabrics being substantially better and a section of its people having a taste for high-end products.

Other factors are also at play, asserting better prices in the major markets, says Khondaker Golam Moazzem, the CPD's research director.

Some 75 per cent of a garment item's raw material comprises the fabric, while the rest accessories, he said.

The use of a higher quality of fabric guarantees Vietnamese manufacturers better prices from buyers, he explained.

Plus, Vietnam has a higher number of upscale product brands and retailers, he added.

This results from a better country image, a higher ranking in the ease of doing business index of the World Bank, and the inclination towards compliance, human rights, and environmental protection practices, he said.

Their locals manufacture garments focusing on the upmarket, albeit on a limited scale. "We need to mass manufacture upscale garment items to get better prices and for more export," Moazzem said.

Moreover, Bangladesh needs a facelift and capacity improvements so that customers come over in drove to source upscale products, he said.

While Bangladeshi investors can start increasing the production of high-end garment items, foreign investment could be attracted in higher volumes, he added.

Local exporters are on the same page with Moazzem.

Though Vietnam was a latecomer in the global garment business, it turned into a major player quickly for its geographical proximity with China, the global leader in the apparel business.

Vietnam's current success can be attributed to the associated investment shift from China, said AK Azad, managing director of Ha-Meem Group, one of the leading local garment exporters.

As a result, Vietnam has a lower lead time, allowing shipping garments to the EU in 30 days, while it takes 90 days for Bangladesh, he said.

Vietnam also enjoys close geographical proximity with Europe, for which it comes second in priority preference after China to international retailers and brands, he added.

"Besides, it makes good use of its highly available, top quality raw materials."

Bangladeshi garment suppliers suffer from the lack of a deep seaport, and having one could have reduced business operation costs and delivery time, Azad said.

"We need to improve our products because buyers want to do long-term business with local suppliers if they are satisfied with the initial work orders."

"The buyers do not want to change their sources because of the pandemic frequently," he said, adding that customers were prepared to pay higher prices for quicker deliveries.
KM Rezaul Hasanat, chairman and chief executive officer of Viyellatex Group, another top garment exporter, said the country image was a very important factor when fixing prices of garment items.

The same could be said for raw materials, he said.

Moreover, many high-end Chinese garment manufacturing units have relocated to Vietnam, which acted as a big factor in securing higher prices for Vietnamese apparel, he added.

Vietnam is strong in manufacturing outerwear for people living in cold climates alongside high-quality blazers and woven formal shirts and trousers in the EU and US markets.

Bangladesh's strength lies in its manufacturing capacity of basic garment items, although now it is slowly making a shift towards high-end value-added items.

Vietnamese suppliers manufacture products that can be deemed as complicated when trying to get them integrated in mass production lines, said the country manager of a European retail giant in Bangladesh, asking not to be named, citing examples such as jackets and blazers.

Bangladesh is strong in basic items such as t-shirts and trousers, for which it can be very simply understood why prices of complicated garment items are higher than the basic items, he said.

"Bangladesh has merely eight blazer-making factories, whereas, in Vietnam, it is innumerable," he said.

Vietnam also produces a lot of sportswear, and their prices are very high. As a result, the average prices of Vietnamese garment items are high, the country manager said.

Almost all globally renowned sports garment brands and retailers source products from Vietnam, whereas Bangladesh is still considered as an optional supplier, he added.

Bangladesh does have factories adding value to products and availing higher prices from renowned brands and retailers. But their numbers along with the output volume are low, said Kazi Iqbal, a senior research fellow at the Bangladesh Institute of Development Studies.

Putting a high price tag on garment items is contingent on the brand to which the goods are sent, he said.

Vietnam exports a high volume of high-end garment items to brands as they have the capacity. Moreover, many foreign companies are operational there manufacturing such products, Iqbal said.

He backed the explanations over fabric quality, country image and timely deliveries.

The country image is of a supplier of products in the lower price range, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The country also lags in producing value-added products. "We are still concentrated on cotton and not diversifying to manmade fibre-based produce," she said.

"While our labour is competitive and we have overcapacity, Vietnam gets to pick and choose and have more value addition.

"While we have the compliance costs, we also have to cope with various demands from time to time," she said.

With increasing production costs (30 per cent up in the last five years), Bangladesh can't compete with Vietnam, which ranked 70th out of 190 countries in the latest Ease of Doing Business Index.

Despite moving up eight notches, Bangladesh ranked 168th.

"We experienced a 5 per cent price dip in the last couple of months alone," said the BGMEA president.

Source: thedailystar.net– Mar 19, 2021

HOME

****

Bangladesh's BTMA demands more cash incentives in next fiscal

The Bangladesh Textile Mills Association (BTMA) recently requested the government to raise alternative cash incentives from 4 per cent to 7 per cent for the upcoming fiscal to fight the economic fallout of the COVID-19 pandemic. The association also called for reducing source tax to 0.25 per cent from the existing 0.50 per cent for the next fiscal.

The association placed a set of demands before the National Board of Revenue (NBR) for its consideration ahead of the national budget in June to help the textile sector recover from the pandemic.

In consideration of the devastating impact of pandemic, a 4 per cent alternative cash incentives is not enough for the sector, according to BTMA.

After the country graduates from the least developed country (LDC) status, there will be new challenges for the sector due to erosion of duty benefits enjoyed as an LDC nation.

In fiscal 2018-19, the tax at source was set at 0.25 per cent and it was affordable. But in fiscal 2019-20, it was increased to 0.50 per cent.

Export earnings from the apparel sector have witnessed a negative growth due to the pandemic, which also hit the backward linkage industry badly, BTMA said.

The textile millers also demanded withdrawal of 2 per cent tax on purchase of cotton from domestic sources and withdrawal of 5 per cent advance import tax on pet chips as it will increase the prices of yarn, according to Bangla media reports.

The government was also urged to remove 5 per cent value-added tax (VAT) on all kinds of fabrics made of man-made fibres at the production level. They also called for setting Tk 3 as VAT per yard on all kinds of yarn made of any kind of fibre. They have to pay Tk 4 per yard at present.

Source: fibre2fashion.com– Mar 18, 2021

HOME

****

Pakistan: Cotton import from India in sight

Com-merce Ministry said on Thursday that summary on import of cotton from India is under process.

This was disclosed at a meeting of National Assembly Standing Committee on Commerce, presided over by Syed Naveed Qamar.

Ministry of Commerce also came under fire for giving a subsidy "unfairly" to All Pakistan Textile Mills Association (APTMA) which is allegedly involved in billions of rupees fake invoices scam, "which will be unveiled in the next six months". The Ministry said that it is reviewing the subsidy mechanism so that it should be linked to performance.

Kunwar Usman, Director General, Textile (Commerce Ministry) informed the committee that there has been a continuous decline of cotton production since FY 2015-16. As per Cotton Crop Assessment Committee (CCAC), estimated domestic cotton production would be 7.7 million bales in the current fiscal year, while Pakistan Cotton Ginners Association (PCGA) and United States Department of Agriculture (USDA) have been projecting 5.6 and 5.7 million bales, respectively.

In 2006-07, total cotton production was 13 million bales which has declined to 7.7 million bales in 2020-21.

He further stated that due to less cotton production, domestic production of cotton yarn has remained low which resulted in yarn shortage and subsequently high yarn import orders, adding that value-added sector is not able to buy the yarn it needs domestically to materialize export orders.

He said electricity is available to export oriented industry at cents 9 per unit (all inclusive) and RLNG is at $ 6.5 per MMBTU, adding that the industry is benefitting from these "incentives". The committee was informed that prices have increased due to shortage of cotton production.

The Chairman Standing Committee inquired whether Pakistan will be competitive when India and Bangladesh will be back in business after the Covid-19 is over. Secretary Commerce replied that both India and Bangladesh are now back in the market but Pakistan has to ensure its presence in those markets where it made inroads during the Covid-19, adding that the key challenge is competitiveness of cost, including energy prices. He said availability of cotton beyond June and July is also one of the key challenges facing the sector and acknowledged that there is an issue in orders after June.

Naveed Qamar suggested that subsidy should be shifted to those sectors that require it rather than those that are getting it now.

Secretary Commerce responded that there are arguments and counter arguments to this observation. The argument is that subsidy is being given to a basket of export-oriented sectors but the counter-argument is that the subsidy is not based on performance. Another argument is that the incentive of subsidy is not only going to export-oriented industry but also sub-sectors, which are part of the value chain.

“We are conducting a comprehensive analysis of subsidy issue. The analysis will be shared with the committee,” said the Commerce Secretary.

The Secretary Commerce said share of export of those Pakistani goods have been hit in the global market whose average cost was higher viz-a-viz international prices. Another factor is efficiency and labour productivity. However, productivity and predictability of those sectors which have orders should be ensured, otherwise they would be deprived of orders. For this, prices of energy, etc., need to be “stabilised”.

Khurram Shahzad, treasury member, raised questions on the performance of sectors that are being subsidised. He said 80 percent subsidy is being given to spinners (APTMA) who are also enjoying status of export-oriented industry, adding that they are merely importers.

“They import cotton, etc., and sell it in local market,” he said, challenging the figures. He said FBR has statistics for 75-80 percent sales on which GST was paid whereas 20 -25 percent was sold in “black” and on which sales tax was not paid.

“A big issue of fake invoices of trillions of rupees will emerge in six months. One sector, i.e., APTMA, is being given benefits of billions on GST claims on fake invoices and at the same time also getting subsidy,” he maintained, adding that no doubt APTMA is a very “powerful lobby” as compared to value-added sector but they are not exporters.

He suggested that APTMA’s local sales should be included in SRO 327 and made accountable.

Khurram Shahzad said Pakistan's exports increased from August but it was not due to Commerce Ministry, adding that 60 per cent increase in exports share was due to the trade war between China and United States. He said the performance of exports will decline from April 2021.

Khurram Shahzad criticised the Commerce Advisor for not "resolving" his industry's issue which is paying 17 per cent GST which is returned after three for four months.

"We import cotton and polyester under the SRO 327 and pay all taxes and duties. The government should include local sales in SRO 327," he maintained.

At this, Secretary Commerce stated that there is a viewpoint that subsidy should only be performance-based while presently it is across the board.

The committee was apprised that the summary for import of cotton from India through land route in June is ready. Value-added sector wants opening of border with India whereas APTMA is opposing the proposal.

Special Secretary Commerce, Dr Suhail Rajput, said the import of cotton from across the border (India) will be a political decision but it is under consideration.

The DG Cotton said Pakistan can benefit from importing cheap raw material from India.

Syed Naveed Qamar was of the view that cotton should be imported "from where it is cheap," adding that the import of expensive cotton will have a trickled-down effect on the value chain.

Khurram Shahzad accused the Commerce Advisor of imposing "high" duty on import of chemicals which his industry and two more factories manufacture.

Rana Iradat Hussain asked why Commerce Ministry did not raise the issue of cotton import when the government took the decision to ban trade with India.

Mian Shafiq suggested that PCGA should also be invited to the next meeting to find out "how much of their amounts are stuck with APTMA," adding that all have "vested interests".

The committee also discussed insurance claims of PPL and other entities outstanding with NICL.

The Committee constituted a sub-committee to look into the issues related to subsidy, cotton production and cotton import.

Besides others, the meeting was attended by MNAs Ali Khan Jadoon, Wajiha Akram, Sajida Begum, Usman Ibrahim, Tahira Aurangzeb and Shaza Fatima Khawaja.

Source: brecorder.com– Mar 19, 2021

HOME

****

NATIONAL NEWS

India's economy projected to record stronger recovery in 2021: UNCTAD

India’s economy, estimated to contract by 6.9 per cent in 2020 due to the coronavirus pandemic, is forecast to record a “stronger recovery” in 2021 and grow by 5 per cent, according to a UN report which said the country’s current fiscal year budget points to a shift towards demand-side stimulus, with an uptick in public investment.

The report, ‘Out of the frying pan Into the fire?’ published Thursday as an update to the Trade and Development Report 2020 by UN Conference on Trade and Development (UNCTAD) said the global economy is set to grow by 4.7 per cent this year, faster than the 4.3 per cent predicted in September 2020, thanks in part to a stronger recovery in the US, where progress in distributing vaccines and a fresh fiscal stimulus of USD 1.9 trillion are expected to boost consumer spending.

The report described the year 2020 as Annus horribilis saying although warnings about the spread of viruses have become more frequent in recent years, nobody anticipated the arrival of COVID-19 or its dramatic global impact.

India is estimated to contract by 6.9 per cent in 2020 and then forecast to record a 5 per cent GDP growth in 2021, the report said. The September 2020 report by UNCTAD had said that India’s economy was forecast to contract by 5.9 per cent in 2020 and recover to 3.9 per cent in 2021.

India’s growth performance in 2020 fell below our mid-2020 expectations. Actual fiscal stimulus fell short of initial announcements that suggested a large increase of public spending for pandemic relief, UNCTAD said.

The UN agency added that the relief measures adopted by India were not only much smaller in scale, but also centred on easing supply-side constraints and providing liquidity support rather than aggregate demand support.

Moreover, restrictions to people's movement not only severely affected incomes and consumption, they also proved largely unsuccessful in containing the spread of the virus. As a result, the fall in economic activity proved to be larger than we had envisaged in mid-2020, it said.

The report noted that the deeper than expected downturn in 2020 explains in part the stronger recovery now projected for 2021 for India.

The budget for the fiscal year from April 2021 to March 2022 also points to a shift towards demand-side stimulus, with an uptick in public investment (particularly in transport infrastructure) for the coming fiscal year. An anticipated recovery in global demand will also help buoy the export sector through 2021, it said.

The accumulated real income loss relative to pre-COVID-19 trend, 2020-2021 (% of GDP) for India is 27.7 per cent. The US, which contracted by 3.5 per cent in 2020, is forecast to grow by 4.5 per cent this year. China is projected to record an 8.1 per cent growth in 2021.

UNCTAD said the 4.7 per cent growth projected for the world will still leave the global economy over USD 10 trillion short of where it could have been by the end of 2021 if it had stayed on the pre-pandemic trend and with persistent worries about the reality behind the rhetoric of a more resilient future.

A misguided return to austerity after a deep and destructive recession is the main risk to our global outlook, the report said.

UNCTAD said in a statement that the "brunt of the hit to the global economy is being felt in developing countries" with limited fiscal space, tightening balance of payments constraints and inadequate international support. While all regions will see a turnaround this year, potential downside health and economic risks could still produce slippages.

Looking ahead, UNCTAD says outdated economic dogmas, weak multilateral cooperation and a widespread reluctance to tackle the problems of inequality, indebtedness and insufficient investment all worsening thanks to COVID-19.

It added that, without a change of course, the new normal for many will be an unbalanced recovery, vulnerability to further shocks and persistent economic insecurity.

It notes that the global recovery that began in the third quarter of 2020 is expected to continue through 2021, albeit with a good deal of unevenness and unpredictability, reflecting epidemiological, policy and coordination uncertainties.

But even barring an immediate return of austerity," the report adds, it will take more than one year for output and employment to return to their pre-COVID-19 levels in most countries with employment, income inequality and public welfare over the medium term depending on the evolution of policy responses.

The COVID-19 will likely have lasting economic, as well as health consequences, which will require continued government support, it said, adding that there must be a more wholesale rewriting of the rules of the economic game if the mistakes of the 2009 financial crisis are not to be repeated and the goal of an inclusive, sustainable and resilient global economy realized by 2030.

Source: financialexpress.com– Mar 18, 2021

HOME

****

India-UK Free Trade Agreement: Textile Ministry favours limited deal that could boost garments sector

Tariff cuts will result in level playing field with global competitors, says Industry

The Textile Ministry has put its weight behind an early limited Free Trade Deal between India and the UK which, it says, must include tariff reduction for textile and clothing items, resulting in possible gains for the sector, officials have said.

"The textile industry is very keen that India should sign an early Free Trade Agreement (FTA) with the UK as it could benefit enormously from tariff cuts. The Textile Ministry has thus conveyed to the Commerce Ministry that a limited trade deal, including textiles and clothing, among other products, should be considered for an early conclusion," an official told BusinessLine.

UK PM's visit

While formal talks on a India-UK FTA have not yet started, there is a possibility for discussions to begin during UK Prime Minister Boris Johnson's likely visit to India in the coming months, according to UK officials.

Commerce & Industry Minister Piyush Goyal had, last month, proposed to the UK Secretary of State for International Trade Elizabeth Truss that the two countries could initially work on an interim pact on a preferential basis based on which both sides would reduce or eliminate tariffs on select items. "No decision has been taken on how to go about the proposed India-UK FTA yet," the official said.

The UK is India's fourteenth largest trading partner accounting for $8.7 billion of exports and $6.7 billion of imports in 2020-21.

Touching potential

The Textile Ministry wants more market access for textiles and clothing under the proposed trade pact with the UK as the Indian industry has been complaining about not being able to perform to its full potential in the country because of tariff disadvantages.

As per figures collated by the Apparel Export Promotion Council (AEPC), total import of apparels in the UK in 2019 was $24.9 billion, of which India's share was just $1.4 billion while Bangladesh's share was at $3.6 billion.

In a letter to Prime Minister Narendra Modi dated December 21, 2020, the AEPC pointed out that the apparel export industry was facing severe competition in the UK due to duty disadvantages arising out of benefits under the Generalised System of Preferences (GSP) to 47 Least Developed Countries including Bangladesh. While the GSP scheme is for EU countries, the UK has indicated that it will continue despite exiting the EU.

Ahead of Brexit transition period on January, the Texprocil pointed out to the government that the UK had already signed trade agreements with 62 countries and it was therefore imperative for India to start negotiations soon.

Source: thehindubusinessline.com– Mar 18, 2021

HOME

****

PLI for textile: Govt targets 50 laggard, high-potential products

From jerseys, pullovers and cardigans to swimwear and windcheaters, the government is targeting elevated production in 50 man-made fibre and technical textile product categories in which India barely makes a cut now. While global exports of these products stood at $222 billion in 2019, India's share was only $1.8 billion, or 0.8%, with both Bangladesh and Vietnam leading by a wide margin.

Through a Rs 10,683-crore production-linked incentive (PLI) scheme, India, where cotton fibre dominates the textiles and garment value chain, intends to grab a share in this pie. The incentives will be extended for incremental production in 50 product categories (40 man-made-fibre-based garments and 10 technical textiles) over a five-year period starting FY22.

Products under PLI

(Exports in $ bn, 2019)	India	World
Clothing items (40)	1.1	140.2
Technical textiles (10)	0.7	82

According to the draft PLI programme, known as the "Focus Product Incentive Scheme", India accounted for 4.3% (or $35.5 billion) of global exports of textiles and apparel in 2019 but its share in the man-made fibre segment was much lower at 2.8% ($9.3 billion). In fact, products based on man-made fibres made up for only 26% of India's exports, compared with almost 50% in China and 49% in Vietnam.

For instance, in jerseys, pullovers, cardigans, waistcoats and similar items, while India exports were only to the tune of $70 million in 2019, global exports stood at $26.1 billion. In anoraks, windcheaters, jackets, etc, global exports exceeded $21 billion but India's share was less than just $10 million.

Similarly, while global exports of trousers, bib and brace overalls, breeches and shorts stood at $16 billion in 2019, India's were languishing at just $123 million. Of course, India's exports of these products made of cotton fibre were substantially higher.

In fact, India's exports of products in the 40 apparel categories, which are targeted under the PLI scheme, stood at just $1.1 billion in 2019, against $140 billion globally. Importantly, Bangladesh's exports of these products were as much as $7.3 billion and Vietnam's $14.8 billion.

As reported by FE, the PLI scheme for textiles marks a paradigm shift in the government's decision-making on two counts. First, it earmarks big bucks for big companies, shedding its long and costly bias towards small businesses.

Second, it seeks to correct India's historical policy preference for a cotton-dominated value chain, which is contrary to the global trend. The idea is to reclaim India's export markets after ceding substantial ground to Bangladesh and Vietnam in recent years.

The incentives, ranging from 7% to 11%, are linked to turnover or investments and will be trimmed by 100 basis points each year after the first year.

The highest incentive–11%–is meant for large investments of over Rs 500 crore in greenfield projects. The benefit, however, is linked to an incremental turnover of Rs 1,500 crore in the first year and a 25% rise in turnover each year after that.

Source: financialexpress.com– Mar 19, 2021

HOME

****

Cotton farmers cash in on global price trend, sell 80% of this season's output

With arrivals dropping, ginning mills may end operations early

Cotton farmers in the country have taken advantage of higher global price for the natural fibre this season (October 2020-September 2021), resulting in at least 80 per cent of the production being sold till now.

As a result, most of the ginning mills in north and western parts of the country that process kapas (raw cotton) into ginned cotton are likely to shut operations from April this year.

Most of the cotton produced this season have arrived across various markets in the country mainly since prices have ruled higher than the minimum support price (MSP) of ₹5,515 a quintal since the beginning of the October.

"Barring 15-20 per cent of kapas that some well-to-do farmers are holding, the rest of the production has arrived. These farmers always hold back and sell only during monsoon since they get a good price in the off-peak season," said Rajkot-based Anand Poppat, a trader in raw cotton, yarn and spinning waste.

Higher inflow

According to an estimate by the Cotton Association of India, a body of traders, arrivals till February 28 this year since October 1 were 298.89 lakh bales (of 170 kg).

The arrivals are against CAI's projection of the cotton crop production at 358.50 lakh bales against 360 lakh bales last season. The Committee on Cotton Production and Consumption (CCPC), a body representing all stakeholders in the textile industry including government officials, has estimated this season's crop at 371 lakh bales (358.50 lakh bales last season).

Arrivals have been higher despite record carryover stocks from last season. While CAI has pegged the carryover stocks at 115 lakh bales, the CCPC has estimated it at 97.95 lakh bales.

The main reason for prices ruling higher than MSP this year is because global prices have gained sharply since June last year in view of consumption being see higher than production.

For the current marketing year (August 2020-July 2021), the US Department of Agriculture has pegged global production at a four-year low, while consumption will be higher than production for the second consecutive year.

Prices gain

Cotton prices in New York have gained nearly 11 per cent this year, according to the Trading Economics website. In fact, prices are off the highs over 90 cents a pound (₹51,700 a candy of 356 kg) seen late last month.

Currently, cotton in New York is quoted at 86.13 cents a pound (₹49,600 a candy), while Indian exporters are offering a benchmark Shankar-6 cotton at ₹45,900-46,200 a candy.

Indian cotton has been offered for exports at a competitive price of between ₹44,000 and ₹48,000 a candy this season. This helped kapas prices to increase in most of the market yards.

Kapas modal prices (rates at which most trades take place) in Gujarat's Rajkot agricultural produce marketing committee (APMC) yard is ruling at nearly ₹6,100 a quintal. "But quality cotton is getting as high as ₹6,700," said Poppat.

"This season, arrivals have been higher as farmers got good prices," said K Selvaraju, Secretary-General, Southern India Mills Association (SIMA), the apex body of textile mills in the South.

As a result of the high arrivals till February end, most farmers have run out of their produce or want to hold it back, expecting higher prices later on during the off-peak season starting May.

According to upcountry market sources, arrivals during March 1-15 were between one and 1.5 lakh bales daily. They have now dropped to 70,000-80,000 bales.

“Arrivals are less than one lakh bales these days. The other problem is that even low-quality cotton fetched higher prices. Since arrivals have dropped to below one lakh bales, we expect at least 50 per cent of the ginning mills to close operations by the end of this month,” Poppat said.

“The quality of cotton this year is not as good as last year. Unseasonal rains have affected it,” Selvaraju said.

Market sources said that many ginning factories are ending operations due to the low arrivals.

Poppat said one of the reasons for farmers rushing with their produce to the markets this year was last year’s bitter experience when prices crashed after the novel Coronavirus (Covid-19) pandemic broke out.

“Farmers released cotton slowly and thus ginning mills functioned round the season last time,” he said, adding this season farmers were quick to take advantage of the higher prices to dispose of their stocks.

Stocks, exports

Of the total arrivals plus the carryover stocks, CAI has estimated consumption during October-January at 137.50 lakh bales, while mills are projected to hold stocks of 92.50 lakh bales.

Cotton Corporation of India (CCI), which bought nearly 100 lakh bales as part of the Centre’s procurement plans, is reported to have stocks of 92.50 lakh bales, while ginners, multinational companies and MCX are estimated to have a total of 164.89 lakh bales with them.

According to Poppat, at least 44 lakh bales of cotton have been exported until last week. Last season, exports totalled 50 lakh bales and this season, they are projected to increased to 65 lakh bales.

Market sources said exports have slowed due to stronger rupee and non-availability of containers, while Poppat said container availability was the major issue. “Bangladesh is the largest buyer of Indian cotton followed by Vietnam, China and Turkey,” he said.

Market sources said that of the stocks that CCI hold, some 42 lakh bales that were sold have not been lifted yet by the buyers. The total government stock, including by Maharashtra, could be 110 lakh bales, they said.

Cotton prices may not have much headroom to rise further as profit-booking has begun, Poppat said. “Speculators in the US have begun to cut their open positions,” he said.

Market sources said that the cotton market is witnessing correction due to fears over the impact of the second wave of Covid-19 and investors are booking profits.

Source: thehindubusinessline.com- Mar 18, 2021

HOME

****

Scheme to Promote Textile Products

Union Budget 2021-22 announcements include launch of the scheme of setting up mega investment textile parks. Seven mega textile parks will be set up in next three years. These parks will enable the textile industry to become globally competitive, attract large investment and boost employment generation. The scheme will enable creation of global champions in exports.

The Production Linked Investment scheme of Rs 10,683/- crore over a five year period covering MMF and Technical Textiles sector has been announced which will create global champions in exports and domestic production in textile sector will also grow substantially.

Government of India is also implementing a number of scheme for promotion of textile sector. These include Amended Technology Upgradation Fund Scheme (A-TUFS), Schemes for the development of the Powerloom Sector(Power-Tex), Schemes for Technical Textiles, Scheme for Integrated Textile Parks (SITP), Scheme for Additional Grant for Apparel Manufacturing Units under SITP (SAGAM), SAMARTH- The Scheme for Capacity Building in Textile Sector (SCBTS), Jute (ICARE- Improved Cultivation and Advanced Retting Exercise), Integrated Processing Development Scheme (IPDS), Silk Samagra, National Handloom Development Programme, National Handicraft Development Programme, Integrated Wool Development Programme (IWDP), North East Region Textiles Promotion Scheme (NERTPS), Rebate of State and Central Taxes and Levies (ROSCTL), Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) etc.

This information was given in a written reply by the Union Minister of Textiles, Smt. Smriti Zubin Irani in Rajya Sabha today.

Source: pib.gov.in- Mar 18, 2021

HOME

****

Efforts to Promote Technical Textile Sector

With a view to boost technical textiles sector in the country, the Government has approved the proposal for creation of National Technical Textiles Mission (NTTM) for a period of 4 years (2020-21 to 2023-24) with an outlay of Rs.1480 crores. The NTTM will (i) focus on research and innovation and indigenous development of specialty fibres from Carbon, Nylon-66, Glass, Aramid and other high technology polymers; increase application of geo-textiles, agro-textiles, medical textiles, protective textiles and other segments of technical textiles in various application areas (ii) promote awareness amongst users, bring in large scale investments, and encourage high-end technical textiles products (iii) enhance India's exports of technical textiles by 2024 through focused attention on highest traded products (iv) create a robust human resources in the country, both through specialized higher education and skill development of technical manpower of the country.

Besides, in order to boost a rapid growth of the technical textile segment in the country, the government has also taken following major initiatives:-

1. With a view to derive the benefits of technical textiles in various fields of applications, currently Ninety Two (92) application areas have been identified for mandatory use across Ten Central Ministries/Departments. So far, mandatory use notifications have been issued for 68 (sixty eight) applications.
2. Bureau of Indian Standards (BIS) has developed standards for 377 technical textiles products.
3. On request from the Industry, Ministry of Textiles has included Six (6) additional courses for technical textiles in its Skill Development Programme (called Samarth).
4. IIT Delhi is conducting fresh baseline survey on technical textiles sector.
5. The Ministry has issued Public Procurement (Preference to Make in India) Order dated 23.10.2019, prescribing Minimum Local Purchase Content for Technical textiles items in 10 segments for government procurement.
6. Further, in order to boost the technical textile sector in the country, Cabinet has approved Production-Linked Incentive (PLI) Scheme in the 10 key sectors for enhancing India's manufacturing capabilities and enhancing exports – Atmanirbhar Bharat. Textiles products: MMF segment and technical textiles have been included among 10 key

sectors with approved financial outlay of Rs.10,683 crore over a five year period for these products. This scheme will help Indian firms to grow into global champions.

To promote and develop handloom sector across the country, Ministry of Textiles is implementing following schemes, under which financial assistance is provided to the eligible handloom agencies/weavers etc. for raw materials, purchase of looms and accessories, design innovation, product diversification, infrastructure development, skill upgradation, lighting units, marketing of handloom products in domestic as well as overseas markets and loan at concessional rates: -

1. National Handloom Development Programme (NHDP)

- Block Level Clusters
- Weavers' MUDRA Scheme
- Handloom Marketing Assistance

2. Comprehensive Handloom Cluster Development Scheme (CHCDS)
3. Handloom Weavers' Comprehensive Welfare Scheme (HWCWS)
4. Yarn Supply Scheme (YSS)

Apart from implementation of above schemes, following new initiatives have also been taken by the Ministry of Textiles for the benefit of handloom weavers: -

i. The handloom weavers and exporters from different corners of the country were connected virtually with international market.
ii. Social media campaigns are also organized in partnership with all stakeholders to promote handloom and handicraft legacy of India to ensure people's support for the community. One such campaign #Vocal4handmade was launched on the 6th National Handloom Day held on 7th August 2020.
iii. Over 534 Chaupals were organized in various States to educate the handloom workers to avail benefits of various handloom schemes for their welfare and socio-economic development.
iv. To promote e-marketing of handloom products, 23 e-commerce entities have been engaged for online marketing of handloom products.

v. To support the handloom and handicraft sectors and to enable wider market for handloom weavers/artisans/producers, 1.5 lakh handloom weavers/entities have been on-boarded on Government e-Marketplace (GeM) for supply of their products to Government Departments.

vi. To enhance productivity and marketing capabilities and ensure higher returns for handloom workers through collective efforts and pooling of resources, 117 handloom producer companies have been formed in different States.

vii. Design Resource Centres have been set up in Weavers' Service Centres (WSCs) at Delhi, Mumbai, Varanasi, Ahmedabad, Jaipur, Bhubaneswar and Guwahati in collaboration with National Institute of Fashion Technology (NIFT) with the intent to build and create design-oriented excellence in the handloom sector and to facilitate weavers, exporters, manufacturers and designers in creating new designs and to take benefit of erstwhile-created designs.

This information was given in a written reply by the Union Minister of Textiles, Smt. Smriti Zubin Irani in Rajya Sabha today.

Source: pib.gov.in- Mar 18, 2021

HOME

****

Free trade agreements can give exports a boost

India is facing an export slump. At a time when many other segments of the economy are recording healthy upswings, the exports have declined by 12.2 per cent during the April-February period of 2020-21. February has recorded a meagre rise of 0.67 per cent after 6.2 per cent and 0.1 per cent growth in the preceding months, showing that the economic recovery is far more fragile than envisaged earlier.

Even more worrying is the fact that the two biggest areas, petroleum products and gems and jewellery, have fallen by 20 per cent and 11 per cent, respectively. There may be some reason to cheer as exports of pharma products have risen by 16 per cent, but this is not enough to stem the decline in other sectors.

Even before the pandemic, exports were lagging. There have been enough excuses in the past to explain the slow growth, including global recessionary trends. Right now, one can blame the pandemic. There is also tendency for a hosanna-like approach whenever a few products like the PPE kits or ventilators enter the world markets.

The old cliché that one swallow does not make a summer applies well to this kind of approach. Export growth needs to rise consistently, rather than sporadically. Otherwise, India has little hope of becoming an international economic power. Trade has been the key for the rise of economic superpowers like China as well as the tiger economies of Southeast Asia. India, on the other hand, has not paid enough attention to exports. As a result, the sector has faced roadblocks like red-tape and a failure to outline a long-term approach, especially in agro and commodity exports.

Solutions to the export imbroglio are numerous. First, import of inputs for export-oriented industries needs to be made easier. Recently, for instance, it was found that anti-dumping duties were being levied on inputs for manufactured goods, which in turn, led to higher costs for domestic producers.

It also affected export industries. India is currently the world's biggest user of anti-dumping duties, on the grounds that cheap imports, especially from China, are hurting local industries. This issue now seems to have been flagged by the Niti Aayog which could lead to a slowdown in the rapid imposition of anti-dumping levies.

Another major problem has been the withdrawal of concessions giving relief on input taxes. Many concessions are no longer compatible with the World Trade Organisation's regulations. A new export subsidy to replace these was launched nearly three months ago, but in true bureaucratic style, is yet to be implemented. The Remission of Duties and Taxes on Export Products (RoDTEP) gives tax relief on production inputs like electricity, diesel, panchayat and stamp duties. The new subsidy was introduced on January 1 this year, but rates have yet to be notified. The result is that exporters cannot factor it into prices and thus goods continue to be uncompetitive in overseas markets.

A second area which needs a fresh look is the continuing rise of import tariffs in recent years. On the grounds of trying to make the country Aatmanirbhar (self-sufficient), import duties on raw materials and finished products available within the country are being hiked. This goes counter to the entire process of dismantling import controls and reducing tariffs that had begun with the 1991 economic reforms. Domestic industry needs to sharpen its competitive edge to face competition from imported goods. Otherwise, it can never succeed in world markets. Sheltering industry from global competition should only be a temporary feature in case some sectors need protection for a brief period. This lack of global competition has an impact on development of export industries as well.

Besides, creating protectionist barriers invites similar reactions from trade partners. In the case of the US, the Trump administration may have complained unjustly about high tariffs in some areas like motorcycles, but customs duties here are undoubtedly higher.

The unequal nature of the relationship is inevitable to some extent given that India remains a developing economy. At the same time, there has to be some quid pro quo in trade ties. For instance, the restoration of the long-standing concessional Generalised System of Preferences (GSP) on Indian exports to the US withdrawn by the earlier regime, is likely to hinge on greater access for American goods to this country's markets.

In this context, one must underscore the urgency of concluding free trade pacts with major trading partners like the US, the UK and the European Union. India currently is not part of any major regional grouping. It decided to keep out of the Regional Comprehensive Economic Partnership (RCEP) on grounds of its own self-interest. But having taken this bold decision, it needs to rapidly enter into other FTAs that will give it the benefit of concessional tariffs in major markets.

Negotiations with the European Union on an FTA have been taking an inordinately long time. These were launched in 2007 and then stalled since 2013 though a fresh dialogue finally began last month. The EU is India's largest trading partner accounting for 11.1 per cent of total trade. While there is a feeling that the current anti-China sentiment may benefit India, the fact is that these trends only tend to be transitory. The negotiations need to be revived and finalised quickly in order to ensure the country is integrated into global and regional supply chains.

As of now, India's share of world trade is a meagre 1.7 per cent. This needs to be raised significantly in the years to come. The pandemic may be one reason for slowing exports, but these had fallen by 1.36 per cent even in 2019-20. A turnaround is definitely possible as exporters' associations claim higher orders have already come in for processed food, pharmaceuticals, chemicals and electronics.

But there has to be recognition within the government that exports are essential for reviving the economy. This has to be in tandem with a long-term vision for exports involving effective bilateral and regional trade pacts and cutting the red tape around export incentives. Otherwise, India will have to be content with playing a minor role on the world trade scene.

Source: tribuneindia.com- Mar 19, 2021

HOME

****

Seven mega textile parks to be set up in next three years: Smriti Irani

Textiles Minister Smriti Zubin Irani on Thursday informed the Rajya Sabha that seven mega textile parks will be set up in next three years, enabling the textile industry to become globally competitive, attract large investment and boost employment generation.

Ms Irani, in a written reply, said the Production Linked Investment scheme of Rs 10,683 crore over a five year period covering MMF and Technical Textiles sector, announced in the Union Budget 2021-22, will create global champions in exports, and domestic production in textile sector will also grow substantially.

The Union government is also implementing a number of schemes for promotion of textile sector, including Amended Technology Upgradation Fund Scheme (A-TUFS), Schemes for the development of the Powerloom Sector(Power-Tex), Schemes for Technical Textiles, Scheme for Integrated Textile Parks (SITP), Scheme for Additional Grant for Apparel Manufacturing Units under SITP (SAGAM), SAMARTH- The Scheme for Capacity Building in Textile Sector (SCBTS), Jute (ICARE- Improved Cultivation and Advanced Retting Exercise), Ministry of Textiles said in a statement.

Besides, Integrated Processing Development Scheme (IPDS), Silk Samagra, National Handloom Development Programme, National Handicraft Development Programme, Integrated Wool Development Programme (IWDP), North East Region Textiles Promotion Scheme (NERTPS), Rebate of State and Central Taxes and Levies (ROSCTL), Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) will also be implemented.

Source: dailyexcelsior.com- Mar 19, 2021

HOME

****

Operating Profits Of Cotton Spinners To Double: Crisil

Operating profits of cotton spinners will double next fiscal as revenue spurts 20-25% on higher sales to Asian buyers and appreciation in cotton yarn prices, a study of 102 of them (including 95 rated by CRISIL), which account for 40% of the industry, shows. Consequently, the credit outlook for cotton spinners, which was negative in the first half of this fiscal, will turn positive next fiscal, as accruals improve and inventory reduces.

"With global demand for knitted garments and home textiles recovering faster than expected due to extended stay-at-home period, and sharper focus on health and hygiene, exports of yarn to China, Bangladesh and Vietnam (which account for over half of India's exports) rose 22%, 39% and 51%, respectively, on-year in April-December 2020 . What has also helped is the US move to ban use of Xinjiang cotton, which has cranked up Indian yarn exports," CRISIL has stated in a press release.

Supplementing exports is the expectation of revival in domestic demand next fiscal owing to recovery in discretionary spending by consumers. Consequently, overall revenues of cotton spinners, which is set to decline 14-16% this fiscal, should rebound next fiscal.

Says Gautam Shahi, Director, CRISIL Ratings, "Capacity utilisation of spinners has also risen from 70-80% in the second quarter this fiscal to ~90% in the third, and is likely to remain high next fiscal, too, which supports revenue. That, and widening cotton and yarn spreads would mean operating margins of spinners would increase 200-250 bps on-year to ~11% next fiscal, and operating profits would almost double."

With demand rising, inventory should decline to typical levels of 2-3 months by the end of this fiscal, from around 4 months a year ago. That would reduce dependence on short-term borrowings.

Says Kiran Kavala, Associate Director, CRISIL Ratings, "The credit outlook for cotton spinners is positive as improving cash accrual and lower working capital debt will burnish debt protection metrics next fiscal. This is significant, considering credit ratio (ratio of number of rating upgrades to rating downgrades) for CRISIL-rated cotton spinners had deteriorated to 0.31 (April 2020 - February 2021), after hovering over 1 time in the past three fiscals.

We expect the credit ratio to improve next fiscal driven by improvement in debt protection metrics such as interest coverage2 and net cash accrual to total debt of cotton spinners estimated to double to over 4 times and 0.25 time, respectively, next fiscal from an estimated ~2 times and 0.12 time, respectively, this fiscal."

Source: goodreturns.in- Mar 19, 2021

HOME

****

Cotton futures drop 0.64% to Rs 21,880 per bale on weak global cues

Cotton futures were trading lower at Rs 21,880 per bale on March 18 as participants reduced their positions as seen from open interest. Prices had fallen 0.7 percent on March 17 to settle at Rs 22,020/bale on the MCX.

The agri commodity extended decline after a gap-up start in the afternoon session, tracking negative global cues.

The soft commodity has been trading higher than 50, 100 and 200 days' moving averages but lower than 20 and 5 days' moving average on the daily chart. The Relative Strength Index (RSI) is at 50.33 which indicates neutral momentum in prices.

“Some profit booking has triggered in Cotton after multiple months of one side rally, Cotton Corporation of India halting its procurement operations and weaker-than-expected data published by USDA in March month WASDE report”, said Mohit Vyas, Analyst at Kotak Securities.

The Cotton Association of India has marginally lowered its production estimate to 35.9 million bales for the year from 36 million bales in 2019-20. Of the total crop, around 29.9 million bales have arrived in markets across India till February.

MCX March Cotton trade at a discount of 12 percent against Cotlook A price of 92.50 cents as on Tuesday.

The area under Kharif crops in 2020-21 (July-June) was at 111.7 million hectares, up nearly 5 percent from a year ago, farm ministry data showed.

In the futures market, cotton for March delivery touched an intraday high of Rs 22,080 and an intraday low of Rs 21,820 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 slipped by Rs 140, or 0.64 percent, to Rs 21,880 per bale at 14:58 hours IST on a business turnover of 5,660 lots. The same for April contract dropped by Rs 120, or 0.54 percent to Rs 22,240 per bale with a business volume of 5,536 lots.

The value of March and April's contracts traded so far is Rs 35.03 crore and Rs 22.78 crore, respectively.

Geojit Financial Services said if prices hold the support of Rs 21,880, we could see a pullback towards Rs 22,300 - Rs 22,400 levels.

At 09:30 (GMT), US Cotton futures were down 0.27 percent and was quoting at 86.28 cents/pound on Intercontinental Exchange (ICE).

Source: moneycontrol.com- Mar 18, 2021

HOME

****

CBIC effects policy shift regarding show cause notice on Customs-related matters

Only Jurisdictional Commissionerate will issue such notices, not the DRI
In a major policy shift, the Central Board of Indirect Taxes and Customs (CBIC) has decided that all future show cause notices (SCN) in Customs-related matters will only be issued by the Jurisdictional Commissionerate and not by the Directorate of Revenue Intelligence (DRI).

This decision is a fallout of the Supreme Court's verdict in the matter of Canon India. "The Board has decided that for the present and until further directions, the said SCN may be kept pending. Further, all the fresh SCNs under Section 28 of the Customs Act, 1962 in respect of cases presently being investigated by DRI are required to be issued by jurisdictional Commissionerate from where imports have taken place," the CBIC said in an instruction.

CBIC is the policy making body for indirect taxes and works under the Finance Ministry.

Impact on GST system?

Explaining the decision, chartered accountant Rajat Mohan says "Generally, intelligence units have an all-India jurisdiction. They are not bound by jurisdiction. But now, before issuing a notice, they will have to check their jurisdiction."

Explaining it further, Aditya Singhania, Partner with Singhania's GST Consultancy & Co, says that SCNs that have already been issued by the DRI have been kept on hold until further direction from the CBIC as it would be difficult to issue SCN again by the jurisdiction officer.

This is because an assessee cannot be adjudicated by two authorities for the same matter in respect of the same tax period which would result in overlapping of jurisdiction.

"Since the matter has been kept on hold, one may anticipate a move for review petition or a retrospective amendment which is well within the legislative competence of the Government subject to tests laid by the Apex Court from time to time", he said.

The apex court, in its order on March 9, ruled that the Additional Director General (ADG) of DRI is not the proper officer to issue SCN under sub-section (4) of section 28 of the Customs Act, 1962. It concluded that the entire proceeding in the present case initiated by ADG (DRI) by issuing SCN as invalid and without any authority of law. It held that the power to issue SCN lies only on “the proper officer” and not on “any proper officer”. Accordingly, it set aside the SCN.

Now, will this order have any impact on the GST system?

Singhania said that the lacuna even continued under GST in the initial two years where notification was issued to appoint the Directorate General of Goods and Services Tax Intelligence (DGGI), the Directorate General of Goods and Services Tax (DGGST) and the Directorate General of Audit (DGA) as the central tax officers and invest them with powers under GST laws ‘throughout India’ by the “CBIC instead of the Central government”.

Rectification measures have already been done well before the Canon India vide Corrigendum issued in July 2019.

However, as far as “the proper officer” is related, the said case may still have impact to the extent of issuance of SCN by the DGGI as the ruling held that where one officer has exercised his powers of assessment, the power to order re-assessment must also be exercised by the same officer or his successor and not by another officer of another department though he is designated to be an officer of the same rank, which would result into an anarchical and unruly operation of a statute which is not contemplated by any canon of construction of statute as against the CBIC circular which gives power to issue SCN by DGGI and adjudication thereafter by the Executive Commissionerate.

Source: thehindubusinessline.com– Mar 18, 2021

HOME

****

SIMA seeks removal of duties on cotton, VSF

The Southern India Mills' Association has appealed to the Central Government to immediately remove the 10% import duty on cotton and anti-dumping duty on Viscose Staple Fibre (VSF).

Ashwin Chandran, chairman of the association, said in a press release viscose fibre imports attract 0.103 $ to $ 0.512 a kg anti-dumping duty. The recent budget introduced 10% import duty on cotton. "This has greatly impacted the supply chain of both domestic and international markets and also spiralled domestic Indian ELS, organic and contamination free cotton prices that are already under acute shortage," he said.

Mr. Chandran said that both the high value added market segments account around ₹1.5 lakh crore business size and employ over two million people.

The value chain of VSF and superfine cotton cater to international brands that have retail presence in the domestic market too. The capacity utilisation of the spinning and powerloom clusters in Erode alone has been affected to the tune of 30%. The price crisis is used as an opportunity by neighbouring countries such as Bangladesh. And, the threat of imports looms large.

The industry is facing acute shortage of VSF fibre and there is no question of dumping and causing injury to the domestic market. For cotton, India is mainly dependent on the American PIMA and Egyptian GIZA and other ELS cotton for the domestic and international markets apart from the home grown DCH cotton. The textile industry has been mixing the imported cotton with the indigenous cotton, as the availability of Indian cotton is not even 20%.

Mr. Chandran pointed out that the DCH cotton was costing around ₹52,000 a candy of 355 kg in October last year and ₹65,000 in January 2021. It increased to ₹73,000 after the levy of 10% duty.

Source: thehindu.com– Mar 18, 2021

HOME

****

Minister bats for mega textile parks in Nellore and Anantapur districts

Mekapati also urges Union Minister Smriti Irani to sanction NIFT in Vizag Minister for Industries and Commerce Mekapati Goutham Reddy has requested Union Minister for Textiles Smriti Irani to sanction mega textile parks in Anantapur and Nellore districts under the Mega Investment Textiles Parks (MITRA) scheme, and a National Institute of Fashion Technology (NIFT) in Visakhapatnam.

He also requested Ms. Irani to support the development of Visakhapatnam as a hub for technical textiles in collaboration with the A.P. MedTech Zone in the city.

Connectivity edge

In a representation to the Union Minister in New Delhi on Thursday, Mr. Goutham Reddy said the textile park in Anantapur would have tremendous scope for business due to its proximity to Bengaluru and that a similar facility near Krishnapatnam in Nellore district would have a major advantage of superior multi-modal connectivity.

Visakhapatnam would be an ideal location for NIFT, for which the State government would provide land and give approvals at a fast pace, he stated. NHDP funds

Mr. Goutham Reddy sought the support of the Ministry of Textiles for SPKM Indian Institute of Handloom Technology at Venkatagiri in Nellore district. He also wanted the second instalment of funds to be released for developing block-level handloom clusters under the National Handloom Development Programme (NHDP).

Besides, he appealed for the release of Government of India's share of the marketing incentives under the NHDP.

Further, Mr. Goutham Reddy requested Ms. Irani to release the Central government's share of about ₹31 crore in the funding of 377 handloom weavers' cooperative societies for 2013-18 period.

He asked for the immediate release of subsidy under the Technology Upgradation Fund Scheme to 36 spinning mills, in which joint inspections had been completed and approvals given, and to process the sanctions in the remaining 48 mills where inspections were done.

Source: thehindu.com– Mar 18, 2021

HOME

****

'Check FDI policy violations in e-comm'

"Enforcing the existing FDI policy that disallowed FDI in inventory-based model is of primary importance to protect the small merchants and kirana shops," said traders body CAIT

Representatives from retailers, traders, and small industry associations, gave their inputs on an appropriate Foreign Direct Investment (FDI) policy for e-commerce that would protect domestic interests in a virtual meeting with senior officials from the Department for Promotion of Industry and Internal Trade (DPIIT) on Wednesday.

"Enforcing the existing FDI policy that disallowed FDI in inventory-based model is of primary importance to protect the small merchants and kirana shops," said traders body CAIT.

Clarify definition

"The definition of the inventory-based and marketplace model should be clarified. The e-commerce marketplace entity should not be allowed to sell inventory on a B2B basis that is purported to be sold by them on its platform," said Praveen Khandelwal, Secretary General, CAIT.

While the government allows e-commerce companies with FDI funding to only operate marketplace models (where they can't sell their own products), CAIT has put in formal complaints alleging that companies such as Flipkart and Amazon have been violating these rules.

Uniform rules

"Due to creative interpretations about the relationship between marketplace and sellers, these companies are controlling either the sellers on their platform or their inventory," Khandelwal said.

The DPIIT kicked off its discussions with the industry on Wednesday following an inter-ministerial meeting on March 13 where ways to close existing loopholes in the policy were reportedly discussed.

Retailers Association of India urged the government to ensure a level-playing field and that the FDI rules applicable to retail should be uniform across all channels and formats of business to consumer retail (B2C).

"FDI in retail in India is subject to various extant rules and regulations. There is a strong need to ensure better implementation of the policy in letter and spirit. There needs to be a conducive environment for growth of the retail industry in the country," Kumar Rajagopalan, CEO, Retailers Association of India said.

The DPIIT will meet representatives from industry chambers including CII and FICCI on Thursday to take forward the industry discussions.

Source: thehindubusinessline.com – Mar 17, 2021

HOME

****

With many garments factories still shut post Covid-19, over 1 lakh women workers without job: Karnataka minister

Karnataka labour minister A Shivaram Hebbar on Thursday said over one lakh women who were employed in garment factories in the state are left without a job, as many units that were shut due to Covid-19 pandemic related situation, have not reopened.

"As many as 983 garment factories were functioning last year and 2,86,747 women employees were working, this year almost over 1 lakh women have not been able to join duty yet as many garment factories have not opened yet, after Covid. Garment factories are in such a state today," Hebbar said.

Speaking in the Legislative Assembly, he said, the government will take all the necessary steps for the safety and welfare of women employees working at garments.

The Minister was responding to a question raised by BJP MLA from Tiptur Nagesh B C regarding facilities provided to women employees working in garment factories.

Hebbar said notices have been issued to 396 garment factories for not providing the requisite facilities for women employees as per rules.

"It has come to our notice that the rules have not been implemented properly yet, the government will take this seriously and take necessary action," he said.

Responding to Nagesh's question that there are no officials at the district and taluk level to look into enforcement of rules, the Minister, conceding that there was shortage of staff, said Lokaseva Ayoga has been asked to fill up the vacancies.

He also said that cases have been booked against 239 people (factories or its owners) for not providing minimum wages to women working in garment factories.

Source: timesofindia.com– Mar 18, 2021

HOME

****