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NEWS CLIPPINGS

INTERNATIONAL NEWS

Here's the Next Covid Risk for Retail: Week Ahead

Could the U.S. lead the way out of Covid as Europe faces a feared third wave?

The fashion and retail sector sees vaccinations in the U.S. as a glimmer of hope for a return to a new spin on normal, where consumers can resume parts of their lifestyles that were put on pause for the past year. In fact, the National Retail Federation is forecasting annual retail sales growth of 6.5 percent to 8.2 percent for 2021, starting in February onward with an uptick in May and accelerating momentum in the late summer into fall.

That's a timeline that also could get a boost based on the Biden administration's plan to rollout more vaccinations before the summer so Americans have a shot at celebrating Independence Day with family, even if larger gatherings aren't sanctioned.

But Dr. Anthony Fauci, Biden's top medical advisor, in an interview with CNN on Sunday, also warned that if Americans want to be able to enjoy a July 4th celebration, they should get vaccinated and maintain recommended safety measures, like wearing face masks and using hand sanitizer.

How much worse could it still get?

Parts of Europe are struggling to contain what has now been deemed a third wave of the coronavirus pandemic. Half of Italy's 20 regions are already in lockdown. Serbia is in the middle of a five-day quarantine as it attempts to curb the spread of the virus. And the Czech Republic, in lockdown for two weeks, on Thursday said it would keep current restrictions in place through Easter. Germany and France are watching infection rates rise again. And the U.K., in its third lockdown since Jan. 4, is hoping to reopen nonessential businesses on April 12, although that's by no means a guarantee.

In the U.S., infection rates are on the rise in California, Texas, Florida, New York, Illinois, Georgia, Ohio, Pennsylvania, North Carolina and New Jersey. That's according to an NPR chart citing the Center for Systems Science and Engineering at the Johns Hopkins University, current as of Thursday's data compilation.

In the last two surges, Europe was one month ahead of the U.S. And the current rise in infection rates in the U.S. was even before the week of spring break that began on Monday. The fallout from spring break won't be known for another two weeks, with effects likely seen around the Passover and Easter holidays.

"They're slower [in Europe] in vaccinating than we are [in the U.S.], but I still think there's a risk here. Just this week with the spring breakers, there were pictures on the news with a lot of people without masks in large crowds. We've already seen over the last year what happened with the super spreader," said David Berliner, who heads up the bankruptcy and restructuring practice at financial advisory firm BDO.

He warned of the possibility of another wave in the U.S. "We've only vaccinated 10 percent of the population here [in the U.S.]. We're doing two million a day, but it's going to take a long time to get herd immunity. So, yes, I think there's a risk," Berliner said.

Source: sourcingjournal.com– Mar 19, 2021

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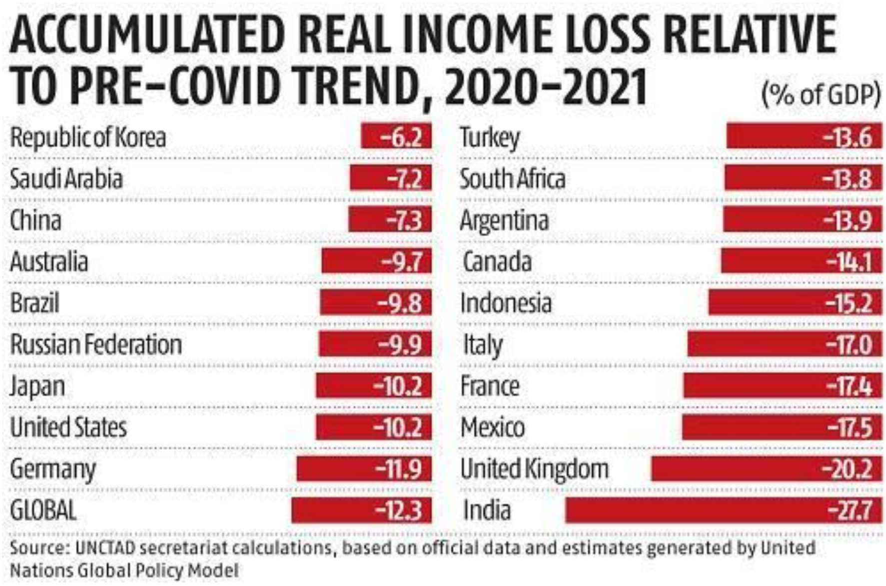
UN body raises global economic growth forecast for 2021 to 4.7%

The global economy is set to grow by 4.7 per cent this year thanks to a stronger-than-expected recovery in the United States, a report by the UN Conference on Trade and Development (UNCTAD) said on Thursday, revising up its previous forecast of 4.3 per cent.



The upwards revision from its previous forecast made last September factors in an expected boost in US consumer spending on the back of progress distributing Covid-19 vaccines and a vast stimulus package, the report said. "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," the report said. Earlier this month, the OECD also revised higher its growth forecast for this year to 5.6 per cent from 4.2 per cent.

However, the 22-page UNCTAD report called 'Out of the frying pan...into the fire?' said Covid-19 will have lasting economic consequences that will require continued government support. It said the main risk to the global outlook is a "misguided return to austerity".

The report estimates that last year there was a 3.9 per cent drop in output as the spread of the coronavirus sparked lockdowns across the world.

It called the impact "exorbitant", describing the "destruction of income on an unprecedented scale" with people in developing countries particularly hard hit.

Still, it says it would have been worse had central banks not taken preemptive action to avoid a financial meltdown. Relief packages and a bounce-back in commodity prices, as well as the fast-tracking of vaccine development, also helped, the report said. Despite the scale of the global health and economic crisis, international cooperation has fallen well short of what was needed.

The report compares the $12 billion in suspended debt servicing (for June 2020 to June 2021) for the 46 countries participating in the G20's Debt Service Suspension Initiative (DSSI), to the $80 billion in debt service payments in 2019 by the 73 eligible DSSI countries and over a trillion dollars for all developing countries.

The report sees signs that emerging growth strategies after Covid-19 across the world are reverting to their pre-crisis norms, with an undue emphasis on exports in parts of east Asia and western Europe, loose monetary policy and asset-fuelled consumption in the US, and reliance on private capital inflows and commodity exports in Africa and Latin America.

Source: business-standard.com– Mar 19, 2021

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USA: AAFA Begs USTR to Trash Trump's Tariffs

A day after Katherine Tai was confirmed by the Senate as the new United States Trade Representative (USTR), American Apparel & Footwear Association president and CEO Steve Lamar sent her a letter requesting a meeting and detailing the "list of pressing trade matters that impact our members, and the workers they employ and consumers they serve."

Topping the list were tariffs. Lamar wrote that the punitive tariffs resulting from the Section 301 investigation initiated by the Trump administration on China "have emerged as a huge cost burden with severe consequences," resulting "in price increases for American consumers, American job losses, and other irreversible economic damage to the U.S."

"We do not believe these tariffs align with the worker-centric trade policy agenda of the Biden Administration," he said. "While we urge the swift removal of all punitive tariffs, we understand that a thorough China policy review is underway.

In the meantime, given the urgency of this matter and the fact that we continue to weather the adverse economic and health effects of the global Covid-19 pandemic, we are requesting the elimination of tariffs on reusable surgical and isolation gowns and medical scrubs, the retroactive extension for product exclusions that expired in 2020, and the implementation of a new, more transparent product exclusion process."

Next on Lamar's agenda were two critical trade preference programs–the Generalized System of Preferences (GSP) and the Miscellaneous Tariff Bill (MTB)–that lapsed at the end of 2020, eliminating duty breaks on a range of products.

Lamar said the GSP and MTB programs have been supported for decades by overwhelming bipartisan majorities and he asked that Tai "convey your support to Congress for the swift reauthorization and retroactive renewal of both programs to minimize the damage as much as possible."

Turning to another important trade preference program, the African Growth and Opportunity Act (AGOA), Lamar said even though its expiration date is 2025, U.S. investment in the region already faces mounting uncertainty.

"Companies are poised to diversify out of China, with Africa being a logical geographic region for reinvestment for many," he said. "The on-again, off-again nature of the program before the 10-year renewal has proven extremely disruptive, ultimately preventing the industry from taking full advantage of the first 15 years of the program. The certainty gained from renewing AGOA this year for another 10 years would give companies clarity on the timeframe they need to develop a vertical, responsible, and competitive industry in Africa up to and past 2025."

As for future trade pacts, Lamar said AAFA supports the ongoing negotiations with the U.K. and Kenya and the U.S. joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) "at the earliest possible moment."

Closer to home, Lamar said "as companies move away from China, the Western Hemisphere should be a logical region to diversify their supply chains."

"Unfortunately, trade in the region is underutilized due to strict rules of origin (ROO) in the CAFTA-DR agreement," he wrote. "There are several ways to create jobs in the region and strengthen our ties with critical partners. We look forward to working with your office and Congress to identify ways to grow trade and increase the competitiveness of the region."

Bringing up labor rights, including forced labor, Lamar said AAFA has been an advocate for strong labor provisions in U.S. trade agreements and preference programs, as well as smart enforcement of those provisions. He said "our industry does not tolerate forced labor in our supply chains…from our over decade-long efforts with the Cotton Campaign to end forced labor in Uzbekistan and our actions to protect migrant workers through the AAFA/FLA Commitment to Responsible Recruitment to our efforts today on the Uyghur issue."

"We look forward to working with you to improve labor rights, improve enforcement and prevent forced labor through U.S. trade policy," he said.

Lastly, Lamar urged Tai to fill the chief innovation and intellectual property negotiator position created by the Trade Facilitation and Trade Enforcement Act.

"As you begin to conduct trade negotiations and enforce trade agreements related to U.S. intellectual property, this role has a critical part to play," he added. "Filling this position with skilled talent will ensure that the U.S. is best positioned to advance its trade interests related to intellectual property.

Moreover, it will be necessary for the chief innovation and intellectual property negotiator to take appropriate actions to address acts, policies and practices of foreign governments that have a significant adverse impact on the value of American innovation."

Source: sourcingjournal.com– Mar 19, 2021

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EU edging closer to granting Uzbekistan GSP Plus trade status

It's been a long journey for Uzbekistan. The Central Asian country remains one of the world's most closed and politically repressive countries, but it embarked on a new journey in 2016 after the passing away of Islam Karimov, a particularly cruel dictator. The five-year reform process might also lead the country to finally enjoy better trading terms with the European Union.

Uzbekistan has long been known for resorting systematically to forced labour and child labour on its cotton fields. That policy has been dropped and sustained efforts, in cooperation with the International Labour Organisation, to eradicate the practice, has led to results. In late January, the ILO announced: "Systemic forced labour and child labour has come to an end in Uzbek cotton."

Uzbekistan wants to appear on the global industry and supply chain radar screen and is seeking to produce more than just the raw material for textiles and clothing or furniture production.

Improving its trading status with leading markets such as the EU's is one avenue to help it get there. Global European companies are starting to take an interest – amidst reports of a company such as Ikea likely launching operations in the country in the coming years.

Uzbekistan applied to benefit from the EU's 'GSP Plus' scheme in June 2020. This status gives poor countries that commit to implementing 27 international labour, environment and human rights conventions extra import duty reductions than those already granted on a no-strings-attached basis under its General System of Preferences to all developing countries.

The 'GSP Plus' scheme also involves the EU monitoring the implementation by these countries of their international treaty commitments.

There are only few hurdles to clear. The European Commission prepared the relevant piece of legislation – a so-called delegated act – in November 2020 and is ready to go.

"There are no serious failures to effectively implement the required international conventions. They ratified all of them," said Ewa Synowiec, the director in the European Commission's trade department in charge of the file in a meeting with MEPs on 17 March. "Of course, nobody is perfect," Synowiec added. "But we see a lot of good progress."

The EU official said that the Commission was still looking keenly at an ongoing criminal code revision due in May in Tashkent. The EU has objections to some points included in the draft legislation such as criminalisation of same-sex relationships. The EU also has worries about freedom of expression of association and of assembly.

Uzbekistan's ambassador to the EU Dilyor Khakimov explained to MEPs that the ongoing negotiation process with the EU "is not the end result yet".

"We see the process of our engagement with our European friends and partners as support for our political social and economic reforms initiated by President Shavkat Mirziyoyev," the Uzbek envoy said.

The addition of Uzbekistan to the list of GSP Plus beneficiaries does not require formal approval by EU capitals or a full vote by the European Parliament. But the European Parliament has veto power: If it collectively decides to file an objection then the Commission cannot proceed.

The parliament has until the end of March 2021 to file an objection. Signs so far are that despite concerns over continued human rights violations and serious misgivings amongst certain MEPs such an objection will not be forthcoming.

Human rights monitoring issues

Human rights organisations, however, remain sceptical of the European Commission's move.

In a blog post, Hugh Williamson, Human Rights Watch's director of Europe and Central Asia, writes: "If it decides to fast-track Uzbekistan's access to GSP+ and override its own criteria, the EU should not pretend that the routine, biennial EU reporting on GSP+ would be enough to address Tashkent's continued failures to meet its rights obligations."

"At the very least, the Commission should set up a dedicated monitoring process, with the involvement of local and international civil society groups, to ensure greater transparency on benchmarks and recommendations, as well as to follow-up on the commitments of the Uzbek government to remedy failures identified," reckons Williamson.

"We are looking at the direction of travel and the implementation of those conventions over time," said the Commission's Synowiec. "At this time we believe that Uzbekistan deserves the status. But it doesn't mean that life will be easier after they get the status because we will strengthen our monitoring on the silent issues we have identified," the EU official said.

The EU is in the process of revising its overall GSP regime and intends to add new obligations on developing countries – not least in the area of environmental and climate change policies.

The EU has increased human rights scrutiny of developing countries enjoying trade preferences. The EU has suspended trade preferences over human rights violations in the past, targeting Sri Lanka a decade ago and Cambodia in 2020. However, Brussels' approach to lifting trade benefits for human rights reasons remains haphazard.

In parallel to seeking GSP Plus status with the EU, Uzbekistan is upgrading its 1990s Political and Cooperation Agreement with the bloc. It is also seeking to join the World Trade Organization and is relying on EU support in the process.

Source: intellinews.com – Mar 19, 2021

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Can the Denim Industry Patch Up Partnerships Damaged in the Pandemic?

No one was prepared for a pandemic. And in some ways, the fashion industry was particularly ill-equipped for contagion to sweep in, shutter stores, stop consumers from shopping and effectively freeze the daily happenings of the industry that outfits the world.

Without precedent for a calamity of this scale and without an existing culture of investing in risk reduction, companies folded under the pressure, many opting to pull out of previously placed orders with factories left to stanch the bleeding.

That move, while it perhaps served to soften the blow to their bottom lines, was detrimental to garment workers in developing countries where pay rarely rises above poverty level. It also revealed a gross lack of partnership across the garment supply chain. Some brands bailed entirely on orders for which factories in places like Bangladesh and India had already purchased raw materials and, in some cases, already put into work on the manufacturing floor.

Brands and retailers invoked force majeure clauses, asserting their right to cancel because of unforeseen circumstances. Others sought discounts, presenting their willingness to still accept their orders as a favor to the factory. Some asked to defer payments for as much as upward of 90 days despite the fact that this left suppliers cash poor and often unable to pay workers who rely on these wages for survival.

“The factories have been hit hard because of the cancellation of orders during this pandemic. According to media reports, as the result of the order cancelation/suspension at least 100 garment factories of Bangladesh were already closed,” said Mostafiz Uddin, owner and managing director of Chittagong jeans manufacturer Denim Expert.

“Many more factories are struggling to survive, a good number of them will fail if the buyers do not come forward to rescue them by immediately taking delivery of the canceled goods and upholding true partnership. It is too early to make solid projections at this point in time, but surely a big number of factories are at the risk of going bust in a year from now. There is too much capacity in our industry and this was an issue before Covid,” he said.

In April, as more and more brands began to skip out on their orders, workers' rights organizations and other advocacy groups began pressuring brands and retailers to pay up. The aptly named #PayUp petition organized by a community of millennial and Gen Z women called Remake, for one, set out to call on brands to pay for what they'd ordered and under the payment terms they committed to. The movement and other outside pressures did serve to encourage some companies to keep up their end of the bargain, though not in all cases.

In August, certain payments were still outstanding. A Clean Clothes Campaign report released at the start of August said the nonpayment of workers' wages from March to April, brought on by the canceled orders, has cost workers across the global garment industry to lose between $3.2 billion and $5.8 billion worth of wages.

"Even though our estimates stay on the conservative side, they are quite shocking," David Hachfeld, of Public Eye/Clean Clothes Campaign Switzerland, said in the report "Un(der)paid in the Pandemic." "We deduce in Indonesia and Bangladesh workers were collectively withheld respectively over 400 million and 500 million USD in owed wages over three months."

It's a loss impossible to stomach in some cases. "As these workers were already living on poverty wages, they had not been able to save anything before the pandemic hit," Khalid Mahmood, of Labour Education Foundation in Pakistan, said. "The wage gaps caused by the crisis mean that workers are not able to feed their families properly, they are not able to pay for school fees of their children, or pay for medical expenses and that many of them are in debt. Most migrant workers had to go back to their villages and now it is becoming even more difficult for them to get back to their jobs and survive in big cities."

The tension between the downstream supply chain and its upstream counterpart has only served to further weaken an industry already in crisis amid a shifting consumer, calls for greater sustainability and retail brands and formats that are teetering on the brink of irrelevance. Emotions have run high but there's still a business to rebuild—and it will take more than slapping a Band-Aid on the problem and pressing on.

"We are coming out of the biggest shock to the fashion ecosystem in living memory, so there are strong feelings everywhere," said Roit Kathiala, a leading global fashion supply chain expert. "While every factory has been hurt one way or the other (some have been hurt quite badly), some feel supported and some truly feel that their brands partnered to find solutions. I think this will definitely not only impact long-term relationships, the choices of whom to partner [with], the mix of the brands they want to partner with, but also the cost that each brand will pay for their goods going forward. The perceived risk is always factored into the cost."

What becomes of the brand-factory partnership?

Brands and retailers should be prepared to do some introspection. The "partnership" between brands and factories has often been imbalanced, with the latter getting the short end of the deal.

"We have always talked about our great relationships with factories, but has it truly been great for both parties?" Salli Deighton, denim development consultant, posed. "The brands and retailers are usually on the winning side of that relationship when there are problems. I hope that once all the chaos 2020 has created settles, brands sit down with the suppliers and agree [to] mutually beneficial improvements and ways of working."

Going forward, it's going to take a much greater level of trust and respect on both sides, plus a willingness to share both risk and reward. It's going to take work to undo the presently tarnished relationship and evolve it into something much more sustainable over the long-term—because the brand-factory bond is one that can't be broken despite suppliers' current sentiments.

"I think many factories were genuinely surprised at the behavior of some brands. Factories are used to buyer behaviors and are prepared for tough negotiations in all situations but some of the discounts and terms requested were unprecedented," Deighton said. "Some long-term relationships will be damaged, but unfortunately in this climate orders are needed. I think there are very few factories who would decline business at the moment."

Adding to that, Uddin said, "There are some brands and retailers which have behaved really appallingly and they will struggle to win the trust of suppliers in [the] future. But mainly the dynamics will not change much—as we all know, this is a buyer's market."

What factories may do in the future, however, beyond baking costs in according to the brand they're dealing with as Kathiala noted, is be more selective about the companies they agree to do engage.

"The brands and retailers who worked in partnership with their suppliers will be the sought-after customers for the future. Collaborative and forward-thinking behavior from factories and retailers will have built trust and helped future proof their supply chain," Deighton said.

The state of affairs at factories

Whether brands will emerge on the right side of things in terms of their social responsibility and ethical capital remains to be seen, but the immediacy of excess inventory may be the first of many hurdles to overcome. Factories are sitting on piles of product, the garments that left suppliers' hands are sitting in DCs or warehouses, and the pieces that made it to the to-be-sold pile are meeting difficulty getting consumers' attention—and the scenario has contributed to glut all across the supply chain.

"The inventory overhang is not just in finished goods but goes upstream to even the basic raw materials," Kathiala said. "It will take at least one to two years to clear, but a lot will depend on how strong the recovery is. This year and next, the biggest question for factories will be managing their cash flow and being able to free cash from their stuck inventory."

In the interim, factories have been left figuring out how to generate cash to pay people and bills while demand begins its slow climb back up.

"I have had calls from several mills and factories asking me to connect them to new customers. It's rough out there," Deighton said. "Some factories switched to PPE and other products, which has helped keep lines running and workers paid. Volumes will not be back to the levels pre-Covid for some time, and factories will have to consider their minimums and being as flexible as they can."

What may perhaps be an unexpected boon for badly off factories, she said, is sustainability. Eco-friendly products and practices may put suppliers that have invested in recent years in a stronger position to be more flexible, more agile and more in line with what the world now expects from fashion.

"Smart factories and brands will be rethinking the way the supply chain operates and I believe partnerships between long haul and near shore finishing facilities will be very important to reduce risk," Deighton said.

Avoiding a round two

No one may be expecting a second pandemic of COVID-19's scope, but fashion supply chains at the very least should be working to evolve in a way that prevents the level of detriment done in 2020.

"I am not sure if there is a 'silver bullet' for completely protecting against disruption of the scale that we have just seen," Kathiala said. "However, having adequate protection built in contracts, paying attention to the mix of customers, getting adequate insurance and, of course, building closer and inseparable relationships with your customers is always helpful."

For Deighton, rethinking the ordering and booking process, focusing collections and creating flexibility with better fabric planning, will be key in shoring up for a less risk-riddled future.

"Simple changes like shifting to laser dry processing templates allows for last-minute graphic changes...there are so many ways we can improve the process," she said. "Ultimately, a better future comes down to three simple things: respect, trust and teamwork."

For Uddin, reintroducing widespread use of Letters of Credit—a bank guarantee that a buyer's payment to a seller will be received on time and for the correct amount—will be "vital" for the industry.

"Factories need to do due diligence on who they work with," he said. "If a buyer has a history of non-payment, then a supplier might want 50 percent payment up front. Factories have had their fingers burnt but they need to learn lessons from this. But the unity among the manufacturers and suppliers will be the key here. United they will be able to do such type of advance payment negotiations with the buyers, divided they will fail."

Source: sourcingjournal.com – Mar 19, 2021

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US mattress fabrics producer Culp reports 15.8% sales jump in Q3 FY21

Culp, a US-based manufacturer of mattress and upholstery fabrics, reported 15.8 per cent sales growth to $79.3 million in its third quarter (Q3) of FY21 ended on January 31, 2021 compared to the sales of $68.5 million in the same period previous fiscal. The company's net income during the reported period was $2.1 million (Q3 FY20: loss $4.2 million).

"We are energised by our financial performance for the third quarter of fiscal 2021. These results reflect strong growth in sales and operating performance compared to the prior-year period, as well as exceptional execution of our product-driven strategy and the continued resilience of our robust global platform," Iv Culp, president and chief executive officer of Culp, said in a press release.

Gross profit from continuing operations increased 20.4 per cent to $13.8 million ($11.5 million). Culp's income from continuing operations grew 48.2 per cent during Q3 FY21 to $4.0 million ($2.7 million). Sales for mattress fabrics segment during the quarter grew 15.1 per cent to $38.6 million ($33.5 million). While sales for upholstery fabrics segment increased 16.4 per cent to $40.7 million ($34.9 million).

"We were very pleased by the strong growth in sales and operating performance for the mattress fabric segment during the third quarter, which is historically our most challenging quarter due to seasonality within the mattress industry and holiday shutdowns in certain of our locations," Sandy Brown, president of Culp's mattress fabrics division, said. "The increased demand in our residential upholstery fabrics business was fuelled by strong consumer focus on the home."

"Looking ahead, we are optimistic about the ongoing strength of industry demand trends, and we believe our business will continue its solid performance during the fourth quarter of fiscal 2021 and extending into fiscal 2022. We are also pleased with the recent fourth-quarter acquisition of the remaining fifty per cent ownership interest in our Haiti sewn mattress cover platform, which has proven to be an ideal location for this growing business," Culp said in the release.

Source: fibre2fashion.com – Mar 20, 2021

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Contract signed in Egypt to establish 6 textile factories

Egypt's National General Contracting and Supplies Co., a subsidiary of the National Service Projects Organisation (NSPO), recently signed a contract with the Cotton & Textile Industries Holding Co. (CTIHC) under the ministry of public business sector to carry out the construction of Misr Spinning Weaving's factories in Kafr El-Dawwar. Minister of public enterprises Hisham Tawfik witnessed the signing ceremony.

The EGP 2.4-billion agreement includes building six textile factories for the spinning, weaving and knitting of fabrics over an area of 175,000 square metres, Tawfik said in a statement.

The targeted production is 50.7 million metres of fabric annually, up from the current 13 million metres, according to Egyptian media reports.

Source: fibre2fashion.com– Mar 19, 2021

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NATIONAL NEWS

Impact of Covid-19 on Cotton Industry

Ministry of Textiles has undertaken special measures in COVID crisis to support liquidity flow to the textile industry including cotton textile sector by introducing an option to release part subsidy against Bank Guarantee (BG) in facilitating the subsidy release process.

Total 400 units are supported with Rs 100.36 crore under Amended Technology Upgradation Fund Scheme (ATUFS) and 20 units with Rs.42.52 crore under RR-TUFS. The estimated month wise production of cotton yarn for the year 2020-21 (Apr –Jan 2021) is given in Annexure.

The average domestic price of cotton is cheaper by around 14% during the current cotton season as compared to the International cotton price. India is one of the largest exporters of cotton in the World. China, Vietnam, Bangladesh are not cotton exporting countries, but cotton importing countries.

In order to work out annual sourcing plan under "Fabric forward Policy initiatives, India, Bangladesh Textile Industry Forum (IBTIF) has been institutionalized.

This information was given in a written reply by the Union Minister of Textiles, Smt. SmritiZubinIrani in LokSabha today.

Monthwise estimated production of Cotton Yarn(Provisional)

Month	Production (in Million Kg)
April 2020	229.60
May 2020	251.41
June 2020	280.57
July 2020	285.08
August 2020	290.94
September 2020	313.73
October 2020	337.63
November 2020	316.79
December 2020	321.09
January 2021	318.42

Source: pib.gov.in– Mar 19, 2021

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Exports from the Manufacturing Sector

Major commodity-group wise data on merchandise exports in last five years is at Annexure.

The Government has taken the following key steps to boost exports:

- The mid-term review of the current Foreign Trade Policy (2015-20) was carried out in December 2017.
- Foreign Trade Policy (2015-20) extended by one year i.e. upto 31-3-2021 due to the COVID-19 pandemic situation.
- Interest Equalization Scheme on pre and post shipment rupee export credit has also been extended by one year i.e. upto 31-3-2021.
- A new Scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), has been launched.
- Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase FTA utilization by exporters.
- A comprehensive "Agriculture Export Policy" to provide an impetus to agricultural exports related to agriculture, horticulture, animal husbandry, fisheries and food processing sectors, is under implementation.
- Promoting and diversifying services exports by pursuing specific action plans for the 12 Champion Services Sectors.
- Promoting districts as export hubs by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
- Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- Package announced in light of the covid pandemic to support domestic industry through various banking and financial sector relief measures, especially for MSMEs, which constitute a major share in exports.

India's major commodity groups-wise export during last five years Click here for more details

Source: pib.gov.in- Mar 19, 2021

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Revival of Textile Industry After Covid

The global pandemic of Covid-19 affected various industrial sectors in the country including the textile sector. The government has taken following initiatives/ measures to help ameliorate the conditions in textile sector to boost production, marketing and job opportunities in the sector on pan-India:

- In order to make the textile sector competitive by rebating all taxes/levies in international market, the Government has decided to continue the RoSCTL (Rebate of State and Central Taxes and Levies) scheme until such time the RoSCTL scheme is merged with Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. For this purpose, the Government has approved adhoc allocation of funds of Rs. 7398 crore for FY 2020-21 for issuance of duty credit scrips under RoSCTL scheme.
- Further, in order to boost exports in MMF sector, Government has removed anti-dumping duty on PTA (Purified Terephtallic Acid), a key raw material for the manufacture of MMF fibre and yarn and also on Acrylic fibre, a raw material for yarn and knitwear industry.
- The Government has announced a special economic package viz. AatmaNirbhar Bharat Abhiyaan for boosting economy of the country and making India self-reliant. Relief and credit support measures have been announced for various sectors. The weavers & artisans of textile sector can avail benefits of these relief and credit support measures to revive their businesses which have suffered due to lock down necessitated by Covid-19 pandemic.
- Textile and garment manufacturers all over the country contributed to the growth of PPE industry and India became globally the second largest manufacturer of PPEs. As per estimates based on inputs provided by the industry, the country has manufactured nearly 6 crore PPE body coveralls and 15 crore N-95 masks during April to December 2020 period (as per data available). Nearly 1100 manufacturers had registered for PPE Body Coveralls and more than 200 manufacturers for N-95 mask manufacturing. The average market size of this newly created industry is around Rs. 7000 crores.
- 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.

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

Source: pib.gov.in- Mar 19, 2021

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India's Trade Performance during COVID-19 Period

India's overall (merchandise and services) export was US$ 394.96 billion during 2020-21 (April-January) as compared to US$ 443.24 billion during 2019-20 (April-January), i.e. a negative growth of 10.89%.

During 2020-21 (April-January), India's overall import was US$ 400.84 billion as compared to US$ 514.57 billion during 2019-20 (April-January), i.e. a negative growth of 22.10%. India's overall trade deficit was US$ 5.88 billion during 2020-21 (April-January) as compared to US$ 71.33 billion in 2019-20 (April-January), with a high reduction of trade deficit of US$ 65.45 billion.

In order to increase the production and exports of Pharma, Agriculture, Automobile, and Defence items and to re-energize India's trade performance, some of the key steps taken are:

- A comprehensive "Agriculture Export Policy" to provide an impetus to agricultural exports is under implementation.
- Product specific Export Promotion Forums (EPF) for eight high potential agri- products i.e. Grapes, Mango, Banana, Onion, Rice, Nutri-Cereals, Pomegranate, Floriculture and Plant material have been created to promote export of identified products in a focused manner.
- Subsidy is provided under Operation Greens scheme for transportation of fruits and vegetable through Kisan Rail.
- Trade Infrastructure for Export Scheme (TIES), Market Access Initiatives (MAI) Scheme and Transport and Marketing Assistance (TMA) have been launched to promote trade infrastructure and marketing.
- Assistance to the exporters of agricultural products is made available under the export promotion schemes of Agricultural and Processed Food Products Export Development Authority (APEDA), Marine Products Export Development Authority (MPEDA), Tobacco Board, Tea Board, Coffee Board, Rubber Board and Spices Board.
- Production-Linked Incentive (PLI) Scheme for 13 sectors- 3 sectors in March, 2020 and 10 sectors in November, 2020 with an outlay of Rs 1.97 lakh crore has been launched to provide a major boost to manufacturing. These sectors are (i) Automobiles and Auto Components, (ii) Pharmaceuticals Drugs, (iii) Specialty Steel, (iv) Telecom & Networking Products, (v) Electronic/Technology

Products, (vi) White Goods (ACs and LEDs), (vii) Food Products, (viii) Textile Products: MMF segment and technical textiles, (ix) High efficiency solar PV modules, and (x) Advanced Chemistry Cell (ACC) Battery (xi) Medical devices (xii) Large scale electronics manufacturing including mobile phones (xiii) Critical Key Starting Materials (KSMs) /Drug intermediaries and Active Pharmaceutical Ingredient (API).

- Scheme for promotion of Bulk Drug Parks to provide grant-in-aid to 3 Bulk Drug Parks has been launched for creation of Common Infrastructure Facilities (CIF).
- Export authorisation procedures have been streamlined through introduction of online procedures and portals for promotion of exports of Indian defence products.
- A scheme for export promotion of Indian Defence Equipment manufactured in India has been rolled out.
- Subject to strategic considerations, domestically manufactured defence products are promoted through Lines of Credit/Funding; Defence Lines of Credit (LOCs) are extended to sovereign governments to enable buyers in those countries, to import goods and services from India.
- A new category of capital procurement “Buy (Indian-IDDM (Indigenously Designed, Developed and Manufactured))” has been introduced in Defence Procurement Procedure (DPP) - 2016 to promote indigenous design and development of defence equipment.
- The ‘Make’ procedure of capital procurement has been simplified. There is a provision for funding of 90% of development cost by the Government to Indian industry under Make-I category. In addition, there are specific reservations for MSMEs under the ‘Make’ procedure. Separate procedure for ‘Make-II’ category (Industry funded) has been notified under Defence Procurement Procedure 2016 to encourage indigenous development and manufacture of defence equipment.
- The Government of India has enhanced FDI in Defence Sector up to 74% through the Automatic Route for companies seeking new defence industrial license and up to 100% by Government Route.
- Foreign Trade Policy (2015-20) has been extended by one year i.e. upto 31-3-2021 due to the COVID-19 pandemic situation.
- Interest Equalization Scheme on pre and post shipment rupee export credit has also been extended by one year i.e. upto 31-3-2021.
- A new Scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), has been launched.

- Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase FTA utilization by exporters.
- Promoting and diversifying services exports by pursuing specific action plans for the 12 Champion Services Sectors.
- Promoting districts as export hubs by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
- Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.

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

Source: pib.gov.in- Mar 19, 2021

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International Retailers for Garments

To attract leading international retailers for sourcing their garment and home textiles requirements from India, the Consolidated FDI Policy Circular 2020 provides 100% FDI in Single Brand Product Retail Trading and upto 51% FDI in Multi Brand Retail Trading, subject to certain conditions.

India Bangladesh Textile Industry Forum (IBTIF) has been institutionalized in order to work out annual sourcing plans under 'Fabric Forward Policy' initiative. The 1st meeting of IBTIF was held on 4-5 February, 2020 under the leadership of Secretary (Textiles).

Ministry of Textiles has conducted a Symposium with Textile Export Promotion Councils and other industry stakeholders for finalizing a list of potential textiles and apparel export products for which exports can be enhanced. The list of potential export products were shared with the Indian Missions abroad for identification of potential buyers in the respective countries.

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

Source: pib.gov.in- Mar 19, 2021

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Exporters may have to wait longer to get RoDTEP benefits

Exporters will have to wait longer to get incentives under the new Remission of Duties and Taxes on Export Products (RoDTEP) scheme.

Sources privy to the development said differences between the Commerce and Finance Ministries over the quantum of benefits to be released under the scheme is expected to delay finalisation of refund rates for various product categories, affecting finalisation of contracts by exporters.

The new scheme, which replaced the MEIS (Merchandise Exports from India Scheme), is applicable with effect from January 1, 2021. But in absence of rate of benefits finalised by the Commerce Ministry, exporters continue to remain in dark, resulting in delays in also a few export bound shipments, said some exporters who did not want to be named.

Sources said that the G.K. Pillai panel set to finalise rates under the scheme for thousands of products has suggested a design that may raise annual RoDTEP benefits to the tune of Rs 30,000 crore.

The Finance Ministry, sources said, wants the annual benefits to be capped at around Rs 13,000-15,000 crore. This has prevented the Commerce Ministry from finalising the scheme as comments from the Revenue Department had not yet been received.

The government has budgeted only Rs 13,000 crore for the RoDTEP scheme for FY22, which is way below the scheme's initial estimated annual cost of Rs 50,000 crore. Also, it is only a third of the Rs 39,097 crore the government approved for exporters in FY20 under the MEIS for many sectors.

Industry experts and former ministry officials said that with the government's focus on productivity linked incentives (PLIs) and other stimulus measures announced as part of Atmanirbhar Bharat package, RoDTEP may have to be operationalised with a smaller budget.

The RoDTEP is designed to reimburse the input taxes and duties paid by exporters, including embedded taxes, such as local levies, coal cess, mandi tax, electricity duties and fuel used for transportation, which are not exempted or refunded under any other existing scheme.

The scheme was brought about with the intention to boost exports which were relatively poor in volume previously.

A smaller budget for it would mean that sectors outside the textiles would be left with little or no benefits. As the reimbursement scheme for the textiles sector, RoSCTL, will get subsumed in RoDTEP once it is launched, an estimated outgo of Rs 7,500 crore will have to be set aside only for it.

Source: smetimes.in- Mar 19, 2021

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Synthetic Yarn

To boost exports, Government of India has announced a scheme namely "Scheme for Remission of Duties and Taxes on Exported Products', (RoDTEP) to all export goods, including textiles and garments with effect from 1st January, 2021. Further, in order to boost exports in Man-Made Fibre (MMF) sector, Government of India has removed santi-dumping duty on PTA, a key raw material for the manufacture of MMF fibre and yarn. Government has also removed anti-dumping duty on acrylic fibre, raw material for yarn and knitwear industry. Assistance is also provided to exporters under Market Access initiative (MAl) Scheme.

As per Nielsen baseline survey of Powerloom industry conducted during 2012-13, 24.86 lakh Powerloomswereinstalled in the country. The location-wise details is in ANNEXURE-I. As per 4th All India Handloom Census (2019-20), there are 28,23,382 handlooms across the country on which handloom cloth/products are manufactured using varieties of yarn. A statement showing state-wise number of handlooms is at ANNEXURE-II.

The details of funds allocation/expenditure under major schemes in the last three years and till date are atANNEXURE-III.

This information was given in a written reply by the Union Minister of Textiles, Smt. SmritiZubinIrani in LokSabha today.

Number of Powerlooms across the country.

STATE	TOTAL LOOMS
UP	190874
RAJASTHAN	22980
HARYANA	25510
PUNJAB&HP,J&K	14511
MP	39979
NORTHZONETOTAL	**293854**
GUJARAT	524102
MAHARASHTRA	948891
CHATTISGARH	166
WESTZONETOTAL	**1473159**
ORISSA	1793
WB	12690
BIHAR	20511
ASSAM/NE	464
EASTZONETOTAL	**35458**

TN	562513
AP	48176
KARNATAKA	68795
KERALA	4463
SOUTHZONETOTAL	**683947**
ALLINDIA	**2486418**

No. of Handlooms across the country		
SN	**State**	**No. of Handlooms**
East Zone		
1	Arunachal Pradesh	99454
2	Assam	1248806
3	Bihar	8447
4	Jharkhand	8607
5	Manipur	216192
6	Meghalaya	43220
7	Mizoram	22875
8	Nagaland	70089
9	Odisha	48161
10	Sikkim	132
11	Tripura	166050
12	West Bengal	283404
	Total East Zone	**2215437**
West Zone		
13	Chhattisgarh	12743
14	Gujarat	9903
15	Goa	16
16	Madhya Pradesh	12069
17	Maharashtra	4354
	Total West Zone	**39085**
North Zone		
18	Delhi	2498
19	Haryana	11759
20	Himachal Pradesh	15202
21	Jammu & Kashmir	14750
22	Punjab	758
23	Rajasthan	6446
24	Uttrakhand	7368
25	Uttar Pradesh	124242
	Total North Zone	**183023**
South Zone		
26	Andhra Pradesh	93375
27	Karnataka	24071
28	Kerala	31619
29	Pudducherry	929

30	Tamil Nadu	218748
31	Telangana	17095
	Total South Zone	**385837**
	Grand Total	**2823382**

Details of Funds allocated and Expenditure under various Textile Sector Schemes

(Rs. in crores)

Textile Sector	2017-18			2018-19			2019-20			2020-21		
Name of the Scheme/ Project/ Programme	**BE**	**RE**	**Exp**	**BE**	**RE**	**Exp**	**BE**	**RE**	**Exp**	**BE**	**RE**	**Exp Upto 17.03.21**
Handloom	604	70.28	68.98	96.09	00.59	34.33	456.8	45.94	85.02	475	336	297.85
Handicrafts	289.7	29.82	17.06	98.42	40.61	95.20	86.17	32.31	82.16	98.21	84.77	235.59
Wool	32	25	29.14	11.45	5.3	3.3	29	29	16.5	20	10	9.33
Silk	575	600	542.5	10.61	00.61	01.29	740	65.45	87.61	810	650	650
Powerloom	161.76	115.5	14.91	12.15	06.18	91.90	59.08	52.78	41.53	140	60	49.63
Jute	97.52	35.92	49.18	28.14	28.04	28.00	34.55	84.55	04.42	36.53	71.5	54.25
Technology Upgradation Funds Schemes (TUFs)	2013	1956	04.95	2300	22.63	15.68	700	94.37	317.9	61.90	545	502.77
Research & Capacity Building	272.99	153.2	51.72	52.09	93.99	50.25	42.24	82.66	49.45	27.01	195	142.68
North Eastern Textiles Promotion	245	245	259.8	112.6	112.6	65.71	125	26.01	17.21	35.60	42.4	16.45
Total	**4290.97**	**30.72**	**38.24**	**21.55**	**10.55**	**85.66**	**72.84**	**13.07**	**01.80**	**04.25**	**94.67**	**1958.55**

Source: pib.gov.in- Mar 19, 2021

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Punjab agriculture department to add 50,000 hectares under cotton cultivation in Malwa

Keeping in view a bumper production in 2020 and no major pest outbreak in the crop for the last five years, the Punjab agriculture department has decided to add 50,000 hectares under cotton cultivation in the Malwa region this year.

This will be an increase of 10% over the current area of 5 lakh hectares. The sowing for the major cash crop in eight semi-arid districts of the region will start from next month.

Experts say as farmers received good rates for their produce and global and domestic demand of raw cotton is increasing, more growers will be motivated to diversify towards the cash crop. If the state authorities manage to achieve the set target, it will be the highest since the 2010 season of 5.16 lakh hectares.

State agriculture director Sukhdev Sidhu said, “Cotton sowing will start from April 1 and the department is planning to increase area under the traditional kharif crop. We have put all arrangements in place to meet the target and 25 lakh packets of seeds will be made available to farmers.”

While cotton sowing commences in the first week of April in the mustard-growing areas, but the bulk is done after April 15 when wheat is harvested in the region.

“In the wake of an incident of deadly pink bollworm in Bathinda last year that infested nearly 100-acre land, cotton ginning and pressing units, key source of such infestations, have been instructed to follow the protocol to complete processing by March-end and destroy the waste immediately,” said Sidhu.

Officials said the direct payment mode adopted by Cotton Corporation of India (CCI) was successful for the last two consecutive years under which more than ₹2,000 crore, including ₹1,525 crore in 2020-21, was paid to the cotton growers.

Paramjit Singh, director, Punjab Agriculture University (PAU) regional research station, Bathinda, said the first step will involve removing weeds like ‘kanghi buti’, ‘peeli buti’, ‘puth kanda’, ‘dhatura’ and ‘bhang’ that grow on field bunds, wasteland, roadsides and irrigation channels/canals through community participation.

“In the last two seasons, weed removal proved immensely beneficial in keeping the whitefly pest at bay. Coordinated efforts by agriculture scientists, extension teams and farmers resulted in a disease-free season in 2020. It will encourage the farmers to go for cotton in a bigger way,” he added.

Mandi board cotton state coordinator Rajnish Goel said till March 17, at least 41 lakh quintal cotton was purchased and farmers were paid up to ₹6,270 for a quintal, which is ₹545 above the minimum support price (MSP).

Goel said in 2020, the average yield was close to 833kg lint per hectare whereas it was recorded 800kg in 2019.

In 2015, cotton yield dropped to a low of 197kg lint per hectare due to whitefly attack. The crop yield in the Malwa belt was 756kg; 750kg and 778kg from 2016 to 2018.

“Amid the coronavirus scare in 2020-21, the CCI played an important role by purchasing a record 24 lakh quintals on MSP. Timely announcement by the central government on increasing the MSP will lead to increase in the area under cotton,” he said.

Source: hindustantimes.com- Mar 20, 2021

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Promotion of Startups

Startup India is a flagship initiative of the Government of India launched on 16th January 2016. The initiative aims at fostering entrepreneurship and promoting innovation by creating an ecosystem that is conducive to growth of Startups.

Since the launch of Startup India initiative, a total of 44,766 Startups have been recognized by DPIIT as on 14th March 2021. States/UTs wise breakup of DPIIT recognized startups is at Annexure-I.

ANNEXURE – I

Recognized Startups under Startup India initiative – State/UT-wise

States	Total
Maharashtra	8353
Karnataka	5999
Delhi	5587
Uttar Pradesh	3880
Gujarat	2622
Haryana	2495
Telangana	2462
Tamil Nadu	2338
Kerala	2049
Rajasthan	1350
West Bengal	1274
Madhya Pradesh	1268
Odisha	815
Andhra Pradesh	724
Bihar	697
Chhattisgarh	528
Jharkhand	408
Punjab	392
Uttarakhand	356

States	Total
Assam	330
Jammu and Kashmir	192
Goa	186
Chandigarh	167
Himachal Pradesh	106
Puducherry	44
Manipur	42
Tripura	34
Andaman and Nicobar Islands	16
Nagaland	16
Dadra and Nagar Haveli and Daman and Diu	13
Meghalaya	9
Arunachal Pradesh	4
Mizoram	4
Sikkim	4
Ladakh	1
Lakshadweep	1
Total	**44766**

Source: pib.gov.in- Mar 19, 2021

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Reset with Bangladesh

Prime Minister Narendra Modi's Bangladesh trip next week will be his first foreign foray since the pandemic outbreak. Considerable diplomatic significance is attached to the fact Bangladesh heads Modi's must-visit list and that he'll be in Dhaka for that country's golden-jubilee independence celebrations.

Barring a few blips, bilateral ties have moved forward apace since Prime Minister Sheikh Hasina Wazed took power a decade ago and, particularly since 2015 when the two sides settled their long-standing boundary dispute. Both sides are keen to boost rail, road and waterway links, which would benefit India's north-east States.

One confidence-building measure has been the opening of the Maitri Setu linking Tripura with Bangladesh that brings India's north-east closer to Chattogram and other Bangladeshi ports. To improve relations at the local level, several haats, or markets, have also been opened at border locations where trade is conducted in rupees and takas. More haats could be announced during the March 26-27 visit. There may also be progress toward launching talks on a Comprehensive Economic Partnership Agreement (CEPA).

Bangladesh's economy, pegged by the World Bank to grow at 1.6 per cent in 2020-21 (July-June), is expected to rebound to 3.4 per cent in 2022. India's top corporate houses, especially in sectors such as automobiles (the Hero Group, Ashok Leyland and Tata Motors) have set up shop there.

There had been huge plans for Indian involvement in Bangladesh's power sector but prospects have dimmed due to a recent power surplus. When it comes to trade, India, unsurprisingly, enjoys a large surplus, a situation that Bangladesh would like remedied. One suggestion has been that India should import more Bangladesh-made garments but domestic producers have opposed such moves.

On the NRC and the Citizenship Amendment Act, Bangladesh has conveyed its displeasure. Several ministerial visits were postponed by both sides. Modi's trip is expected to dispel misgivings. India has sent two million doses of Covid vaccines free as a goodwill gesture. Its intent is to counter an assertive China's drive for greater influence in the country.

China is investing in Chattogram port and also developing Kyaukpyu port in Myanmar's Rakhine state, in the process attempting to strengthen its position in the Bay of Bengal. Dhaka is part of Beijing's Belt and Road Initiative.

However, China doesn't appear to have succeeded in outmanoeuvring India, at least until now. That said, New Delhi must ensure that long-term ties don't depend on one leader. Bangladesh's strategic location provides a link between South Asia and Southeast Asia. India should build stronger bridges to maintain its eastward thrust.

Source: thehindubusinessline.com- Mar 19, 2021

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Forex reserves rise by USD 1.739 bn to USD 582.037 billion

The country's foreign exchange reserves increased by USD 1.739 billion to USD 582.037 billion in the week ended on March 12, the RBI data showed.

In the previous week ended March 5, the reserves had declined by USD 4.255 billion to USD 580.299 billion. The reserves had touched a record high of USD 590.185 billion in the week ended January 29, 2021.

In the reporting week ended March 12, the rise in reserves was on account of an increase in foreign currency assets (FCA), a major component of the overall reserves. FCA rose by USD 1.409 billion to USD 541.022 billion, Reserve Bank of India's (RBI) weekly data showed.

Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

After declining in the last week, the gold reserves increased by USD 336 million to USD 34.551 billion in the report week.

The special drawing rights (SDRs) with the International Monetary Fund (IMF) fell by USD 4 million to USD 1.501 billion in the reporting week. The country's reserve position with the IMF declined by USD 2 million to USD 4.963 billion in the reporting week, the data showed.

Source: financialexpress.com- Mar 18, 2021

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Avoid frequent tweaks to e-comm FDI policy, industry tells govt

Amazon, Flipkart to submit their views on policy on March 25

In a meeting with officials of the Department for Promotion of Industry and Internal Trade (DPIIT) on Friday, industry representatives urged the government not to bring about frequent changes in the policy framework for Foreign Direct Investment (FDI) in e-commerce to ensure stability in terms of investment outlook, sources said.

The Centre, which is holding a series of stakeholder consultations on the existing FDI policy for e-commerce and its possible tightening to close 'loopholes', is scheduled to next meet e-commerce companies such as Amazon and Flipkart on March 25. During the meeting, the companies will get the opportunity to put forward their views on the matter, an official told BusinessLine.

"It is important to get the views of all stakeholders on the sensitive matter on FDI rules for e-commerce. The government wants to take a decision weighing all pros and cons," the official said.

Following complaints from certain sections of the industry including traders' body CAIT, the DPIIT is looking into whether e-commerce companies with FDI such as Amazon and Flipkart are flouting existing rules which allow them to operate only as a marketplace and not sell their own products through their online platforms.

CAIT participated in the first stakeholder meeting that DPIIT held with retailers and traders on March 17 where it underlined that companies and affiliates of foreign marketplace entities should not be allowed to sell their products on the marketplace platform, directly or indirectly, owned and/or controlled by the marketplace entity.

The meeting held by DPIIT officials on Friday was attended by various industry chambers and bodies such as CII, FICCI, PHDCCI, Nasscom, IAMAI and Assocham. Representatives of the industry bodies are learnt to have highlighted the role of the e-commerce industry in job creation, easier market access for MSMEs and efficiencies in the supply chain ecosystem. Some industry representatives also urged government officials to not bring in frequent changes in the policy framework to ensure stability in terms of the investment outlook, sources added.

A meeting with representatives of various Ministries and Departments that have an interest in e-commerce policy including consumer affairs, food processing, commerce, is also likely next week.

In an inter-ministerial meeting convened by the DPIIT on March 13, a draft e-commerce policy proposing additional restrictions on FDI in e-commerce to check existing loopholes was reportedly discussed.

Source: thehindubusinessline.com– Mar 19, 2021

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Indo Count plans brownfield expansion with capex of Rs 200 crore

Indo Count Industries announced its the board of directors has approved expansion of its bed linen capacity by about 20% from its existing annual capacity of 90 Mn meters by debottlenecking and balancing its facilities.

Further, it proposes to make a brownfield investment for adding commensurate cut & sew facilities and for enhancing the capacity for Top of the Bed (TOB) products. This will entail a capex of about Rs. 150 crore. The total capex will be about Rs. 200 crores and will be funded by a mix of internal accruals and debt and is expected to be operational in H2 of FY 2022.

The existing spinning unit of the company will also be modernized with compact spinning technology. This will entail a capex of about Rs. 50 crores. Post modernization, this capacity will also be used for captive consumption in the home textiles unit.

These investments are expected to increase the revenue by about Rs. 600 crores over the next 2 years, post commissioning.

Anil Kumar Jain, Executive Chairman of Indo Count Industries said, the investment in modernization and technological upgradation will further enhance the company's product offering capabilities to customers and grow the market share of the company in bedding products category.

The announcement was made after market hours yesterday, 18 March 2021. Shares of Indo Count Industries fell 3.8% to settle at Rs 113.80 yesterday.

Indo Count Industries is one of India's largest Home Textile manufacturer.

Source: business-standard.com – Mar 19, 2021

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